

Parliamentary Briefing: How are older people managing the cost of living in a time of rising energy prices?

March 2025

Overview

Keeping warm and safe at home is vital for a comfortable, happy and healthy later life. But, new polling set out in Age UK's report '[Back to cutbacks: How older people are managing the cost of living in a time of rising energy prices](#)' indicates that **large numbers of older people are struggling with the cost of living and, in particular, the cost of heating their home.**

For many, things have worsened over the past year. In some cases, affording to pay for essentials is almost as difficult as at the height of the cost of living crisis in January 2023. Certain groups, including **older people with a disability, older people on low-to-modest incomes and older renters, are facing particular difficulties.** Those receiving means-tested benefits are also more likely to struggle, suggesting that such support is not fully meeting people's basic needs.

That so many older people are struggling – living in a cold home, worried about paying their bills and feeling financially insecure – is unacceptable. **The Government must bring forward targeted support for struggling older people** to improve their ability to afford the basics and remain warm and well at home. We recommend that it looks at energy social tariffs, the Warm Homes Plan, the Warm Home Discount Scheme and reviewing Pension Credit (PC) as methods of achieving this.

How is the cost of living affecting older people?

In January 2025, Age UK commissioned nationally representative polling of people aged 66+ in the UK against the backdrop of high energy prices (more than 50% higher in April 2025 than at the beginning of 2022¹), high prices for everyday goods and the ending of Cost of Living payments and the Winter Fuel Payment for many pensioners.

The findings paint a stark picture of life for many older people:

1. Many older people are 'still' struggling with the cost of living, with the situation worse than last year

- **One in 3 (34%) older people said they felt less financially secure heading into 2025 compared to when 2024 began** – equivalent to 4.1 million people.

Certain groups are particularly struggling:

- Nearly half (48%) of older people with a disability have had to cut back on heating or powering their home.
- Almost half (45%) of older people in a household with an income of less than £20,000 reported feeling less financially secure than last year.
- Four in 10 (38%) people aged 66+ who are private renters were worried about being able to pay their monthly rent.

2. Energy affordability dominates people's concerns about the cost of living

- **Nearly one in four (23%) said their home is colder than they would like it to be 'all the time' or 'most of the time'** – equivalent to 2.8 million people. This is an increase on the 17% giving the same answer in January 2024.
- **Four in 10 (41%) said they have cut back on heating or powering their home** – equivalent to 5 million people. People with a disability are among those groups of older people especially likely to cut back, with nearly half (48%) doing so.
- **44% said they were worried about the impact of energy prices on their health** – equivalent to 5.4 million people.

3. Millions of older people prefer to ration energy consumption to severe levels rather than go into debt with their energy supplier

- Of the four in 10 (41%) pensioners who have cut back on heating or powering their home, **three in five (59%) - equivalent to 2.9 million older people - would rather turn off their heating than get into debt.** This proportion is higher (65%) for pensioner women.
- **This concerns us immensely** and confirms what Age UK services are picking up via the national Advice Line and Age UK Network of local charities.

4. Older people receiving means-tested benefits are also more likely to struggle, suggesting that receiving such support doesn't fully meet people's basic needs

- **Nearly three in 10 (28%) older people receiving means-tested benefits said their home is colder than they would like it to be 'all' or 'most of the time'.**
- Four in ten (39%) older people receiving means-tested benefits said they are worried about being able to afford other essentials like food.

What older people have told us:

"My monthly payment for gas and electric takes more than my weekly pension. [I] heard that it will be rising again, along with my water bills. Living is a struggle, NOT what I imagined my later years would be." – Patricia, 76

"I struggle, I missed the deadline for [the] winter fuel [payment] as I still haven't received Pension Credit guaranteed. It's been 8 weeks now. It's cold but I have duvets and extra clothes. I would rather [not] eat than go into debt to pay heating." – Anonymous

"I am on palliative care for my cancer and need to keep warm. I do not want my elderly wife to be left in debt because of my having to have our house kept warm." – Anonymous

Key recommendations

Pensioner benefits

To ensure all pensioners have a decent income and access the benefits they are entitled to, the Government should commit to the following actions:

- **Develop a sustained and strategic approach to tackle persistently low take-up of PC** and other pensioner benefits. This should include increased data sharing and targeting of information, and an impactful merger between PC and Housing Benefit.
- **Review the steep eligibility cliff edge for PC.** Too many people just outside of eligibility are missing out on potentially life-changing support.
- **Continue to protect the State Pension triple lock.** The Government's pensions adequacy review should set the State Pension on a long-term sustainable path while ensuring it enables those reliant on the state pension to meet their basic needs.

Energy costs

The Government's proposalsⁱⁱ to expand the Warm Home Discount (WHD) scheme next winter are welcome. However, future energy price rises – including the £111 avg. rise in April 2025 – and the fact that the scheme is due to end in 2026 mean **a more effective long-term solution is needed.**

To tackle energy affordability, the Government should commit to the following actions:

- **Extend the WHD scheme from 2026-30** to provide the security of long-term support.
- **Implement an energy social tariff** which provides a unit-based discount of up to 50% for those most in need. An effective social tariff should automatically enrol eligible households and it should be mandatory for all suppliers to offer it.
- **Bring forward the Warm Homes Plan as soon as possible** and ensure those living in cold, damp and mouldy homes are prioritised for support.

Parliamentarians: What can you do now?

Parliamentarians have a key role to play in ensuring that the nature of current challenges, as well as the practical solutions needed to address them, are understood by Government. We suggest that the following things would have a large impact:

- **Meet with us** to discuss the cost of living for older people in more detail and learn how our policy recommendations would support your constituents.
- **Use the Chamber** to raise our latest findings. We are happy to support with drafting questions.
- **Write to the Minister** for Pensions and Minister for Energy Consumers to highlight our findings and policy recommendations.
- **Sign up as one of our Age Champions** and pledge to champion older people within Parliament and your constituency.
- **Join the APPG for Ageing & Older People** to work on cross-party issues affecting older people.

Get in touch

If you have any questions or would like to meet to discuss the issues outlined in this briefing further, please contact publicaffairs@ageuk.org.uk.

ⁱ [Retail market indicators | Ofgem](#)

ⁱⁱ [Expanding the Warm Home Discount Scheme, 2025 to 2026 | GOV.UK](#)