



February 2024

# **Cold at home: How winter cost of living pressures continue to impact older people**

And what more needs to happen to support them

# Contents

Key findings	03
Introduction and policy recommendations	04
Research findings	06
What impact have energy prices had on older peoples' wellbeing and health?	07
What impact has this had on their ability to pay the bills?	08
What is happening to older people without support from the benefits system?	09
What are older people cutting back on to try and make ends meet?	11
How have older people been stretching their incomes?	12
Are older people struggling to stay warm at home?	13
What policy interventions do older people want to see?	14
What is needed from the next Government?	17

# Key Findings

Cost of living pressures continue to stretch the household finances of older people. Age UK conducted two waves (January 2023 and January 2024) of polling to assess the impact. While our evidence suggests that some people have begun to adjust to the cost of living, for millions of older people the situation remains completely unmanageable:

- Almost half (48%) of people aged 60+ are still worried about their ability to heat their home and 45% are similarly worried about paying their bill – equivalent to 7.7 million and 7.2 million people respectively.
- More than two fifths (43%) report recently cutting back on heating or powering their homes – equivalent to 6.9 million older people cutting back on energy to make ends meet.
- More than a third (37%) of those aged 60+ are worried about the impact of cutting back energy use on their health.
- Close to a quarter (23%), or around 3.7 million, report cutting back on food and groceries.
- Around a fifth (21%) of people aged 60+ in Great Britain report that their home is too cold most or all the time, which equates to 3.4 million older people.
- Our estimates show 1.9 million older households in the UK will be living in fuel poverty across 2024, representing around one in six (16%) of all older households.
- In January 2024 one in ten (10%) older people had recently conducted a benefits check to see if they might be entitled to welfare support from the Government.
- 5% of those aged 60+, equivalent to 800,000 people, reported being unable to sleep at night because of energy prices.
- Around 800,000 (5%) older people, or a member of their household, have recently had to change their work habits to increase their income – this includes returning to the workforce or delaying their planned retirement.
- Almost 1 in 20 (4%) reported that they had recently left their home to keep warm, representing 640,000 people aged 60+ leaving their homes to seek warmth elsewhere.
- People living in a household with an income less than £20,000 per year and who were also not in receipt of means tested benefits have faced even steeper challenges.
  - Almost a third (29%) of them report that their home was too cold most or all the time – a much higher figure than for the older population overall.
  - They are also more likely to be worried about the impact of energy bills on their health (49%), ability to heat their home (59%) and affording wider essentials (47%).
  - This group was also much more likely to report feeling anxious about energy bills (40%) and having to cut back on food/groceries (34%), transport and vehicle costs (30%), and other household bills (18%).

# Introduction and policy recommendations

Cost of living pressures have stretched household finances to the brink, with millions facing the bleak reality that even with significant cutbacks their budgets simply won't cover the day-to-day essentials. While there are signs that the cost of living crisis is beginning to ease for some, we know for millions of older people 2024 looks set to be yet another year of rationing food, fuel, and wider essentials.

This report picks up from our previous tracker survey<sup>1</sup> and assesses how older people have been faring in the energy market with wider cost of living issues since January 2023. The latest wave<sup>2</sup>, conducted in January 2024, shows that 3.4 million people<sup>3</sup> aged 60+ report being too cold most or all the time in their homes, and 6.9 million recently cut back on heating or powering their homes to make ends meet. 3.7 million recently cut back on food and groceries.

Our evidence suggests that some people have begun to adjust to the cost of living but for millions of older people the situation remains completely unmanageable. In 2022/23 and 2023/24 the Government also provided significant support to help people pay their bills, including cost of living payments and pensioner cost of living payments. While this support will have protected some from the very worst of the crisis there are no plans to repeat these schemes in winter 2024/25. We are also particularly concerned about those on lower incomes who are not receiving means tested benefits as they have missed out on these cost of living payments.

Energy prices have been a key driver of the cost of living crisis. Our latest estimates show that even with prices expected to come down slightly this year there will still be 1.9 million older households in the UK living in fuel poverty<sup>4</sup> across 2024, representing around one in six (16%) of all older households in the UK<sup>5</sup>. Of this total 1.3 million are older households in the lowest fifth of equivalised after-tax household income, representing over one-third (36%) of such older households.

To address the ongoing issues created by this cost of living crisis we need to see a radical shift in attitudes towards energy, with a move towards seeing this as an essential right instead of merely a commodity. This will help stave off this crisis and protect those least able to pay from future price swings. To achieve this Age UK is recommending that all political parties commit to:

- Directly fund a targeted energy deal, or 'social tariff', which markedly discounts energy costs for those of all ages at greatest risk from the cold.
- Maintain the State Pension triple lock for the duration of the coming Parliament.
- Increase benefit take up, including Pension Credit, through publicity and changes which mean there is less reliance on individuals navigating complicated systems.
- Ensure benefits are sufficient to cover essential costs for all groups and are increased annually at least in line with rising prices.
- Radically expand and improve national insulation and heating system improvement schemes, with priority for those on lower incomes and with higher heating needs.

- Reintroduce the Household Support Fund<sup>6</sup>, ensuring it becomes a longer-term support mechanism targeted at those in greatest need.
- Extend the ban on forced pre-payment meter installations to anyone above State Pension age.
- Create one Priority Services Register<sup>7</sup> across all utilities to make it easier for people to register for priority support.

This report uses data from our two waves of polling alongside personal accounts to make the case for these reforms by shedding light on the difficult decisions some older people are now routinely forced to make. With the Spring Budget and 2024 General Election fast approaching we hope policy makers from all political parties will take heed and act to help older people remain warm and safe in their homes.

# Research Findings

Age UK conducted two waves of research into the impact of the cost of living crisis on older households and how they relate to the ongoing issues older people face in the energy market, with the first wave taking place in January 2023<sup>8</sup> and the second in January 2024<sup>9</sup>. Both waves consisted of a representative sample of 2,700 people aged 60+ living in Great Britain with the majority of respondents completing online and a smaller group being offered a telephone interview<sup>10</sup>. For both surveys we asked the same questions so we could look at changes between the two waves. With permission, we have also incorporated the stories of older people<sup>11</sup> and their experiences in the energy market throughout this report.

Cost of living pressures have changed between the two surveys. When the first wave of our polling was conducted in January 2023 the typical annual energy bill was around £2,500<sup>12</sup> and inflation was running at 10.1%<sup>13</sup>. For our January 2024 wave the typical annual energy bill was £1,928<sup>14</sup> and the latest inflation figures (data for December 2023) suggest inflation was around 4.0%<sup>15</sup>. In both 2022/23 and 2023/24 the Government provided additional support in response to the crisis, including cost of living payments and more generous Winter Fuel Payments, but this year there has been no repeat of the near universal £400 energy bill rebate we saw in winter 2022/23.

With this context in mind our latest wave shows that the impact of the cost of living and energy crisis is beginning to ease for some. This is certainly welcome news for those older people who have faced an extended period of unmanageable price increases. For the overall older population key indicators, such as levels of anxiety, fear around the impact of energy prices on their health, and coping strategies like cutting heat and power, have all shown a reduction compared with January 2023. However, the data also clearly shows that the crisis is still ongoing for a significant minority of older people.

**Anonymous, age 75+: “I am extremely worried that my income will not cover my monthly bills and that I will have to revert to using my ever-dwindling savings”.**

Results<sup>16</sup> show that a significant minority of older people continue to feel distressed and concerned for their ability to make ends meet. Around a fifth (21%) report that their home is too cold most or all the time, which equates to 3.4 million older people<sup>17</sup> struggling to keep warm at home.

Certain groups face even greater difficulties, and we are particularly worried about those on lower incomes who are not in receipt of means tested benefits. To assess the impact on this group we used our most recent data to look at people living on household incomes below £20,000 a year who are also not in receipt of means tested benefits. In 2024 almost a third (29%) of this group reported that their home was too cold most or all the time – a much higher figure than for the older population overall. We provide further detail on this group and the issues they face on [page 9](#).

One important ongoing theme is that a clear majority of the older population still support Government intervention to help people with their essential costs. While support for some specific policy options has waned slightly, the overarching message remains the same – the vast majority of older people want to see the Government putting in place solutions to ensure that energy is always affordable for those struggling to make ends meet.

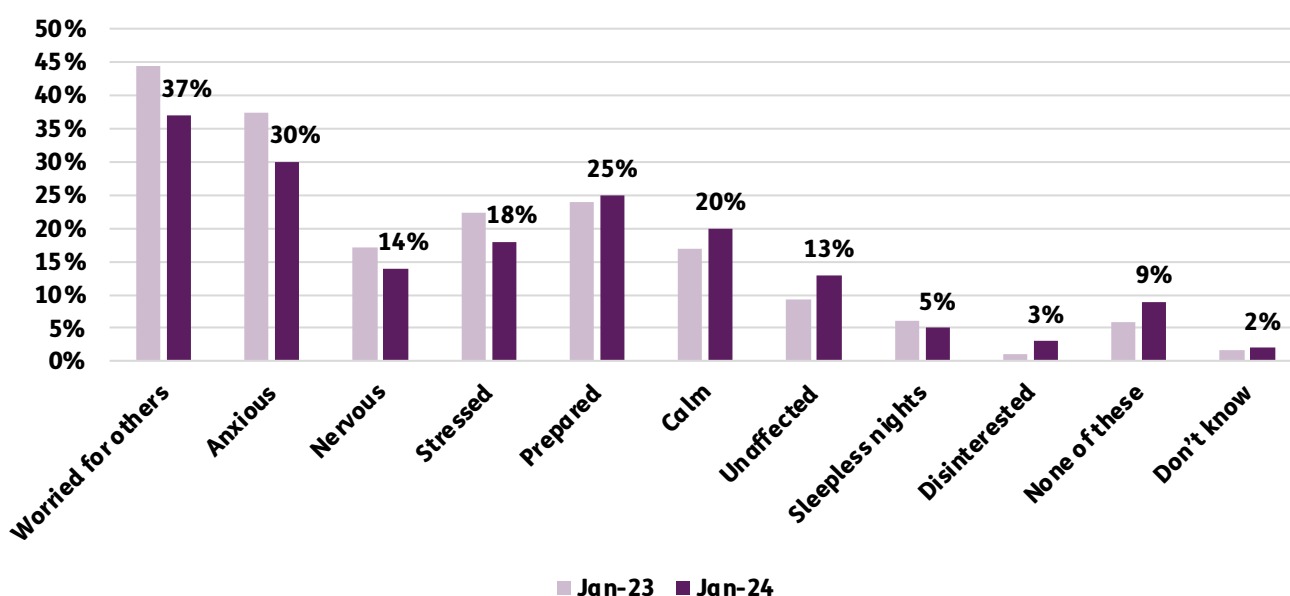
## What impact have energy prices had on older peoples’ wellbeing and health?

**Anonymous, age 65+: “Our savings are dwindling, and these were to cover funeral costs. But as both my husband and I have tried to reduce our energy bills as much as we can, we both have on-going chronic conditions, we need the warmth to stay well”.**

As part of this research, we asked participants how they felt about energy prices (see figure 1). The results show that anxiety, stress, nervousness, and concern for others continue to be common themes reported by respondents, but the level of concern has dropped slightly since 2023.

We think there are several reasons for this. Firstly, the Government honoured its commitment to the triple lock, meaning that the State Pension will increase by 8.5% from April. Combined with last year’s 10.1% increase this likely provided much needed reassurance. On top of this, the cost of living payments the Government delivered in 2023/24 have been more generous than in 2022/23, with people receiving a qualifying means tested benefit getting up to £900 instead of last year’s £650. Energy prices are also nominally cheaper than last year, while in recent months inflation has slowed, meaning that overall older people may be feeling less concerned about their financial future than 12 months previously.

**Figure 1: Percentage of respondents who chose each option when asked ‘Thinking about energy prices at the moment, which, if any, of the following explain how you are currently feeling?’.**

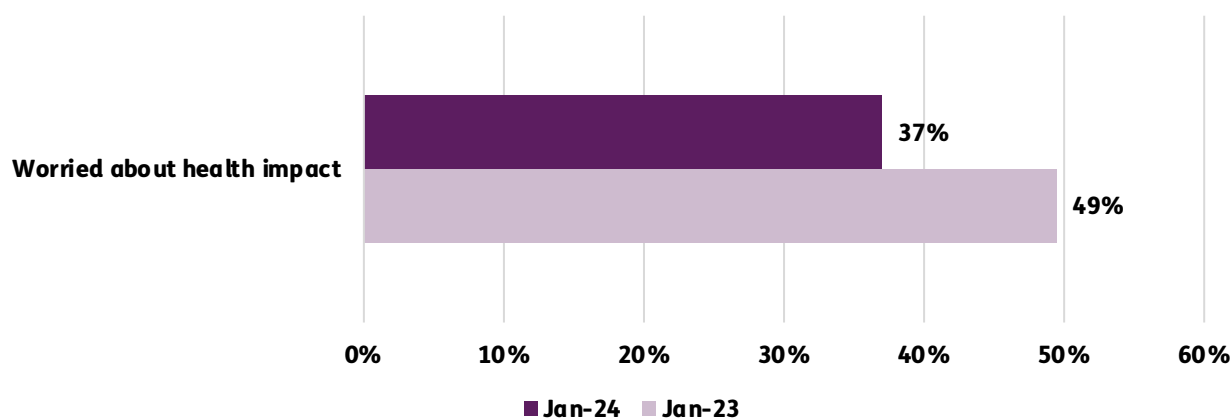


Multiple choice. Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2nd and 12th of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

Nevertheless, for a significant minority the data clearly points to ongoing concerns. Close to a third (30%) of older people reported feeling anxious about energy prices in January 2024. 5% of older people, or 800,000<sup>18</sup>, also reported being unable to sleep at night because of energy prices. Sleepless nights and severe stress have been common themes throughout this crisis and while it is positive to see the situation improving overall the cost of energy and wider essentials continues to cause great distress.

Respondents were also asked about how worried they were about rising energy prices impacting their health. In January 2024 more than a third (37%) of those aged 60+ reported being worried about the impact of cutting back energy use on their health. That’s 5.9 million older people concerned about their health as a result of energy prices. In January 2023 the figure was closer to half (49%). Figure 2 displays the results.

**Figure 2: Percentage of respondents who stated that they were ‘somewhat’ or ‘very worried’ when asked ‘thinking about energy prices at the moment, how worried, if at all, are you about each of the following?: The impact of energy prices on my health’.**



Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2nd and 12th of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

Our latest results show that means tested benefit recipients were far more concerned for the health impacts of energy prices, with 52% of them being somewhat or very worried. Higher than average health concerns were also voiced by carers (47%) and people with disabilities (46%) and long-term health conditions (42%).

## What impact has this had on their ability to pay the bills?

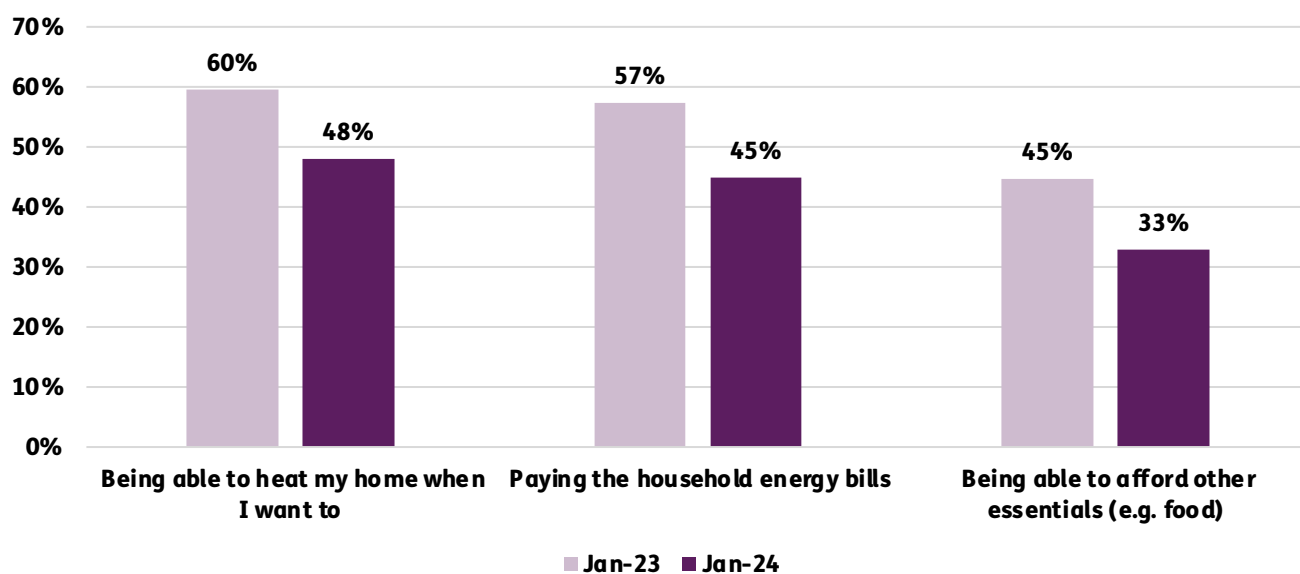
**Anonymous, age 75+: “I have cut down on heating and having the lights on. I only have the heating on when it is extremely cold, I sit with a blanket over me or go to bed. I only do washing every two or three weeks, a shower once a week, and only in there for two minutes, only have the kettle on a couple of times a day for a hot drink and eat salads and sandwiches so I don’t have to have the electricity on for the cooker or microwave. I wash my hair once a week to save on water and using the hair dryer and avoid having to iron anything that is washed”.**



Respondents were also asked about how worried they were about rising energy prices impacting their ability to heat their home, pay their energy bill, and afford wider essentials. The results can be found in figure 3.

The data shows an overall reduction in concerns in 2024 when compared with 2023. Almost half of people aged 60+ are still worried about their ability to heat their home, with 48% somewhat or very worried about it and 45% similarly worried about paying their bill. Around a third (33%) reported they were concerned about being able to afford other essentials like food.

**Figure 3: Percentage of respondents who stated they were ‘somewhat’ or ‘very worried’ when asked ‘thinking about energy prices at the moment, how worried, if at all, are you about each of the following?’.**



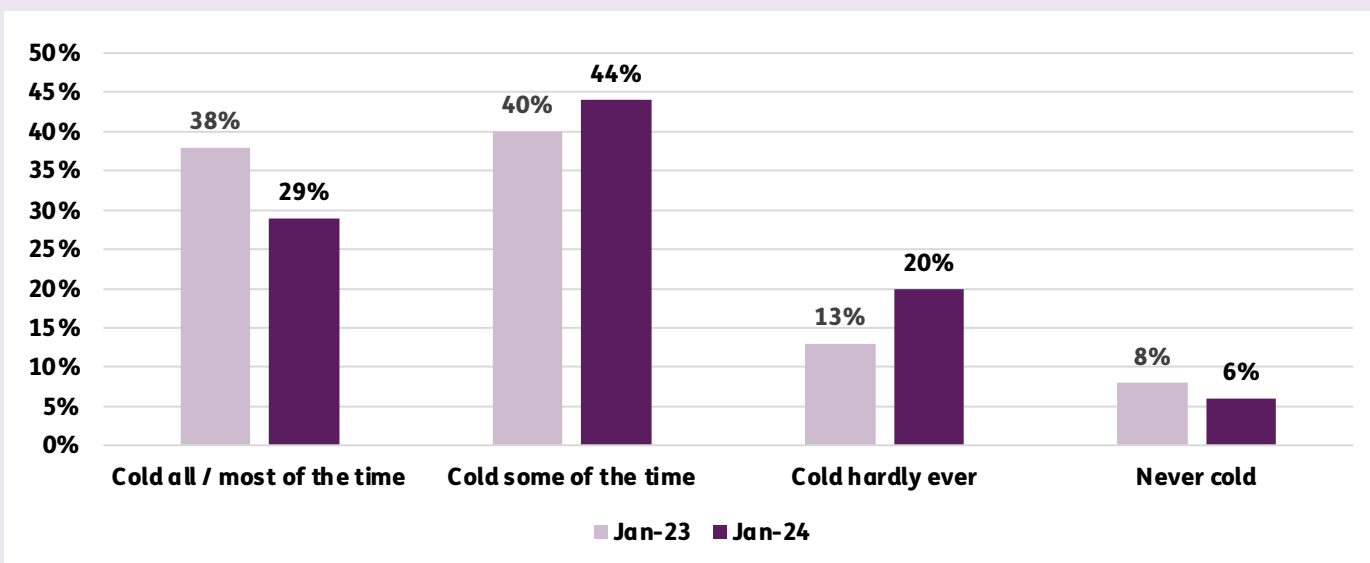
Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2<sup>nd</sup> and 12<sup>th</sup> of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

These results show that while concerns have reduced slightly since last year, much trepidation remains around the cost of living and its impact on household finances. Energy price worries are also far more prevalent for certain older groups, particularly those on lower incomes who do not have access to means tested benefits.

## What is happening to older people without support from the benefits system?

One of the groups we are most concerned about are people on lower incomes who are not receiving support from the benefits system. To assess this we looked at the results for those living in households with an income less than £20,000 per year who were also not in receipt of means tested benefits. Almost a third (29%) of them reported feeling that their home was too cold, a much higher proportion than for the older population overall. Figure 4 displays the results for this group across 2023 and 2024.

**Figure 4: Percentage of respondents with household incomes below £20,000 and not in receipt of means tested benefits in each category when asked ‘the cost of energy has meant that some people are finding it difficult to heat their home. Thinking about energy prices at the moment, how often is your home colder than you would like it to be?’.**



Included options for don't know and prefer not to say. 2023 weighted n = 609 (unweighted n = 602), 2024 weighted n = 437 (unweighted n = 481). Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2<sup>nd</sup> and 12<sup>th</sup> of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

Our January 2024 figures also show that older people within this group are far more likely to be worried about the impact of energy bills on their health (49%), ability to heat their home (59%), paying their energy bill (58%), and affording wider essentials (47%). They were also much more likely to report feeling anxious about energy bills (40%), and to have cut back on food/groceries (34%), transport and vehicle costs (30%), and other household bills (18%).

Age UK is particularly concerned about the ongoing impact of the cost of living on older people who do not have access to the benefits system but are still struggling on a lower income. Many of these people may be eligible for additional support but will still be missing out for a whole variety of reasons. Government figures show that there are an estimated 800,000 pensioners who are eligible for Pension Credit but are missing out on this much needed support<sup>19</sup>. More broadly, around 4 in 10 households in the poorest fifth of the population do not receive means tested benefits<sup>20</sup> and many people of all ages sit just above the threshold for receiving support, despite still facing significant financial strain.

In 2022/23 and 2023/24 not being in receipt of means tested benefits also resulted in missing out on the extra cost of living payments provided by the Government. These payments delivered up to £1,550 of additional support which would have gone a long way towards addressing the financial strain many people on lower incomes have faced during this crisis.

One of our key recommendations is for all political parties to commit to increase benefit take up, including Pension Credit, through publicity and changes which mean there is less reliance on individuals navigating complicated systems. Alongside our wider proposals, we hope this will better support those who are not in receipt of their benefit entitlements.

## What are older people cutting back on to try and make ends meet?

**Mary, 76: “As a 76-year-old with health issues, I am always cold, so cutting back as I have been doing, is not good for me”.**

Our 2023 and 2024 waves showed that older households were cutting back in five of the main areas we asked about to try and make ends meet (see figure 5). Consistent cutting of energy use, social and leisure activities, food and groceries, transport and vehicle costs, and wider household bills demonstrate the impact the cost of living continues to have on household finances.

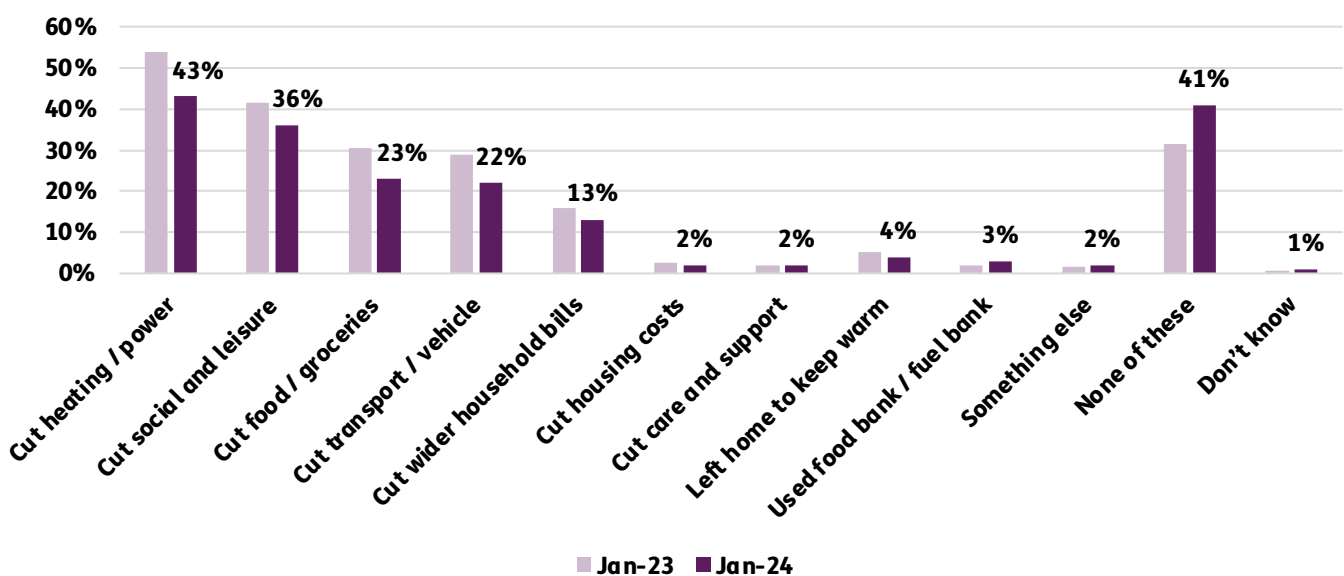
Our January 2024 polling shows that the proportion of older people saying they have recently made cuts to their spending is slightly lower than it was in January 2023, with a higher proportion (41%) also reporting that they have not recently needed to make any of the cuts listed in figure 5. However, what our data do not tell us is the extent to which older people maintained the reductions in spending they had made by January 2023. The cuts in spending reported in 2024 may well, for some older people, be additional to cuts in spending already made in 2023.

The biggest fall in rationing behaviour was around heating and power with more than half (54%) cutting their energy use in 2023 compared to a little over two fifths (43%) in 2024. This is still a large proportion of older people and represents 6.9 million cutting back on their energy use to make ends meet and close to a quarter (23%), or around 3.7 million, cutting back on food and groceries. The impact of the cost of living also continues to weigh most heavily on those least able to pay.

**Judith, age 64: “I’m desperately worried. I live alone and have no family to help me. I’ve already borrowed to pay for my heating and will have to try to borrow more, even though I can’t pay what I already owe”.**

Over half of means tested benefit recipients reported cutting back on energy use (58%) and social and leisure activities (55%), with those living on £20,000 a year or less also reporting higher rationing.

**Figure 5: Percentage of respondents who have made spending cuts and other changes to try and make ends meet recently.**



Multiple choice. Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2<sup>nd</sup> and 12<sup>th</sup> of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

Being forced to cut essentials like food, water, and energy is not only detrimental to people's lifestyles, but in the worst cases can lead to longer term malnutrition and health problems. Older people have told us that these cutbacks often started as removing simple treats like biscuits, but after more than two years of high energy prices and inflation these cuts are being made to staples like bread, milk, eggs, and rice too<sup>2122</sup>.

Social and leisure activities, crucial outlets for staving off loneliness and isolation, are often reduced when older people are faced with unmanageable financial pressures. 36% of older people report making recent cuts to these pursuits, which could include sporting activities, coffee mornings, or days out with the family. Those reporting cuts to transport and vehicle costs (22%) face a similar issue, as spending less here will also reduce older people's ability to visit friends and relatives. Longer term, the cuts to these activities risk diminishing older peoples' feelings of engagement and connection with their friends, family, neighbours, and wider society, and may increase the number of people who feel lonely.

Expenditure on other utilities – for example water, telephone, or internet – is also being cut by 13% of respondents. Breaking down these figures further our respondents reported that telephone, insurance, and broadband/internet costs were the most common cuts within this category with 6-7% of older people cutting each of these bills and 5% of older people cutting their spending on their water bill.

**John, age 69: “We’re having to cut back on spending and looking at things we may have to cut back on, such as household insurance, etc. to be able to afford to pay our increased energy bills”.**

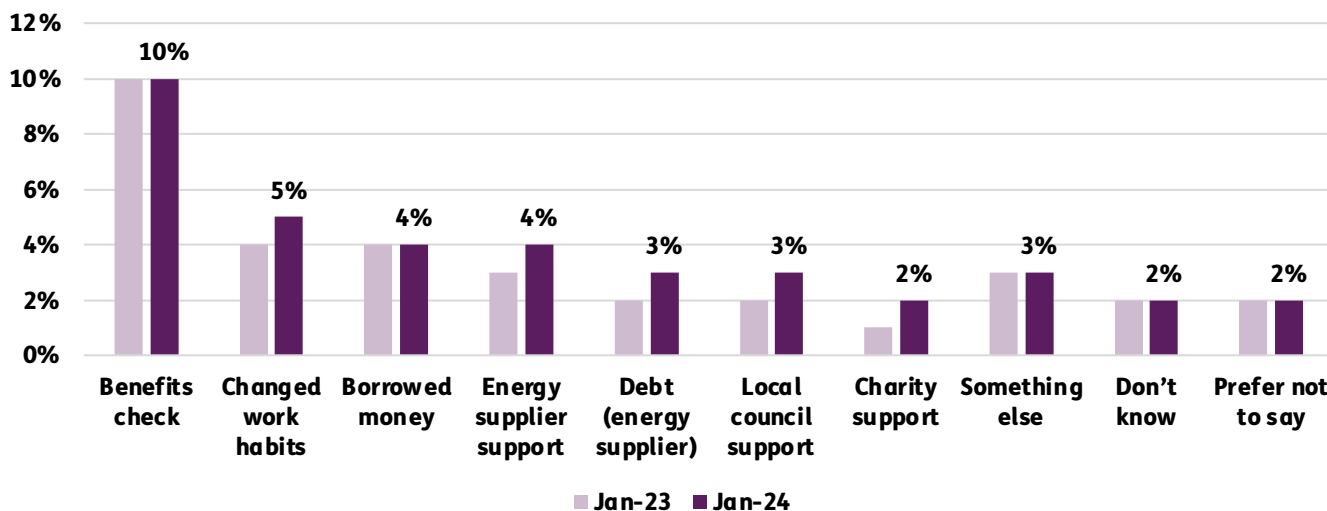
Cuts to utilities like these will likely have their own lasting knock-on impact on people's day-to-day lives throughout 2024 and beyond. Alongside these cuts debt will also be a major ongoing concern.

## How have older people been stretching their incomes?

**Daniel, age 77: “I am on a state pension and at my age of 77, I am unable to take up paid employment to help pay the upcoming bills. The outlook is something that I’m not looking forward to”.**

Given the financial difficulties in which many older people have found themselves, we wanted to know how many are taking steps to improve their incomes. In the surveys we asked the question; ‘some households are also having to find ways to increase their income. Which, if any, of the following have you or a member of your household had to do recently?’. The results can be seen in figure 6.

**Figure 6: Percentage of respondents who have made changes recently to boost their income and who have sought support.**



Multiple choice. Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2nd and 12th of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

In January 2024 one in ten (10%) older people had recently conducted a benefits check to see if they might be entitled to welfare support from the Government. The same proportion also reported doing this in January 2023. This reflects how many are struggling to get by on their income or State Pension alone. Many of the Government’s recent extraordinary payments to help alleviate the impact of the cost of living are also linked to receipt of means tested or disability benefits. This may have encouraged older people to assess their entitlement and it is in many ways welcome, since these benefits are under claimed.

**Anonymous, age 65+: “To pay my energy bills I have had to go into my savings, and I am now worried that I have not got anything to fall back on”.**

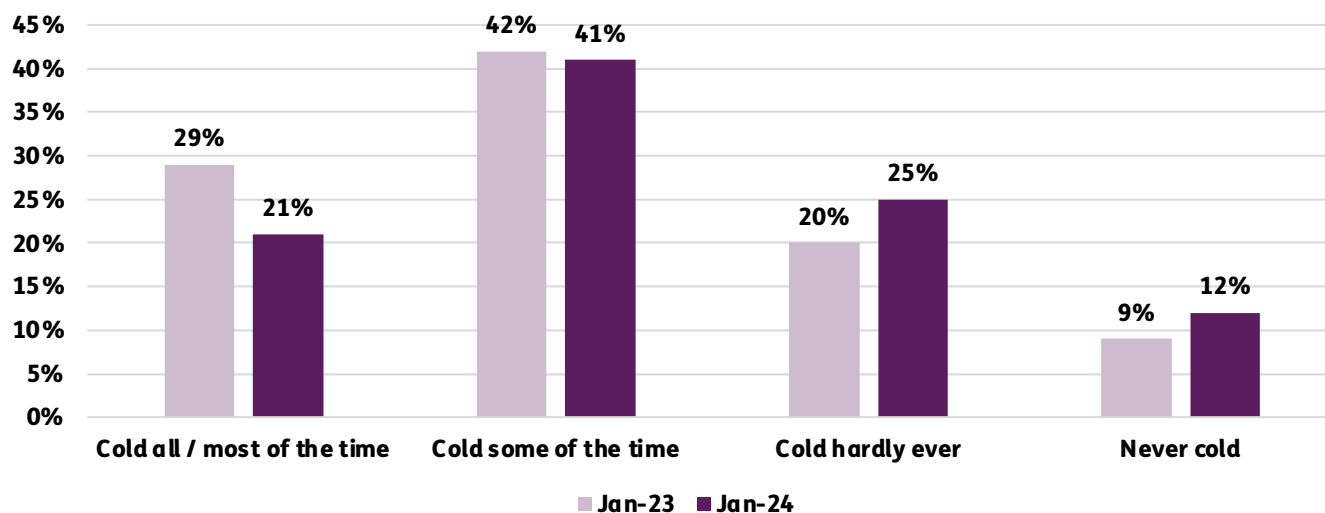
Around 800,000 (5%) older people, or a member of their household, have recently had to change their work habits to increase their income. This includes returning to the workforce or delaying their planned retirement. While the data shows this is far more common amongst those below State Pension age (10%) there are still some (4%) of State Pension age or older who are making this decision – equivalent to 450,000 people. 4% of those aged 60+ also report borrowing money while 3% have gone into debt with their energy supplier. That’s equivalent to 650,000 and 500,000 older people respectively.

**Are older people struggling to stay warm at home?**

**Anonymous, age 73: “Our life this winter was miserable. I never thought I would get to 73 and forced to be freezing in our own home”.**

Perhaps the most significant finding to come out of our research relates to the sheer number of older people who report being cold in their homes. Some also report seeking shelter from lower temperatures in public buildings or at warm banks. In both waves of the survey we asked older people how often their home is too cold<sup>23</sup>. The results can be found in figure 7.

**Figure 7: Percentage of respondents in each category when asked ‘the cost of energy has meant that some people are finding it difficult to heat their home. Thinking about energy prices at the moment, how often is your home colder than you would like it to be?’.**



Included options for don't know and prefer not to say. Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2nd and 12th of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

When asked in January 2023, 29% of older people reported that their home was too cold most or all the time. In the latest wave this dropped to 21%, but that is still 3.4 million older people facing 2024 struggling to keep warm at home much of the time. Means tested benefit recipients and households living on £20,000 or less were more likely to report being cold most or all the time.

**William, age 79: “I have terminal cancer and live in an apartment. Although we only have two bedrooms and one living room, and we frequently use blankets to keep warm rather than put the heating on, we still have bills that we have difficulty in meeting!”**

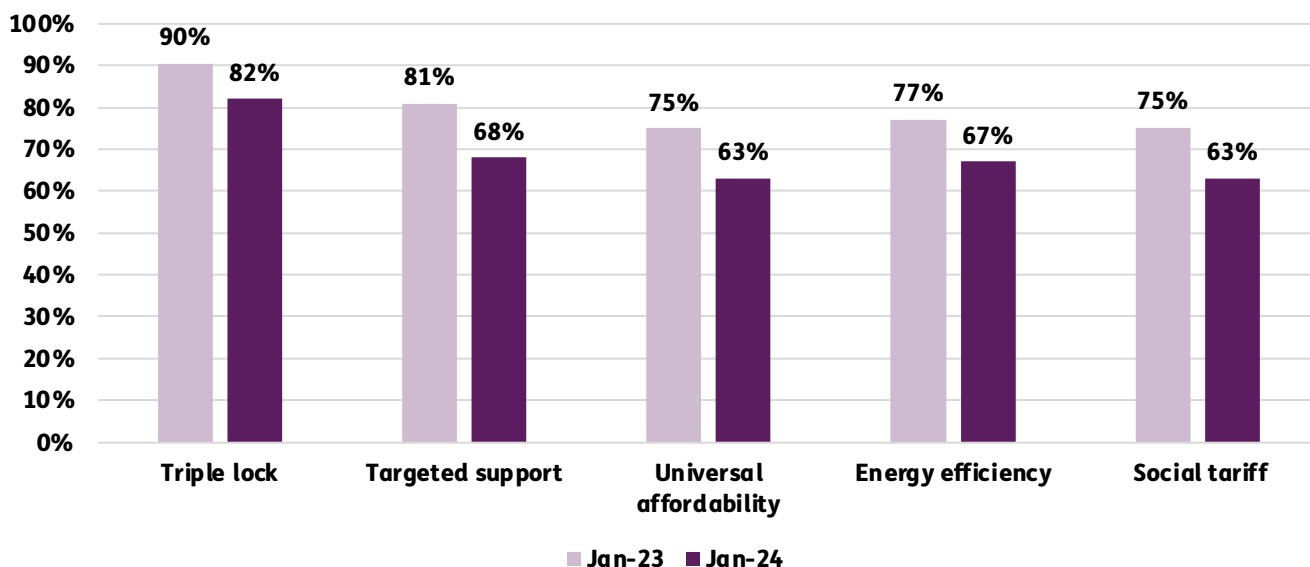
**Penelope, age 58: “I’m constantly worried about what electricity and gas I’m using. I’m feeling so relieved that it’s a little warmer these past few days”.**

4% of older people also reported that they had recently left their home to keep warm. This represents 640,000 people aged 60+ leaving their homes, with many of them having to make use of public spaces, which could include public buildings, shopping centres, or seeking shelter in a warm bank, or using public transport for the same reason.

## What policy interventions do older people want to see?

We firmly believe there are solutions that can help those who are struggling the most, and that can go a long way towards addressing the challenges of fuel poverty. Our polling included a question on five policy options we have developed in collaboration with older people and our network of local Age UKs. The results can be found in figure 8.

**Figure 8: Percentages of respondents who agreed with five statements relating to policy interventions. The statements and answer categories respondents were presented with can be found in the appendix<sup>24</sup>.**



Source: Online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 30th January 2023 (2,700 adults aged 60+) and repeated 2nd and 12th of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

It is rare to receive near universal support for any policy intervention, but the State Pension triple lock continues to have very strong backing from older people. The triple lock means the State Pension will increase in line with price inflation, increases in average earnings, or 2.5%, whichever is highest. In January 2023 90% said the Government should keep the triple lock, with a similarly high 82% supporting it in the latest wave. While the Government has committed to retaining the triple lock this year there has been speculation about the future of the policy and periodic threats to axe it throughout the cost of living crisis. Age UK believes that all political parties should commit to maintaining the triple lock in their election manifestos.

The subsequent two questions were designed to assess if older people wanted to see additional support to ensure everyone can afford their bills or targeted support (aimed at helping households at greater risk of poverty). As we have argued elsewhere<sup>25</sup>, each approach has its respective part to play in addressing unsustainable energy bills. Last year’s Energy Price Guarantee (EPG) and Energy Bills Support Scheme (EBSS) were designed to support everyone, and there is no doubt that they provided badly needed relief over winter 2022/23. Crucially, because they were to be universal, people who were not in receipt of the benefits they were entitled to were not excluded<sup>26</sup>. At the same time, support aimed at all households is generally more expensive for the Government and often less generous. To ensure substantive support is delivered to all those in greatest need we call on all political parties to commit to targeted help via a social tariff<sup>27</sup>. This social tariff must include eligibility criteria which are encompassing of all those at risk of poverty or the cold, rather than excluding certain groups (e.g. those missing out on their benefits entitlement).

The latest results (see figure 8) show that there is marginally more support for targeted measures (68%) amongst the older population than measures to ensure everyone can afford their bills (63%), referred to as ‘universal affordability’ above. Above all though, both results show that most older people want to see additional support from the Government.

Support for improved Government funding so those on lower incomes can access household energy efficiency improvements (e.g. insulation, double glazing) was substantial. 67% of older people supported this measure in January 2024. We cannot emphasise enough how important improvements to the housing stock are for preventing a future energy price crisis<sup>28</sup>.

Finally, Age UK's proposal for an energy social tariff<sup>29</sup> continued to receive support from most of the older population. Although social tariffs are less well known than some of the other policy interventions suggested, an energy social tariff (described to respondents as a discounted energy bill tariff for people on low incomes) still had majority support – with 63% in favour of its introduction.



# What is needed from the next Government?

Keeping warm and safe at home is vital for a comfortable, happy, and healthy later life. For many older people these past few years have proved difficult to manage, particularly for those in homes that are expensive to heat and often remain cold throughout the winter. Spiralling prices have made things extremely tough for older people on lower incomes, many of whom have found themselves unable to afford their bills. Fundamental energy bill reform for those on lower incomes, or who are facing unavoidably high energy bills, for example because of disability or illness, is urgently needed to help keep our older population warm and safe in their homes.

We want every older person to be confident of their ability to stay warm through the winter months, regardless of income, without the need to slash their spending on other essentials. This should not be too much to ask, but it requires more affordable energy prices, better access to household energy efficiency improvements (e.g. insulation), and benefits and pensions which keep up with the prevailing cost of living.

To achieve these goals the next Government must do several things:

- Directly fund a targeted energy deal, or ‘social tariff’, which markedly discounts energy costs for those of all ages at greatest risk from the cold.
- Maintain the State Pension triple lock for the duration of the coming Parliament.
- Increase benefit take up, including Pension Credit, through publicity and changes which mean there is less reliance on individuals navigating complicated systems.
- Ensure benefits are sufficient to cover essential costs for all groups and are increased annually at least in line with rising prices.
- Radically expand and improve national insulation and heating system improvement schemes, with priority for those on lower incomes and with higher heating needs.
- Reintroduce the Household Support Fund<sup>30</sup>, ensuring it becomes a longer-term support mechanism targeted at those in greatest need.
- Extend the ban on forced pre-payment meter installations to anyone above State Pension age.
- Create one Priority Services Register<sup>31</sup> across all utilities to make it easier for people to register for priority support.

We firmly believe these reforms are necessary in order to give older people financial confidence and create a functioning energy market for those on lower incomes. These measures will go a long way towards averting any future cost of living crisis. While our research suggests that a slightly greater proportion of older people have adjusted to the higher cost of living since 2023, for those on lower incomes these figures paint a stark picture of the difficulties they still face in 2024.

It is therefore imperative that any future Government makes reform the legacy of this cost of living crisis. Without radical change and more support for those still struggling to make ends meet the effects of this crisis will remain with us for many years to come.

# Endnotes

1 Age UK, 2023. Keeping the lights on: The case for an energy social tariff. Age UK. [Online]. Available at: <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/age-uk-energy-public-policy-report-march-2023.pdf>. [Accessed 15/01/24].

2 Proportions assessed from online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 12th of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

3 For the population estimates we used ONS estimates which show that the population aged 60+ in Britain stands at 16,049,975. See: ONS, 2023. Estimates of the population for the UK, England, Wales, Scotland and Northern Ireland. Office for National Statistics. [Online]. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>. [Accessed 10/01/24].

4 We use the fuel stress definition to determine which older households are experiencing fuel poverty. This is any household with an occupant aged 60+ spending more than 10% of their after-tax income on energy costs, so as to maintain an adequate standard of warmth. This definition was used to calculate the fuel poverty statistics in England from 2001 to 2011, and continues to be the definition used in Wales, Scotland, and Northern Ireland to calculate their respective fuel poverty statistics.

5 Age UK analysis of Living Costs & Food Survey 2021-22 [DOI: 10.5255/UKDA-SN-9123-2] using information from Ofgem data portal, Cornwall Insights and Office for Budget Responsibility (OBR).

6 The Household Support Fund has provided discretionary funding to local councils since winter 2021-2022. The Fund is designed to provide support to households with vulnerabilities who need help covering the cost of their essential bills (e.g. food and energy), with people encouraged to speak with their local council if they are in need of financial help from the Fund. To help with the cost of living crisis, the Scheme has been extended several times to provide additional support but it is coming to an end in March 2024. Eligibility is determined by local councils.

7 Depending on their circumstances certain people can sign up for their utility provider's Priority Services Register, this includes people over State Pension age or living with a disability. The Priority Services Register provides access to a range of support (e.g. priority assistance in an emergency, advance notice of planned power cuts, help with prepayment meter access and meter readings).

8 Fieldwork from the 2nd to the 30th of January 2023.

9 Fieldwork from the 2nd – 12th of January 2024.

10 For each survey 2,500 completed online and 200 completed over the phone.

11 Age UK has an online community of around 350,000 campaigners who encourage the Government to listen and take action on the issues that matter most to older people. We also contact them from time to time to find out about their views. With permission, some of their answers from recent surveys are in this report.

12 This figure includes the support provided via the Energy Price Guarantee. See: Ofgem, 2022. Latest energy price cap announced by Ofgem. Ofgem. [Online]. Available at: <https://www.ofgem.gov.uk/publications/latest-energy-price-cap-announced-ofgem>. [Accessed 09/01/24].

13 ONS, 2023. CPI annual rate. Office for National Statistics. [Online]. Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>. [Accessed 15/02/23].

14 Ofgem, 2023. Changes to energy price cap from 1 January 2024. Ofgem. [Online]. Available at: <https://www.ofgem.gov.uk/publications/changes-energy-price-cap-1-january-2024>. [Accessed 09/01/24].

15 ONS, 2023. CPI annual rate. Office for National Statistics. [Online]. Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>. [Accessed 17/01/24].

16 Source: online and CATI survey conducted by Opinium on behalf of Age UK between 2nd and 12th of January 2024 (2,700 adults aged 60+). Sample is Great Britain only and weighted to be nationally representative of the 60+ GB population.

17 For the population estimates we used ONS estimates which show that the population aged 60+ in Britain stands at 16,049,975. See: ONS, 2023. Estimates of the population for the UK, England, Wales, Scotland and Northern Ireland. Office for National Statistics. [Online]. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/>

[populationestimatesforukenglandandwalescotlandandnorthernireland](#). [Accessed 10/01/24].

18 For the population estimates we used ONS estimates which show that the population aged 60+ in Britain stands at 16,049,975. See: ONS, 2023. Estimates of the population for the UK, England, Wales, Scotland and Northern Ireland. Office for National Statistics. [Online]. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalescotlandandnorthernireland>. [Accessed 10/01/24].

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23 The question asked was: 'The cost of energy has meant that some people are finding it difficult to heat their home. Thinking about energy prices at the moment, how often is your home colder than you would like it to be?'. We then grouped together anyone who answered 'most of the time' or 'all of the time'.

24 The statements were: 1.) The government should provide additional financial support to ensure everyone can afford their energy – 'universal affordability'. 2.) The government should provide additional financial support to ensure people on lower incomes can afford their energy bills – 'targeted support'. 3.) The government should introduce a social tariff (a discounted energy bill tariff for people on lower incomes) – 'social tariff'. 4.) The government should provide additional funding to households on lower incomes so they can gain access to household energy efficiency improvements (e.g. loft insulation, double glazing) – 'energy efficiency'. 5.) The government should keep the 'triple lock' which would mean the State Pension will increase in line with price inflation, increases in earnings, or 2.5% - whichever is highest – 'triple lock'. Answer categories were: Strongly disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Strongly agree, Don't know, Prefer not to say.

25 Age UK, 2023. Consultation Response Designing a durable energy bill policy in an age of high prices – consultation. Age UK. [Online]. Available at: <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/consultation-responses-and-submissions/safe-at-home/consultation-response---future-of-energy-bills-consultation-social-market-foundation.pdf>. [Accessed 05/02/23]. Pg3-5.

26 It is important to recognise that while the EBSS and EPG were designed to be universal some people did miss out on support. This included many non-domestic residential households (e.g. park homes) and prepayment meter users.

27 See: Age UK, 2023. Keeping the lights on: The case for an energy social tariff. Age UK. [Online]. Available at: <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/age-uk-energy-public-policy-report-march-2023.pdf>. [Accessed 22/01/24].

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30 The Household Support Fund has provided discretionary funding to local councils since winter 2021-2022. The Fund is designed to provide support to households with vulnerabilities who need help covering the cost of their essential bills (e.g. food and energy), with people encouraged to speak with their local council if they are in need of financial help from the Fund. To help with the cost of living crisis, the Scheme has been extended several times to provide additional support but it is coming to an end in March 2024. Eligibility is determined by local councils.

31 Depending on their circumstances certain people can sign up for their utility provider's Priority Services Register, this includes people over State Pension age or living with a disability. The Priority Services Register provides access to a range of support (e.g. priority assistance in an emergency, advance notice of planned power cuts, help with prepayment meter access and meter readings).

## **Age UK**

7th Floor,  
One America Square,  
17 Crosswall,  
London EC3N 2LB.

**[www.ageuk.org.uk](http://www.ageuk.org.uk)**



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