

*Cold Comfort:* A Review of Coping  
Strategies Employed by Households in Fuel  
Poverty

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# 1 EXECUTIVE SUMMARY

- 1.1 Energywatch commissioned *Inclusion* to examine the level and quality of research evidence currently available concerning the coping strategies used to deal with fuel poverty that are employed by households deemed vulnerable by the government's UK Fuel Poverty Strategy. These are defined as low income households particularly those containing children, older people, and people with disabilities or long term illnesses<sup>1</sup>.
- 1.2 Energywatch wishes to establish the degree to which there is an adequate understanding of the problems posed by fuel poverty for these groups, and to obtain an improved understanding of the welfare impacts of fuel poverty on vulnerable, low income households.
- 1.3 The research questions posed by Energywatch sought to establish the prevalence of potentially harmful coping strategies such as fuel rationing and reduced expenditure on food across the different vulnerable household types and on the likely welfare impacts of these. A full set of the research questions can be found at para 2.3 of the main report.
- 1.4 This report outlines the key findings of this review of the literature.
- 1.5 The key messages concerning the **availability of, and quality of evidence**, on the use of coping strategies arising from the review are:
  - Most of the available literature concerning fuel poverty focuses on either the definition of this term, the incidence of fuel poverty, or upon the evaluation of existing policies and programmes introduced to alleviate this, including a significant body of literature on the take-up and impact of energy efficiency measures. A much smaller body of literature exists concerning the use of coping strategies and the implications of these for consumer welfare. There are significant gaps in the evidence base as a result.
  - A very small number of recent studies (4) were identified which had coping strategies for the fuel poor as their *primary* focus. Half of these studies were concerned solely with the coping strategies employed by pensioners, with the remainder covering a range of household types, but usually with small overall sample sizes.
  - Two more general studies were identified to have been conducted since 2000, which have looked at how households cope with life on a low income and which contain important findings relating to fuel poor

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<sup>1</sup> The UK Fuel Poverty Strategy, Department of Trade & Industry and Department of Environment, 2001, see paras 1.7 and 1.12

households, although fuel poverty is not their primary focus. However, one of these was again focused purely on pensioners and the other concerned only with households in Scotland.

- Although small sample sizes in qualitative research are less of an issue than for quantitative studies, it should be noted that the total number of households participating across all six studies is just 278 and that, of these, 50% are pensioner households. Minority ethnic households, households living in rural areas, and households in private rented accommodation are poorly represented in these studies, and there is much less evidence concerning the ways that these groups cope with fuel poverty as a result.
- Further literature was also identified which, although not focused primarily on the coping strategies employed by low income households, holds relevant information concerning the research questions posed by Energywatch. This includes evidence on the barriers to take-up of energy efficiency measures or in relation to strategies employed by low income households to deal with debt problems more generally. However, these are not adequate to satisfactorily fill the gaps in the evidence base.
- There is a need for future research in this area. This research should adopt a clear theoretical framework to assess coping strategies amongst fuel poor households - something which has been absent from studies to date. There is a substantial body of literature concerning the assessment and measurement of coping strategies available in the field of behavioural psychology and research tools have been developed which would assist here. This includes the development of the 'Ways of Coping Questionnaire'<sup>2</sup> which could be adapted for work with households in fuel poverty.

1.6 The key messages concerning the **coping strategies** that are used are set out below:

- Households seeking to manage the problems caused by fuel poverty primarily adopt three types of coping strategy:
  - reducing their use of fuel, including by rationing fuel, or self disconnection for pre-payment customers, resulting in cold homes
  - taking financial measures, for example by reducing household expenditure on food

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<sup>2</sup> The Ways of Coping Questionnaire (Folkman & Lazarus, 1984) seeks to obtain information concerning the ways that individuals cope with stressful situations, and provides a possible basis to standardise research in this area. Further details are set out in footnote 10 on page 15.

- getting into debt, which appears to be a more common strategy amongst younger households and particularly those with young children

It is important to note that the installation of energy efficiency measures can contribute to a number of outcomes (i) a reduction in fuel use (ii) a reduction in expenditure or (iii) neither of these, but a warmer home depending on the efficacy of the measures installed. These results are not mutually exclusive. The take-up of energy efficiency measures therefore cuts across the coping strategies although the research highlights a range of barriers to take up for vulnerable groups.

- There is strong evidence that pensioner households appear particularly likely to ration fuel use – for example by under-heating bedrooms and turning off heating for some of the daylight hours. For other household types the evidence base concerning the types of coping strategy they adopt is generally weaker but some correlations are evident – for example lone parents appear to reduce food expenditure in response to high fuel bills.
- The reasons why pensioners under-heat homes are complex and in some instances relate to beliefs that that having fresh air in the bedrooms was healthy, as well as reflecting their early life experiences of growing up in homes which often only had a solid fuel heated living room.
- Other actions to reduce the use of fuel included cutting back on the number of cooked meals and in some instances going without lighting. This problem is exacerbated amongst those groups which are present for longer periods in the home – for example pensioner households and people with disabilities or illnesses.
- Self disconnection – a self-initiated loss of energy supply amongst pre-payment customers - featured strongly in the literature. There was evidence that pre-payment customers were also likely to ration their fuel, and that many preferred pre-payment mechanisms because of the greater control that this allowed them to exercise over their fuel use and expenditure. However, it appears in some instances that self disconnection can result from a lack of facilities for the purchase of pre-payment tokens or to top-up smartcards at the point in time that credit is required (nearest payment point is closed, for example), rather than hardship leaving the consumer unable to afford credit.
- Actions to reduce household expenditure include the installation of energy efficiency measures, and the reduction of expenditure in other areas of the household budget. There was much less evidence of switching suppliers to obtain cheaper fuel in the literature, and indeed

there was significant scepticism amongst many participants in the studies concerning the benefits of this.

- Installation of energy efficiency measures was often prevented due to a lack of knowledge of the benefits of the measures, the means of applying and eligibility criteria, and of the work involved. These types of barriers also exist to increased take-up of benefits. Lack of knowledge in each of these areas is exacerbated for certain groups by more general barriers that they face in accessing services (for example, language barriers faced by some minority ethnic groups).
- There also appear to be barriers to the installation of some energy efficiency measures for private tenants, as they are often reliant on the support of their landlords. However, given the small numbers of private tenants involved in the studies this remains an area in need of further research. Researching the attitudes of private landlords themselves towards the take up of energy efficiency measures may also prove useful.
- Other measures taken to reduce expenditures included cutting down on the household's food budget. In some instances this resulted in a reduction in the quantity of food bought, and in others it affected the quality of food. For many households, particularly those on the lowest incomes, the food budget is the one area of expenditure in which it is possible to be flexible and make reductions without falling into arrears. The fear of debt amongst many pensioner households appears to make this a particularly common action for them, although other household types, including lone parent households and families, also often resort to cutting back on food. Where this was done, it was frequently noted that parents cut back on their food in order to give priority to the needs of any children in the household.
- There is generally less fear of debt amongst younger households, and consequently these were more likely to incur debts as a response to high heating costs than their pensioner counterparts. Households with young children were often more reluctant to under-heat their homes, and where paying fuel bills was a problem were more likely to go into arrears or use other forms of credit and to 'juggle' bills and credit commitments. However, this was not always the case, and some younger households remained highly debt averse having inherited such attitudes from older generations or as a result of direct experience of debt previously.

1.7 The key messages concerning the **impacts on welfare** are

- These fall into three main groups – impacts on physical health, mental health, and impacts on relationships both within the household and externally.
- Households adopting coping strategies of rationing fuel use and under-heating homes, which particularly includes pensioner households, are at greater risk of physical impacts including cardiovascular and respiratory problems. They may also experience greater levels of stress, which contributes to mental health problems and depression. For example, they often constrain their social relationships because they feel unable to invite people to their home, which can have long term consequences for mental health.
- Cutting back on other areas of household expenditure, including food budgets, was also found to be a common strategy, particularly amongst lone parent households. Households adopting this strategy face long term physical health impacts associated with poor diets of low nutritional value, as well as increased stress. As cuts to ‘luxuries’ are made first, then social activities are also restricted which can lead to loss of self esteem and depression.
- Households incurring debt, often younger households with children and households containing family members with a disability or long term illness frequently report increased stress, loss of self esteem and guilt, and are much more likely to experience strained relationships within the household. In many cases debt has been identified as a cause of mental health problems and relationship breakdown.

1.8 Key **conclusions and recommendations** in the report are

- Household responses to fuel poverty are complex, with attitudes and experience playing as much of a role in determining the coping strategies that households employ as their financial circumstances. Whilst fuel poverty presents hard choices for many low income households, the actual choices that are made vary according to a range of factors including age, experience, and household composition, in particular the presence of children and/or household members with disability or long term illness.
- The literature reveals that the ways in which these factors determine the coping strategies that are employed have not been explored in depth and that further research is required.



- We recommend that part of that future research be used to establish and test a framework capable of investigating both the emotional and practical responses to fuel poverty and of looking at the underlying reasons for these.
- It is also apparent that some groups of fuel poor households have also been under-researched in recent years. These include BME groups, private tenants, and households in rural areas. This is despite the fact that fuel poverty is particularly prevalent amongst these groups.
- We may also not be making the best use of research available from local sources, including local affordable warmth partnerships and local authorities. Although, National Energy Action has established a searchable database for the purpose of sharing information and publications, this does not appear to receive regular uploads from local sources. It is recommended that ways of improving this be investigated, including its being recognised and appropriately publicised as the official depository for fuel poverty related research; with all agencies who commission or undertake research in this area being encouraged to systematically upload their work.
- Nevertheless despite the need for further research to be conducted our review found evidence of potentially severe welfare implications to all of the coping strategies that have been identified. We find that the nature of decisions being made on a regular basis by fuel poor households are such that they must, in effect, choose between three evils - each of which has implications for health, either physical or mental, and for relationships both inside the household and with the wider world.
- As fuel prices push the number of households in fuel poverty upwards, we recommend that more work is undertaken to establish why households respond in the ways that they do and to understand the social costs and long term consequences of fuel poverty.

## 2 INTRODUCTION

- 2.1 Fuel poverty is a major public concern in the UK affecting an estimated 4.5 million households. In 2001, Government made a long term commitment to eradicate fuel poverty within England, Scotland and Northern Ireland by 2016; and within Wales by 2018.
- 2.2 In addition, targets have been set to eradicate fuel poverty in the most vulnerable households across the UK by 2010. ‘Vulnerable households’ are defined within the Fuel Poverty Strategy as those households containing children, older people, people with disabilities and long term illness<sup>3</sup>.
- 2.3 Initiatives to address the problem have been focused both at improving the energy efficiency of homes, and helping the most vulnerable households to afford, and to pay, for their fuel use. Low income households – defined as those in receipt of income or disability based benefits or tax/pension credit – are a priority group for many of the efficiency measures<sup>4</sup>.
- 2.4 Energywatch commissioned *Inclusion* to examine the level and quality of research evidence currently available concerning the coping strategies used to deal with fuel poverty that are employed by households on low incomes and other vulnerable groups, particularly those low income households containing children, elderly people, and people with disabilities.
- 2.5 Energywatch wishes to establish the degree to which there is an adequate understanding of the problems posed by fuel poverty for these groups, the way in which households cope, and to obtain an improved understanding of the welfare impacts of fuel poverty on low income households.
- 2.6 The set of research questions agreed with Energywatch for this review were
- What are the overall impacts of fuel poverty on the welfare of fuel poor households?
  - What qualitative/quantitative evidence exists relating to hazardous behaviour, such as self-disconnection, reduced heating, reduced grocery spend etc?
  - What evidence exists of benefit take up rates for fuel poor households?
  - Is expenditure on energy costs given priority within the overall household budget?

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<sup>3</sup> The UK Fuel Poverty Strategy, 2001, DTI & DoE, para 1.12

<sup>4</sup> The UK Fuel Poverty Strategy: fifth annual update, 2007, DBERR & DEFRA, para 3.21

- What levels of debt exist in fuel poor households?
- What financial advice is sought and given to fuel poor households including those that are struggling to cope with their energy costs and those that are in fuel debt?
- Where energy debt exists do other debt repayments take precedence and do those creditors offer more sympathetic advice/repayment options?
- Do people in fuel poverty have a low awareness of the help available to them or problems applying for or accessing that help, for example from the Energy Efficiency Commitment (now the Carbon Emissions Reduction Target) and Warm Front programmes?
- Do landlords present obstacles to the installation of energy efficiency measures that may benefit fuel poor households?
- Is there any evidence of criminal activity such as meter tampering being taken by households in fuel poverty or energy debt?
- What is the extent of awareness of possible savings that can be made by switching suppliers amongst fuel poor households and do they make use of this?

2.7 This report outlines the key findings of this review of the literature. It is divided into three main chapters:

- **The availability and quality of literature on coping strategies**
- **Evidence of the coping strategies employed by households in fuel poverty**
- **Welfare impacts**

The search approach used to identify the academic literature for review is outlined in an annex, followed by a Bibliography where all references identified as relevant for this research are cited.

### 3 THE AVAILABILITY & QUALITY OF LITERATURE ON COPING STRATEGIES

- 3.1 Despite an extensive search of the literature,<sup>5</sup> which identified over fifty studies and articles on the subject of fuel poverty, the amount of literature specifically focused on assessing the coping strategies employed by fuel poor households was found to be limited.
- 3.2 We identified only four studies conducted in the past five years which have had the coping strategies of the fuel poor as their primary focus (Wright, 2004; Harrington et al, 2004; O'Neill et al, 2006; and Gilbertson et al, 2006).
- 3.3 Two further studies were identified which, although not primarily focused on fuel poor households, contain recent information on the coping strategies employed by low income households more generally and on the strategies employed to cope with heating costs (McKendrick et al, 2003; Age Concern, 2006). Older studies, focused on debt and life on a low income (for example, Kempson et al, 1994; Kempson 1996), also proved useful, however there have been major changes in the intervening years, including the increased availability of energy efficiency schemes, which need to be taken into account.
- 3.4 The main details concerning the scope of these six studies are set out in the table on page 16.
- 3.5 This reveals a number of shortcomings in the available evidence base with respect to the coping strategies adopted by fuel poor households. These are
- The predominant focus of the studies is on pensioner households. 50% of the total sample from across the six studies is drawn from pensioner households, and when the study of low income households in Scotland is excluded (McKendrick, 2003), this percentage rises to 78%
  - Although there is a lack of specific reporting on the rural/urban locations used in the studies it would appear that participants have been predominantly drawn from urban areas.
  - There is little knowledge of the extent to which minority ethnic households have been included in the studies. Only McKendrick's 2003 study of life in low income households in Scotland suggests that ethnicity was a specific concern when samples were selected.

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<sup>5</sup> See Appendix for further details of the search criteria used for this review

- Where the housing tenure of participants has been reported (Wright, 2004; Harrington et al, 2004), this reveals that the studies have obtained only a very low level of representation from private sector tenants renting commercially. In part this reflects the fact that only a small percentage of pensioner households rent their homes privately<sup>6</sup>.
- Although all of the studies were conducted using either focus groups or semi-structured interviews, only McKendrick (2003) and O'Neill (2006) have published the topic guides or questions that were used. This makes it difficult to assess the degree to which consistent approaches have been taken or the extent to which the research questions posed for this review by Energywatch have been fully considered in studies conducted to date.

3.6 Although this review has identified only a limited number of studies with a primary focus on coping strategies employed by fuel poor and low income households, we have identified a wider literature which holds information relevant to the original research questions posed by Energywatch.

3.7 For example, whilst Todd & Steele (2006) develop an Affordable Warmth Index<sup>7</sup> which takes better account of the heating needs of BME households, they also provide a brief summary of two local studies conducted by Bury and Doncaster local authorities relating to poor levels of awareness of services, including energy efficiency services, amongst Pakistani and Bangladeshi communities. It is likely that further evidence is available in locally commissioned studies of this type, but there is currently no central repository available for these which would enable them to inform this review<sup>8</sup>.

3.8 Equally the extensive evidence base that exists concerning the problems which some types of household have in accessing services more generally has yielded information concerning the impact of the closure of local facilities on the fuel poor and the need for joined up service provision to meet their needs<sup>9</sup>. This includes Speak's study in 2000 of unemployed and

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<sup>6</sup> Just 4% of pensioner couples live in privately rented accommodation, although this rises for lone pensioners to 10%. This compares with the 81% of pensioner couples and 58% of lone pensioners which are owner occupiers, with council and social housing making up the remainder. UK Census, 2001

<sup>7</sup> The Affordable Warmth Index developed by Todd & Steele adjusts the Building Research Domestic Energy Model used in the English House Condition Survey, 2001 to take account of the fact that Pakistani and Bangladeshi households are more likely to need to use of two main rooms rather than a single living room and also use more fuel for cooking purposes.

<sup>8</sup> National Energy Action has established a publicly accessible database which can be used for this purpose, but this is currently under-utilised and local partnerships do not appear to be uploading their reports and research to it.

<sup>9</sup> See for example "Access to information and services for older people – the joined up approach", Ritters, K., & Davis, H., Department of Work & Pensions, Working Paper No. 53, 2008

low paid residents in Liverpool and Newcastle, which highlights the problems that lack of access to shops and other outlets can cause for people paying for their fuel through pre-payment meters.

- 3.9 Likewise, there is a long standing body of literature in respect of the take-up of welfare benefits (Dornan, 2006, provides a review concerning pensioner benefits), and we have drawn heavily on the framework developed by Van Oorschott (1991) to explain why benefits are often not taken up by those households which need them most. We have also reported Hannam's (2006) observations on the links between low welfare benefit take-up and the take-up of energy efficiency measures, a subject on which Stewart & Habgood's (2008) assessment of Luton's Affordable Warmth Strategy is also informative.
- 3.10 We also found a useful literature on the welfare impacts of fuel poverty – particularly in respect of the health implications of cold homes (Baker 2001; Stewart & Habgood, 2008), but also in respect of the impacts of debt (Pleasance et al, 2007) and reduced expenditure on food and other areas of the household budget (Dowler & Calvert, 1995). These implications are widely, and officially, accepted (UK Fuel Poverty Strategy, 2001) and so we have focused on examining which of these welfare implications are exacerbated by the *coping strategies used by low income households* and which groups are most likely to be affected rather than on the general welfare impacts associated with fuel poverty itself. This distinction, of course, is not always easy to make. Further discussion of this issue can be found in Section 5.
- 3.11 Overall, however, we are forced to conclude that there are significant gaps in the evidence base concerning the use of coping strategies and the subsequent welfare implications for fuel poor households which can only be resolved through the commissioning of dedicated research.
- 3.12 During the course of the review we have identified good practice from other countries which could be helpful in determining the scope and methods to be used in any future research specification. For example, Healy's 2001 face to face survey of 1500 statistically representative households in Ireland provides conclusive results on the prevalence of fuel poverty amongst different socio-economic groups, and by housing tenure, and also examines the relationship between fuel poverty and occupancy (i.e. how people in fuel poor homes are affected by the cold and how they spend their time), providing a level of detail on the extent and impact of under-heated homes in Ireland which is absent from UK studies.
- 3.13 As regards methodology, our review has also highlighted the lack of a consistent theoretical framework employed by studies of coping strategies

amongst households in fuel poverty. In particular, the literature we reviewed does not appear to engage with established ways of measuring ways of coping within the field of behavioural psychology.

- 3.14 In that tradition, coping strategies are taken to refer to a person's cognitive and behavioural efforts to manage the demands placed upon them and the stresses that result. (Lazarus & Folkman, 1984). These fall into two main categories – emotional based responses or problem solving responses. Whilst we found that the studies in our review recognised the problem solving responses that fuel poor households adopted (including taking up energy efficiency measures, cutting back on fuel use, or reducing other aspects of household expenditure), the studies explored emotional responses, including acceptance of the problem in lifestyle norms, less well. Examples were not entirely absent, however. As noted above, studies have recorded some pensioners leaving bedrooms unheated and windows open on the grounds that they considered fresh, cold air was healthy.
- 3.15 The advantage of using tested methodologies, including the Ways of Coping Questionnaire<sup>10</sup>, used in other behavioural psychology studies lies in the potential for comparing the coping strategies used by households experiencing fuel poverty with strategies employed to deal with other types of problems. In this way it may also make it easier to identify the welfare implications that are specifically related to coping strategies used to deal with fuel poverty as opposed to those which are more generally associated with life on a low income, or which may stem from beliefs and values passed down through the generations concerning 'healthy' ways of living, or the use of credit.

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<sup>10</sup> The Ways of Coping Questionnaire (Folkman & Lazarus, 1988) seeks to obtain information concerning the ways that individuals cope with stressful situations, and classifies these into two broad groups – emotional responses and problem solving responses. Within these two broad groups a number of sub-divisions exist which are also measured according to set scales. The advantage of using this, or subsequent approaches which have been derived from it, is that it explicitly acknowledges the inter-relationship between attitudes and actions and would provide for greater insight into why some people seek to resolve problems by taking action (some of which may be positive, as energy efficiency measures, and others negative such as fuel rationing), whilst others are less likely to take action at all and may suffer from greater levels of stress as a result. We do not suggest in this report that the Ways of Coping Questionnaire should be uncritically incorporated into future fuel poverty studies, but rather that it holds potential to be adapted to form a consistent framework for future research in this area.

**Table 1: Studies Primarily Focused on Coping Strategies of Low Income Households (2003 – 2008)**

Study	Age Concern (2006)	O'Neill et al (2006)	Harrington et al (2004)	Wright (2004)	Gilbertson et al (2006)	McKendrick et al (2003)
Sample	26	10	30	64	49	99
Key household characteristics reported	Pensioners aged 65 to 91 Males = 6 Females = 20	Female pensioners	Over 60 = 15 40 -59 = 9 20 – 39 = 6 Males = 12 Females = 18 14 owner occupiers 14 council 2 housing association 0 private renters	58 homeowners 6 private renters <sup>11</sup> Pensioners aged between 60 and 90, half aged 75 or over	24 households with children aged under 16  25 households with family member over 60 years old  Males = 20 Females = 29	Sample selected to reflect breadth of experience including work, gender, age, family composition, ethnicity, rural and urban locations, and disability
Income	Single – less than £150 week Couples – less than £220 per week	n/a	Median incomes of less than £7,800 in 2000 <sup>12</sup>	Not known	All participants had previously received assistance under the Warm Front Scheme	details not provided
Geography	Norwich & Birmingham	North Wales	North East England	England, Scotland and Wales	Birmingham, Liverpool, Manchester, Newcastle, Southampton	Scotland
Methods	4 focus groups and 8 in-depth interviews	Semi-structured interviews	Semi structured interviews	Questionnaires and in depth interviews	In depth interviews in the home	18 focus groups

<sup>11</sup> Of the six private renters in this study, five were renting from relatives and only one from a commercial landlord

<sup>12</sup> Participants in the qualitative study were recruited from a larger quantitative study originally selected in 2000



## 4 EVIDENCE OF THE COPING STRATEGIES USED BY HOUSEHOLDS IN FUEL POVERTY

4.1 In this section of the report, we set out the findings of the review in respect of the following aspects

- Overview of Coping Strategies
- Reduced Fuel Use
- Financial Measures
- Debt
- Energy Efficiency Measures

### Overview of Coping Strategies

4.2 Our review found that the coping strategies adopted by households in fuel poverty fell within three general types, namely

- Fuel use reduction – through rationing (Harrington et al, 2004; Wright, 2004; O'Neill et al, 2006; Age Concern, 2006) or for people with pre-payment meters through self disconnection (Doble, 2000; Speak, 2000; Age Concern, 2006; Energywatch, 2007)
- Financial measures – notably by reducing expenditure on other essential items, particularly food (Harrington et al, 2004; Age Concern, 2006), although also by being assisted to increase income by taking up benefit entitlements (Stewart & Habgood, 2008)
- Incurring Debt – not reducing fuel usage or other expenditure often led to either to arrears with fuel repayments, or to a growth in other forms of debt (Harrington et al, 2004; Kempson et al 2004)

Energy Efficiency measures cut across these three strategies. For example, they can be used to reduce fuel consumption, reduce fuel bills, or neither of these - in which case they can result in warmer homes ('comfort taking'<sup>13</sup>). In fact, any combination of these outcomes is possible depending on the efficacy of the actions taken and the measures installed. For those households on very low incomes, but for whom it is a clear priority to keep the home warm, for example where there is a young child in the home or where a member of the household has a disability, there is no inconsistency with energy efficiency measures being adopted and debts still being incurred – often with bill payments being 'juggled' from one month to another and from one creditor to another (Farrell & O'Connor, 2003; Kempson et al 2004). Due to the fact that energy efficiency measures cut across the three types of

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<sup>13</sup> Energy Retail Association, 12<sup>th</sup> June 2008, pg. 3

strategy, we highlight issues concerning these separately at the end of this chapter.

## Fuel use reduction by pensioner households

4.3 Whilst the limitations of the evidence base, as detailed in Section 3, make it difficult to correlate generally between the type of coping strategy being adopted and other household characteristics, there does appear to be consistent evidence that many pensioner households in fuel poverty employ fuel reduction strategies.

4.4 This has, in fact, been a long standing concern. O'Neill et al (2006, pg. 103), cite Salvage's 1993 survey of 916 randomly selected older people which reported one third of all respondents did not use central heating in any of their rooms despite having it available<sup>14</sup>.

4.5 Several of the more recent studies confirm that this strategy is still being adopted. Wright's survey of 64 pensioners (2004) revealed a

*"...frugal attitude to fuel use...central heating was still turned off for several hours in winter daytime and the bedroom unlikely to be heated."* (pg. 500)

Harrington et al (2004) and Age Concern (2006) also both report pensioners restricting themselves to a single room for many hours of the day<sup>15</sup>:

*"An older lady restricted herself to the lounge which she heated at the cost of doing her housework"* (Harrington et al, 2004, pg.264)

*"Another strategy for cutting costs mentioned by a couple of older people was only to have the heating on in one room and to close the doors to the rest of the house. Some felt that such an approach was still necessary even since the Winter Fuel Payment because of the particularly high setting that they needed the heating on in order to feel warm."* (Age Concern, 2006, p.17)

4.6 However, the reasons for the under-heating of homes by pensioners are often complex and not purely related to a lack of money. For example, Wright (2004) reports that amongst pensioner households:

*'...breathing cold air at night was widely held to be healthy'* (pg. 495)

She found that one third of pensioners never heated the bedroom and that many kept windows open at night:

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<sup>14</sup> Salvage, A. (1993), *Cold Comfort*, London: Age Concern Institute of Gerontology.

<sup>15</sup> Healy & Clinch (2002)

*“...even in the coldest winter because they deemed it to be healthy” (pg. 495)*

- 4.7 Many of the views held by pensioners on this issue are varied and nuanced. For example:

*“Respondents were more likely to think of cold as exacerbating than as causing serious physical health problems (Harrington et al, 2004, pg. 266)*

- 4.8 In other cases, the experiences of older people from their youth influenced their attitudes towards heating:

*“It was less common but some people did not always prioritise home warmth - this was especially true of older people who had experiences of only having a coal fire in the living room”.(Harrington et al, 2004, pg. 263)*

- 4.9 However, these beliefs were by no means present in all pensioner households. For example, O’Neill et al report that:

*“Throughout the interviews many of the women commented on why living in a warm house was very much a priority to them. Some of the women also made the link between a cold house and their health and well-being, with two women comparing heating to food...” (pp. 101 - 102)*

- 4.10 More generally, low income households of all types appreciate the priority of keeping their homes warm, whilst also sometimes struggling to do so:

*“Across virtually all of the groups, the priority purchases of low income family households are food (first) and fuel. First and foremost, the objective of management is to ensure that basic needs are met. This is understandable and may be so universally held as to be unworthy of comment. However, that fuel and sustenance are explicitly conceived as priorities is indicative of the consciousness among adults in low income households of the challenge they encounter in meeting these needs.” (McKendrick et al, 2003, pg.12)*

*“Organising their finances to be able to spend enough to stay warm is the top priority for most consumers of all ages and income levels, although this may not always be achieved.” (Energywatch, 2005, pg. 35)*

- 4.11 As suggested in the previous section, there is a need for future studies to obtain greater levels of evidence concerning the relationship between attitudes held by households to budgeting, health, and debt and the actions that they take (or do not take) in respect of their fuel use:

*“...older quantitative, survey based studies of decision making about heating have concluded that energy-related household behaviour cannot be easily predicted - beliefs about heating & energy efficiency affect behaviour” (Harrington, 2004, p.260)*

## Reduced fuel use by other households

4.12 Under-heating of homes is not restricted to pensioner households. Doble reports that families with young children are also prone to adopt this strategy (pg. 233). Although he reports that parents often attempt to prioritise the warmth of the home for those periods during which children are present it is clear that this is not always possible.

4.13 Perhaps the most extensive research in this area has been conducted on behalf of Department of Work and Pensions, which surveyed nearly 2500 lone parents and 2000 couples on low incomes in 1999. The report, published in 2001, reported that 10% of lone parents and 7% of couples could not afford to keep their homes warm in winter with these percentages rising to 12% and 13% respectively where no-one in the household was in employment (Marsh et al, 2001, para 6.3.2)

4.14 Kempson et al's 1994 study of seventy four low income families with children reported that "going without heating was...fairly common" (pg. 283) and more recent reports involving families confirm that problems of restricted fuel use remain

*"One young mother kept her baby wrapped in several layers of clothes and constantly drank tea and coffee to keep warm."* (Harrington et al, 2004, p.264).

*"I use the central heating very carefully because it can run away with the money. I only use a little gas fire on low in the living room."* (Energywatch, 2005, pg. 39)

4.15 Problems of restricted fuel use are most often reported where households are paying for fuel through pre-payment meters, where many effectively become 'self-disconnected' from their supply as a result of problems affording or obtaining the required meter tokens or credit (Birmingham Settlement, 1993, cited in Kempson et al, 1994, pg. 122). The extent of self disconnection is a matter of some dispute, although it has been an issue of some study over the years.

4.16 Doble (2000, pg. 233) cites a study by Drakeford (1995) which found that 51% of electricity customers and 60% of gas users paying for fuel through pre-payment meters reported themselves as going without a supply at some point because of difficulties in affording or obtaining tokens, whilst Graham reports that about 25% of all households with electricity pre-payment meters self-disconnected in the 3<sup>rd</sup> Quarter of 2005 (2006, pg. 445).

4.17 However, the methodologies used in some studies of self disconnection have been subject to challenge. Doble argues that many (for example Birmingham Settlement, 1993) have been based on small or self selecting samples. He has also questioned the use of postal questionnaires as an appropriate method for investigating self-disconnection issues. By contrast, Doble conducted his own study of 530 randomly selected pre-payment customers in Coventry on a face to face basis. Whilst he also found considerable evidence of self disconnection (33% of gas pre-payment customers had self disconnected in the previous 12 months), he questioned the extent to which this posed a problem for health or welfare of pre-payment households due to the often short term nature of the loss of supply and because most reports of self-disconnection resulted from failure to obtain pre-payment credit or tokens rather than a lack of money.

*“The average number of stoppages in the last year for those who experienced supply interruptions was four.<sup>4</sup> Examining all supply interruptions, the majority were of short duration, and the reasons were largely to do with convenience or organization and these did not cause hardship.”* pg. 237

4.18 In addition, there is evidence that low income households appreciate pre-payment as a means of budgeting which helps them to avoid the shock of high bills and prevents them from falling into arrears. A series of focus groups conducted with households on the subject of energy suppliers' Priority Services Registers<sup>16</sup> for energywatch in 2005 reported:

*“Although respondents were aware that their fuel costs were higher with pre payment meters, many opted to use them because of the need to tightly control their outgoings on a weekly basis.*

*‘I use the meter because it makes me anxious to have bills coming in and not being able to pay them because I'm living on benefits. I make sure that I have some tokens or I worry. You just struggle.’* (Energywatch, 2005, pg. 37)

*“I find it easier to pay each week rather than have a big bill come in and I might not have the money to pay.”* (Energywatch, 2005, pg. 38)

4.19 Most recently, IPSOS MORI conducted a focus group with 33 pre-payment customers on behalf of OFGEM in February 2007. This revealed that PPM customers considered the three main advantages of using Pre-payment Meters to be (pg. 6):

- Greater control over finances

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<sup>16</sup> The Priority Services Registers are lists of elderly, disabled, and chronically ill customers which gas and electricity suppliers are obliged to maintain by OFGEM. They assist the supplier in providing special assistance to meet the needs of this group of consumers.

- Better budgeting – although by limiting fuel use to the amount that can be afforded
- Lack of bills and avoidance of the accrual of arrears

4.20 In many cases, of course, pre-payment meters will have been installed because of previous problems with the payment of bills and the accrual of arrears. In these cases, the meter will also be calibrated to collect the debts owed as well as to ensure that ongoing fuel consumption is paid for in advance. It is perhaps unsurprising therefore that those who have previously struggled to pay their bills would welcome a form of payment that ensures they cannot accrue further arrears.

4.21 Nevertheless despite the advantages of pre-payment for some consumers, self disconnection remains a problem for others. Doble's conclusion that the impact of self disconnection rarely causes hardship is sometimes contradicted by evidence of the way in which consumers cope with pre-payment generally and with breaks in supply when these occur.

4.22 For example, Doble himself reports that the 'control' which pre-payment offers equates to a form of fuel rationing and leads to under-heated homes:

*"...rather than self-disconnect, most customers prefer to maintain a constant supply but to lower their consumption by timing the supply of heating and hot water more closely, heating fewer rooms or turning off heating at those times when children were not in the house..." (pg. 238)*

4.23 Equally, where breaks in supply occur, despite often being for short durations, these have significant impacts, leaving people in the cold and dark.

*"This necessitated a man with multiple sclerosis in receipt of severe disablement allowance (with a partner on a full-time training course) having to use a taxi to get to the post office to recharge the Gas card, despite being on a low income...four other users were all single people living alone, unemployed and receiving income support. One, a man with arthritis (whose condition was exacerbated by the cold), was sometimes unable to leave his home and often would not be able to buy gas until benefits were paid. A woman frequently experienced stoppages of longer than twenty-four hours whilst waiting for benefits." (Doble, 2000, pp. 239-240)*

*"...we heard of cases where the electricity went off at night and the respondent wasn't able to leave sleeping children in order to go out to top it up." (Energywatch, 2005, pg. 39)*

Kempson et al (1994) report that families sometimes ended up:

*"...sat in the dark when they ran out of electricity tokens"*

And one respondent to her survey experienced problems so regularly that she put in place contingency plans to use

*“...a camping light and wired the television up to a car battery when the meter ran out.”* (pg.283)

4.24 There is often also a financial reason for the self-disconnection. In a telephone survey of 2,000 energy customers conducted in 2007, Energywatch found that 26% of pre-payment customers experienced problems paying for their fuel as compared to 18% of customers using other payment mechanisms (Energywatch, 2007, pg. 12). This position is worsened by the fact that pre-payment customers also pay more for their fuel than customers on standard tariffs or paying by direct debit<sup>17</sup>.

4.25 Self disconnection can also occur as a result of a lack of access to shops and outlets selling pre-payment tokens or providing for the top up of pre-payment cards (Doble, 2000; Speak 2000; Energywatch 2005; OFGEM, 2007).

*“It isn’t always easy getting the tokens (for pre-payment meters) in this area, especially in the evening.”* (Energywatch, 2005, pg.39)

IPSOS MORI report that customers experienced problems with obtaining top up credit for their pre-payment meters because (pg. 6)

- Top up points can be located far away from your house
- Top up points are rarely open late at night
- Not all top up points cater for both gas and electricity
- The machines may not be working

4.26 Reducing fuel use – either deliberately by under-heating homes, or as a result of self-disconnection caused by problems of access to outlets to charge pre-payment cards is therefore a common strategy employed by households of all types. However, it is perhaps most obvious in the literature in respect of pensioner households – where it may be the result of attitudes to fuel use and experience of colder homes in childhood – and in low income households with pre-payment meters. In the latter category, there is evidence that lone parent households face particular problems in maintaining a consistent level of supply.

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<sup>17</sup> National Energy Action report that existing differentials penalise prepayment customers by £55 (standard credit) and £144 (direct debit) per year (“The Wrong Direction: How UK Fuel Poverty Policy Lost It’s Way”, National Energy Action, May 2008, pg. 5). Energywatch estimate that the average differential between prepayment meter and online direct debit rates stood at £203 in July 2008.

## Financial Measures

4.27 We found that there was strong evidence in the literature that many households attempt to cope with fuel poverty by taking financial measures falling into the following three categories

- reducing expenditure, particularly on food, and juggling bill payments
- increasing income through the take-up of benefit entitlements
- less commonly, by switching supplier or changing payment methods

4.28 We review the evidence concerning each of these in turn below.

### ***Reducing expenditure & 'juggling' payments***

4.29 Low income households are often forced to prioritise when it comes to managing their budgets, and in times when they are running short find themselves having to cut back on expenditure in a number of areas including on social activities, clothing, and food. Kempson et al describe the process as one of first cutting out luxury expenditure or 'treats' including social activities and holidays, followed by reductions in expenditure on flexible areas of the budget such as clothing and food (1994, pp. 118 – 120)

4.30 Evidence of this necessity to make 'hard choices' is present in more recent literature too. Whetstone's 2002 study of pensioner budgets, which included monitoring expenditure of pensioner households through the use of weekly budget diaries, revealed that pensioners prioritised those inflexible areas of expenditure such as rent or bills:

*"The payment of bills always came first with food being a 'flexible' commodity as shown by their reliance on their stock cupboards when bills were due"*

*The overriding importance of being able to pay their bills was shown when they were asked about how they would spend an extra £10 if it were given to them. They invariably said that it would be put towards inflexible items such as bills and rent." (pg.52)*

*"Consumers on low incomes will cut back their expenditure in other areas and budget for their gas and electricity use in order to maintain some level of warmth." (Energywatch, 2005, pg. 33)*

4.31 Despite the emphasis that low income households place on meeting these essentials, many household budgets do not allow for all of them to be covered. For example, DWP research into the household spending habits of low income families and lone parents conducted in 2003 found that although there was general agreement that the priorities in the household budget were



- 'maintaining a roof over our heads' – rent or mortgage and Council Tax
- 'heat and light' – gas and electricity
- 'fed and clothed' – groceries and clothing

These could be affected where incomes were insufficient to cover essentials and where debts were incurred as a result. In these instances

*"Other outgoings often took precedence over supposedly higher priorities due to an obligation to pay. Debt repayments were often prioritised where heavy and more imminent penalties (interest and charges) were associated with non-payment."* (Farrell & O'Connor, DWP, 2003, para 4.1)

4.32 In addition, the evidence is clear that many households on low incomes cut back on food expenditure to balance their budgets.

4.33 There is extensive and long established evidence on the relationships between low income and expenditure on food. For example, a 1913 study of working class families in Lambeth reported that:

*"...when it comes to a pinch, food is the elastic item."* (Pember Reeves, p.32, cited in Whetstone, 2002, pg.16)

4.34 It was therefore not surprising that our review found evidence of households in fuel poverty resorting to cutting back on food spending in order to balance their budgets, despite the fact that these households also recognise food as a priority. A randomised survey of 200 lone-parent households in greater London conducted for the Joseph Rowntree Foundation (JRF) in 1992/93 found that:

*"Those who were poorer regularly went without particular foods or even meals. A fifth of the sample said they had regularly to 'make do' with whatever was in the cupboard, fridge or freezer before they collected their benefit. However, although parents restricted their own diets in this way, few let their children go without food."* (Dowler & Calvert, 1994, pg. 3)

4.35 Another JRF survey conducted with 48 lone parent households in the Midlands confirmed that food budgets were often viewed as the flexible item of expenditure:

*"All households tried to 'ring-fence' the money spent on food each week. However, this generally proved impractical for the majority of households since food represented one of the few components of their budget where there was any degree of flexibility. Bills and all other areas of expenditure were fixed to a much greater extent."* (Dobson et al, 1994, pg. 2)

4.36 The reduction of food budgets is not restricted to lone parent households. Age Concern (2006), also report that pensioner households saved on the food budget by “*buying economy food and items near their sell-by date*”, activities which lone parents and other low income households also do on a regular basis in order to save money.

4.37 It is also important to note that reductions in food budgets are also often coupled with broader strategies to ‘juggle’ household finances, including delaying the payment of bills or paying one type of bill in one month and another the next – ‘robbing peter to pay paul’.

*“Juggling was a common way of ensuring as many outgoings were paid as possible, and this often highlighted how perceived priorities differed from true ones. For example, food bills were often cut back to allow for spending elsewhere and in other cases rent payments were missed so that money was freed up for other outgoings. The ability to juggle depended on flexibility in payment methods.”* (Farrell & O’Connor, para 4.1)

4.38 Whyley et al (1997) present a broad typology of household characteristics in respect of budgeting and money management, highlighting the presence of five main types (pg. 7):

- Moral planners – who adopt rigorous and systematic approaches to budgeting and do not juggle with bills or other expenditures but take control over their finances by making advance provision and have a strong aversion to debt
- Pragmatic planners – who again do not juggle expenditures but tend to make greater use of financial services such as direct debits and standing orders.
- Flexible planners – who are unlikely to make advance provision for bills and often juggled payments to meet their needs
- Muddlers – who had no real system of money management at all, and were often forced to juggle payments as a result
- Pay as you go – households which adopted a strict system of daily and weekly money management and would include people using pre-payment meters as a means of controlling expenditure on fuel.

4.39 It is important to note that these ‘types’ of budgeting or money management approaches are idealised, and that households frequently “alter their approach...over time and according to their circumstances” (Whyley et al, pg. 30 citing Kempson et al 1994; Kempson, 1996). The key factors

contributing to these changes are identified in the literature as age and experience, life events, and financial circumstances.

4.40 For example, Farrell & O'Connor noted that increased family incomes resulting from moves into employment directly impacted on the diets of families.

*"...food shopping became more spontaneous, less frequent, as households started to bulk buy, and was bought from better quality outlets. With regard to the food bought, quantity increased first, followed by quality as households' incomes increased. Meals became healthier and more well-balanced, with the introduction of more meat and fresh fruit and vegetables."* (Farrell & O'Connor, para 4.21)

4.41 Whyley et al's framework may be useful in informing future research into the money management behaviour of fuel poor households, as it provides a way to identify the attitudes that lie behind different types of budgeting behaviour rather than simply describing the actions that fuel poor households are taking. In this way, it fits well with proposals to examine the 'emotional responses' to fuel poverty including attitudes to health and credit use as part of future studies.

### ***Benefit Take-Up***

4.42 There is a long standing literature relating to the take-up rates of benefits, particularly means tested benefits, in the UK and the reasons why non-take up amongst some groups remains high.

4.43 Van Oorschott's 1991 literature review remains the most useful by identifying the key factors which determine low benefit take-up rates. He notes that the probability of non take-up is greater in schemes which:

- have a 'density' of rules and guidelines
- contain complex rules
- contain vague criteria of entitlement
- contain a means test
- are aimed at groups in society which are associated with negative prejudices
- supplement other sources of income
- leave the initiative to start the claiming process fully to the claimants themselves

4.44 In addition, Van Oorschott also identified a set of administrative and client factors which could further lessen take-up rates. These are set out in the table below.

**Table 2: Administrative and Client Barriers Affecting Benefit Take-Up**

Administrative	Client
<ul style="list-style-type: none"> <li>• the way of handling claims is experienced as being humiliating or degrading</li> <li>• ‘service’ and ‘fraud control’ functions are combined in the administrative process</li> <li>• poor quality of communication with clients, insufficient information and advice</li> <li>• poor quality of decision making</li> <li>• poor quality of technical administrative processes</li> <li>• complex application forms</li> <li>• poor co-operation with other relevant authorities</li> <li>• false interpretation of regulations by administrators</li> </ul>	<ul style="list-style-type: none"> <li>• ignorance of the existence of the scheme</li> <li>• insufficient knowledge of the claiming process and administrative procedures</li> <li>• fear of stigmatization and humiliation</li> <li>• attitudes towards dependency on society</li> </ul>

4.45 The acceptance of these issues over time led to the development of a ‘threshold model’ – whereby potential claimants were considered likely to make a claim only if they overcame key barriers including a perceived need to increase income and a basic knowledge of the eligibility conditions combined with a view that the benefit would help and would raise utility (Kerr, 1983, cited in Van Oorschott pg. 21).

4.46 However, in addition to the threshold factors identified by Kerr, the literature now encompasses Van Oorschott’s own view that many decisions to claim additional benefits are the result of ‘trigger factors’ or life changes which prompt people to take action. These triggers have been acknowledged as important in relation to take-up of services more generally. For example, Pleasance (2006) relates the presence of ‘trigger problems’ including domestic violence and homelessness to the take up of legal advice services (pp. 55 – 60)

4.47 The trigger events initially identified by Van Oorschott included sudden drops in income, sudden increases in expenditure, unemployment, or the direct advice of friends, relatives and officials (pg. 23).

4.48 There is strong empirical evidence that addressing the barriers identified in Van Oorschott's framework leads to greater take-up of benefits amongst fuel poor households. For example, agencies can often provide the trigger for people to make a claim. Stewart and Habgood (2008) report on the success of Luton's Affordable Warmth Strategy which helps to ensure welfare benefit uptake is increased as part of its offer to people interested in energy efficiency measures. The strategy includes training health practitioners to identify the need for benefits and warm homes assistance:

*“Luton has trained more than 400 health practitioners in energy awareness, including GPs, district nurses, advanced nurse practitioners, health visitors, social workers and mental health practitioners, who are now making referrals. Additionally, local people have received some £400,000 extra welfare benefits; 700 people have been referred for advice and assistance since April 2001, with 76% of recipients in the private housing sector, and 81% over 60, closely targeting black and minority ethnic communities.”*  
(pg. 127)

4.49 At a national level, Eaga, who manage the Government's Warm Front heating and insulation scheme, report that two in five clients who underwent a benefits entitlement assessment were eligible for further 'passport'<sup>18</sup> benefits and one in five clients obtained an additional £25 per week<sup>19</sup>.

4.50 Indeed, this drive to join up provision also lies behind government's recent 'Link-Age' initiative to improve access to benefits and other key services for pensioner households and behind the rationale for health service funding of advice services, although this has also been undertaken in order to reduce the amount of time GP's have to spend on 'non-medical' matters with their patients (see for example, Dornan, 2006, pg. 29).

It should also be noted that being more proactive by identifying people who may be in need of assistance with benefit claims also addresses the problem of lack of access to advice services more generally which is often a significant barrier to take-up. (See for example, Energywatch 2005). Even where contact was attempted, services were often over-stretched and slow to respond:

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<sup>18</sup> Most energy efficiency grants have similar qualifying benefits which are sometimes referred to as 'passport' benefits. These are: Income Support, Housing Benefit, Council Tax Benefit, Job Seekers Allowance, higher rate Disability Allowance, Attendance Allowance, Industrial Injuries and War Disablement Pensions, Pension Credit

<sup>19</sup> Eaga Partnership Ltd (2004) Response to A strategy to define and prevent the disconnection of vulnerable customers

*“Most of us would think to approach CAB first if they needed benefits advice, but it is actually very difficult to get to see or speak to an advisor, so it’s put me off.” (Energywatch, 2005, pg.43)*

- 4.51 Hannam, writing in support of integrated approaches and greater targeting of action to increase take-up, makes the point that low benefit take-up rates invariably affect the take-up of energy efficiency measures as benefits often form the eligibility criteria for these.

*“Eligibility for Warm Front and EEC [Energy Efficiency Commitment schemes] are dependent on qualifying benefits so high benefit take-up is crucial.” (2006, pg. 126)*

Indeed, low benefit take up rates can also hinder access to some suppliers’ social tariffs and other energy related assistance. Whether or not a household is in fuel poverty can hinge on these factors and the take-up of benefits and level of tariff will also influence the nature and severity of household coping strategies.

- 4.52 Focusing on those trigger points that bring people into contact with public services, joining up those services with effective training and referral processes, and providing assistance with the claiming process are all actions that directly address a range of the administrative factors which inhibit benefit take-up as set out in the table in para 4.43 above.

- 4.53 Other take-up initiatives have focused more on the client barriers – such as ignorance of entitlement and fear of stigma, both of which are often reported as reasons for low take-up by pensioner households.

*“Several stated explicitly that they found the benefits system very complicated – leading to questions about why there could not be a single state pension rather than a system that delivered assistance to pensioners under a variety of guises” (Age Concern, 2006, pg.28)*

*“Some people disliked the perceived intrusion into their personal finances that means-testing necessitates and felt it was degrading to fill in the forms applying for benefits. These individuals were not always opposed to the concept of means-testing but more the procedures that it is necessary to go through in order to obtain means-tested benefits.” (Age Concern, 2006, pg. 30)*

- 4.54 Reducing the stigma of claiming is therefore important and National Energy Action has provided guidance of this nature to providers of energy efficiency schemes from 2006 onwards. This includes advice to:

*“Avoid stigmatising language in favour of more neutral terms such as ‘lower income’ instead of ‘low income.’ Make benefiting from the scheme seem*

*universal. EEC<sup>20</sup> schemes have used the line 'you have helped pay for this scheme through your energy bills.' National /local schemes could use a similar approach 'you have helped pay for this scheme through taxes.'* (National Energy Action, 2006, pg. 5)

Guidance is also available concerning the promotion of schemes to BME groups and on addressing barriers in rural areas<sup>21</sup>

4.55 Importantly, lessons of clarity of entitlement appear to have been learned in respect of the Winter Fuel Payment:

*"The payment was clearly very popular and, unlike many other benefits, easily understood."* (Age Concern, 2006, pg. 29)

*"All of the women had heard of the winter fuel payment and most said they liked this because everyone got the same amount regardless of their income or socio-economic status."* (O'Neill et al, 2006, pg.104)

4.56 However, despite some good practice it is evident that there remain considerable problems with the take-up of benefits amongst some groups, as indeed there are problems in ensuring access to services generally. As we indicate above, the reasons for this can be complex. Client factors – such as awareness of eligibility, which is likely to be lower amongst households for whom English is not a first language; and attitudes towards claiming means tested benefits, which remains a problem for some older people, are important here. So are administrative factors. The integration of benefits and energy advice has helped, but other administrative improvements – for example, simplifying benefit rules and administrative procedures, would require action from government.

### ***Billing and Switching***

4.57 Low income and vulnerable groups have frequently reported problems with billing, which exacerbates the difficulties that they have paying for fuel. As Citizens Advice report:

*"For fuel poor households regularity and certainty of bills is key to budgeting. Many CABx have reported cases of estimated bills over long periods; no bills and billing errors and poor presentation of information about accounts. These are not new problems – but solving them would assist people on low incomes with budgeting."* (2002, para 1.14)

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<sup>20</sup> Under the Energy Efficiency Commitment (EEC), electricity and gas suppliers were required to achieve targets for the promotion of improvements in domestic energy efficiency in Great Britain with at least 50% of energy savings focused on a priority group of low-income consumers, The EEC was succeeded in April 2008 by the Carbon Emissions Reduction Target (CERT) which requires 40% of energy savings to be focused on priority groups and extends these to cover all people aged 70 or over.

<sup>21</sup> National Energy Action Guidance notes 2 and 3, June 2006

4.58 As highlighted earlier in this report, these problems often contribute to a desire amongst low income households for the greater control over their fuel expenditure which pre-payment meters provide. Alternatively, in some instances, delays in billing can lead to the accrual of arrears which leads to the installation of a pre-payment meter, or worse, to disconnection.

*“A CAB in Sussex reported the case of a client who received no bills for 18 months after transferring his gas supply, although he continued to make regular fortnightly payments. He then received a bill for nearly £400, followed two weeks later by a red notice threatening disconnection. The client was faced with the imposition of a prepayment meter if his offer to clear the arrears by installments was not accepted.”* (Citizens Advice, 2002, para 2.11)

Ongoing problems with billing led Energywatch to lodge a super-complaint against the industry in 2005, which cited:

*“evidence ...that the individual impact upon consumers can be significant. It goes beyond mere frustration and inconvenience and can lead to serious financial hardship, debt, debt blocking and even self or supplier disconnection...”* (Energywatch 2005b, pg. 6)

4.59 As regards coping strategies with fuel poverty itself, then switching suppliers to obtain a better deal can be a rational option for households to pursue. However, in reality large proportions of households do not, in fact, exercise this option.

*“Approximately two-fifths of energy consumers have never switched their supplier and over one in ten (14%) of all energy consumers say that they will never switch supplier.”* (Energywatch, 2007, pg. 41)

4.60 The incidence of switching is also significantly lower for households which have pre-payment meters fitted, as the cost of switching is higher for these customers “because of the more complex arrangements necessitated by the prepayment meter” (Waddams Price, 2005, pg. 139)

4.61 The reasons for not switching include satisfaction with the current supplier, although there is also a lack of awareness of how to switch, and of the benefits that could be realised from doing so. In some instances, people believe that switching is futile as suppliers will inevitably raise prices later. However, there is evidence that households that do switch suppliers find this process a positive experience:

*“Research by Mori for Ofgem has found that 37 per cent of gas consumers and 38 per cent of electricity consumers have experience of switching suppliers... That research found that a significant proportion of consumers were satisfied, around 86 per cent.”* (Citizens Advice, 2002, pg. 14)



4.62 Where experiences have been positive then personal recommendations from family and friends can encourage others to switch. Wright reports that approximately 50% of the pensioners in her study had changed fuel provider and that

*“...Several others were considering changing to..[the same supplier]... after hearing positive reports from friends etc. all of those on it described a significant reduction in fuel bills” (p.500)<sup>22</sup>*

4.63 However, there are also many households for whom switching suppliers has caused problems. The same study of pensioner households reports that 1 in 3 of those who had changed supplier regretted it (pg. 500), and Citizens Advice have reported in detail on a range of problems experienced by vulnerable consumers including mis-selling on the doorstep

*“The unconfident consumer is being taken advantage of in this market. CAB evidence shows a significant problem of inappropriate and aggressive selling and erroneous (unwanted and possibly fraudulent) transfers. Consumers who are not confident, do not know their rights or do not know how to quiz a fuel salesperson or challenge misleading statements can be easily exploited.” (2002, pg. 14)*

These concerns led to the launch of an industry wide code of practice in December 2002 but problems have subsequently re-emerged with OFGEM currently conducting an investigation into allegations of mis-selling by npower<sup>23</sup>.

4.64 The types of problems experienced by people switching energy suppliers have also been well documented. A DTI report in 2000 describes the difficulties faced as including: transfers happening without the customer's knowledge, inaccurate meter readings & inappropriate doorstep and telephone selling techniques. (Cited in Wright, 2004, p.500). Citizens Advice provide further evidence of the problems as they affect vulnerable groups

*“Perhaps the most frequently reported consequence of supplier transfer for CAB clients is the problem of double billing.... A CAB in Devon reported the case of a confused elderly client who had changed electricity supplier twice, and gas supplier once, in response to doorstep selling , although unaware of having signed anything at all. She subsequently received bills for electricity from two companies for the same period, and the bureau was still trying to sort this out three months after her first visit to them.” (2002, pg. 10)*

4.65 More recent research has shown that pre-payment customers are particularly at risk of mis-selling, which results in them switching to more expensive deals. As a result, Energywatch are currently calling for “...an

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<sup>22</sup> The tariff referred to here is the Staywarm tariff. It should be noted that since the publication of Wright's report, the benefits of this tariff have become less clear.

<sup>23</sup> See for example, BBC Moneybox 13/12/2002 “Move to end energy mis-selling” and Times Online 22/4/2008 “Ofgem probes npower over mis-selling claims”

*interrogation of the scripts as used by sales agents and the tactics employed by suppliers” as part of an investigation into the possible links “between consumers switching to the most expensive suppliers and mis-selling by suppliers.” (Energywatch, 11<sup>th</sup> July 2008, pp. 10 - 11)*

- 4.66 Perhaps most worryingly of all, there is also current evidence that people switching supplier are actually worse off in many cases despite the fact that their original reason for the switch was to save money. (Wilson & Waddams Price, 2007).

## **Debt**

- 4.67 Many households on low incomes are either unable or unwilling to cut back on household expenditure or raise incomes in order to balance their budgets. The result of this is invariably increased indebtedness, exhibited either directly in the form of arrears on fuel bills or indirectly through debts more generally.

- 4.68 Importantly, debt amongst fuel poor households is clearly a product of low income:

*“...it would appear from the interviews that debt is entered into as a means to cope with everyday essentials (rather than luxuries of choice)”. McKendrick et al para 3.10*

*“...the main conclusion was that low income rather than over-expenditure was the cause of arrears.” (Berthoud, 1981, cited in Rowlingson & Kempson, 1996, pg 2)*

- 4.69 However, whilst low income is a key determining factor, not all low income households get into debt and the literature indicates that the attitude of the household towards debt is therefore important. As we highlight earlier, older people generally appear to be more likely to cut back on fuel use rather than get into debt, whilst this picture is reversed for many younger households.

*“While the link between low income and fuel debt is well established, the relationship is not a simple causal one.” (Rowlingson and Kempson, 1996, pg. 4)*

- 4.70 Kempson et al's 2004 study of families in debt confirms that those at the greatest risk of arrears were young people on low incomes and low-income families with children. She indicates a range of factors that increase the risk of arrears including age, housing tenure, and the presence of credit commitments:

*“Arrears were at their highest among families where the head of household was in their twenties, more than a third of whom were in arrears...Arrears in*

*household bills declined gradually across the age groups but arrears in consumer credit fell much more quickly with increasing age.... Arrears were more common among tenants than home owners (36 per cent compared with 15 per cent)....Having even one credit commitment doubled the risk of arrears; two commitments trebled it and having three or more increased the risk from eight per cent to 38 per cent.” (Kempson et al pp. 1-2)*

- 4.71 Lunt & Livingstone support the importance of age as a factor, stressing the importance of attitudes towards credit and debt, as explaining the lower incidence of debt amongst older households:

*“Consistent with the sociological literature on debt, the present results show that those in debt in Britain are significantly younger than those not in debt (e.g. Berthoud and Kempson 1990). Livingstone and Lunt (1991) argue that the finding for age reflects generational differences particularly in attitudes towards debt rather than different economic demands as a function of one’s stage in the life cycle” (1992, pg. 127)*

- 4.72 These general findings in relation to the types of households that are more likely to get into indebtedness appear to be borne out in respect of fuel poor households, with younger fuel poor families and those containing people with long term illnesses or disabilities the most likely to get into debt:

*“One couple had paid 12 per cent of their income (excluding disability allowances) for fuel in the winter quarter (home heated by electric storage heaters and cooking was electric because they did not have access to gas) Both had serious disabilities and so economizing on heating was not an option for them.” (Wright, 2004, p.499)*

*“...about one in four of the families in arrears..[contained]...a very young child or someone who was sick or disabled.” (Berthoud, 1981, cited in Rowlingson & Kempson, 1996, pg. 5)*

- 4.73 The concentration of indebtedness amongst these fuel poor households reflects the fact that fuel rationing is less of an option and may also be due to the need to maintain heating for longer periods of the day. For example, Harrington et al report that respondents to their survey viewed keeping warm as a basic need and that younger parents prioritised this in order to protect the health of young children. As a consequence they “were more inclined to get into debt in order to stay warm” (2004, pg. 263)

*“My husband is disabled and he has to be warm through the winter, so I have to have the heating on.” (Energywatch, 2005, pg. 39)*

*“...many households require all day heating because they are liable to be at home all day e.g. older retired households, the long-term sick, unemployed people, families with young children. This illustrates another dimension of fuel poverty, namely that certain groups are intrinsically more vulnerable to fuel poverty because their circumstances mean they cannot benefit from the*

*'free heat' provided in the workplace or education establishment. (Baker, 2001, pg. 4)*

4.74 Getting into debt therefore appears to be a coping strategy most likely to be used by those fuel poor households which are both generally at risk of debt, according to the factors set out in para 4.69, above, and who feel constrained in their use of other coping strategies because of the needs of family members.

4.75 However, there are exceptions to this general picture and attitudinal factors are important. For example, some younger households remain debt averse and in tight control of their finances either as a result of attitudes passed down to them from older generations, or as a response to their fear of debt:

*"I feel my mum coped when she had eight of us and they had little money coming in. In those days it wasn't so hard as it is now because things have got quite expensive...But she coped and I have learnt off my mum to cope."* (Kempson et al, 1994, pg. 97)

*"I daren't [use any credit], no cos I don't like getting into debt, cos I'd be getting to the stage where I wouldn't be able to get myself out"* (Kempson et al, 1994, pg. 204)

## **Energy Efficiency Measures**

4.76 As noted in para 4.2, above, energy efficiency measures cut across the three broader types of coping strategies. For example, they can be used to reduce fuel consumption, reduce fuel bills, or neither of these - in which case they can result in warmer homes. In fact, any combination of these outcomes is possible depending on the efficacy of the actions taken and the measures installed and the results are not mutually exclusive.

4.77 Where energy efficiency measures are taken up these are generally positive, although the impact on fuel costs is sometimes ambiguous. For example, Gilbertson et al's study of the effectiveness of the Warm Front scheme reports that householders enjoyed improved warmth and hot water, a better use of living space, comfort, quality of life, and physical and mental well-being. However, it was also found that many householders were unable to say what difference, if any, the programme had made to their fuel bills. (Gilbertson et al, pg. 951)

Harrington et al (2004) report a similar finding that households receiving heating/ insulation interventions are positive about its impact but not all are clear exactly what the impact has been, perhaps because the effect was

divided into slightly cheaper bills and a slight improvement in house warmth (pg.265)

4.78 However, despite the generally positive results to be found once energy efficiency measures have been installed, our review also found that there remain significant obstacles to the take-up of those measures in the first instance. In part this is an issue of eligibility, and the take-up of qualifying benefit entitlements, but some groups – despite being eligible and in receipt of the required benefits - are also more likely to fail to take up the offer of efficiency measures than others.

4.79 For example, Armstrong et al report that a free central heating initiative targeted at over 1,000 Council tenants in London was taken up by only 26% of those eligible. Follow up work suggests that concerns about disruption and mess, and also about the potential for higher heating costs to result played a part in the low take-up rates. (2005, pg. 163)

4.80 This point concerning the problems faced by BME households in particular is taken up by Todd & Steele (2006) who review take-up rates of energy advice and efficiency measures amongst this group and conclude that these are lower because of a more general lack of awareness of locally available services amongst BME populations.

4.81 In many ways discussion of the take-up of energy efficiency schemes echoes that previously detailed in respect of benefit take-up and the two can be inter-related. For example, client factors such as low awareness of the schemes and stigma were often reported

*“Most of the women interviewed (6/10) were not aware of Energy Efficiency grants.... One respondent said that she felt that older people were too proud to apply for Energy Efficiency grants”.* (O’Neill, 2006 pg. 104)

Whilst complexities of administration – for example separate schemes and criteria - also pose problems:

*“Respondents who had not applied for an energy efficiency grant were asked if they had ever considered applying - it was common that people were unable to distinguish between different local authority grant programmes within their individual criteria - if a previous application was unsuccessful people assumed there was no point applying for a different one.”* (Wright, 2004, p.498)

4.82 The literature also reveals that particular problems arise in respect of different types of energy efficiency measure. For example, Wright reports that there is a resistance to cavity wall insulation and that “some in the study rejected such insulation because they were aware of press scare stories

about the insulating materials causing health problems.” (Wright, 2004, p498).

- 4.83 She also found that “...elderly householders were resistant to activities which might cause mess and dirt and the conditions applied to loft insulation grant made it difficult for very old people” (pg. 499)

“ ...two householders in the study had applied for a loft insulation grant but when it became apparent they were responsible for clearing the loft ready for the work to begin they had to reject it because they did not have the strength to do this. One of them, a lady of 85 had such poor mobility and balance that she could only go up and down the stairs on her bottom and so it would have been impossible for her to reach the loft” (pg.499).

- 4.84 However, problems of take-up appear to be particularly problematic for private tenants who often felt that they had “little choice about the heating or insulation of their home because they...had to rely on an unresponsive landlord.” (Harrington et al, 2004, pg.267)

- 4.85 Harrington et al report that some households, unaware of, or ineligible for official energy efficiency schemes, took their own steps to improve the warmth of their homes – although sometimes these were ineffective and actually increased costs.

“More proactive strategies were introduced to improve the energy efficiency of the home: hanging thick curtains over windows and doors, using blinds rather than net curtains, putting tape round windows to stop draughts, using draught excluders, covering windows with old towels and shutting internal doors. One respondent bought an electric fire which would actually be a cost-ineffective way of increasing home warmth. Some respondents prioritised double glazing - another cost ineffective strategy.”(p265).

- 4.86 Finally, cost or the fear of costs remains a key obstacle for many households:

“...many respondents did not have the money to invest in improvements which would improve their situation because they were spending all their money trying to keep their home warm.” (Harrington et al, 2004, pg. 266).

“Most householders in the study had installed central heating earlier when in employment - when retired they were often unable to afford to replace a boiler that had become old and inefficient.” (Wright, 2004 p.497)

## 5 WELFARE IMPACTS

5.1 The welfare impacts of fuel poverty have been the subject of a wide literature. Baker's 2001 review summarises these as follows

“Fuel poor’ households typically respond to ‘hard to heat’ housing in two ways:

1. They cut back on fuel use to try and maintain manageable fuel bills. This leads to cold homes and damp and/or mould growth – key determinants of poor health.
2. They run up high fuel bills to try and maintain adequate levels of warmth. This contributes to general indebtedness or the need to cut back on other essential items such as food and clothing. This can also have health consequences, for example depression.“

(Baker, 2001, pg. 3)

5.2 Our review confirms these findings, however it also indicates that the types of coping strategy – and hence some types of welfare impacts – are likely to be concentrated in certain types of household.

5.3 In particular, we find that pensioner households are more likely to cope with fuel poverty by under-heating homes and cutting back on expenditure including food budgets. Younger households employ a wider range of strategies including under-heating, but also including incurring debt, particularly where there are children in the home for long periods. Finally, there is also evidence of increased indebtedness amongst households which contain a family member with a disability although there is a lack of specific study of this fuel poor group, which should be rectified in future research.

5.4 We also find three specific types of welfare impact in the literature. These are:

- Impacts on physical health
- Impacts on mental health
- Impacts on relationships both within the household and externally

5.5 The table below sets out the links between the coping strategies that we have identified and the welfare impacts that result.

**Table 3: Welfare Impacts Associated with Household Coping Strategies**

Coping Strategy	Consequence	Welfare Impact	Household types at greatest risk <sup>24</sup>
Reduced Fuel Use	cold homes interrupted power and fuel supply (self disconnection)	risk of physical health problems increased stress and mental health problems constraints on social engagement	pensioners  some low income families with children, especially pre-payment meter customers
Reductions in expenditure on other essential services	poor nutrition low self esteem	long term impacts on physical health increased stress and mental health problems loss of 'luxuries' and social activities	low income families with children especially lone parent households  some pensioner households
Debt	low self esteem/guilt  'robbing peter to pay paul' results in enforcement action by other service providers	increased stress and mental health problems	low income households containing children  households containing disabled or long term ill family members

5.6 The remainder of this section considers these welfare impacts in turn.

## Physical Health Problems

5.7 Cold homes have long been associated with excess winter deaths,<sup>25</sup> with government estimates ranging from 25,000 to 45,000 each year<sup>26</sup>.

<sup>24</sup> The information presented here is subject to the caveats set out in Section 1.

<sup>25</sup> "Excess winter deaths are defined by the Office for National Statistics as the difference between the number of deaths during the four winter months (December–March) and the average number of deaths during the preceding four months (August–November) and the following four months (April–July)" – National Energy Action (2006), pg. 2

<sup>26</sup> Department of Environment, Food and Rural Affairs. Fuel Poverty in England: The Government's Plan for Action. London: HMSO, 2004 cited by Stewart & Habgood, 2008



“Cold, damp and thermally inefficient homes contribute to a massive public health problem of preventable illnesses and excess winter deaths...”  
(National Energy Action 2006, pg. 2)

5.8 Pensioner households are particularly at risk from the consequences of cold homes and the consequent ‘cold strain’ that this places on the human body:

*“Chronic exposure to low ambient temperatures in the home resulting from fuel poverty often leads to a physiological condition in humans known as ‘cold strain’. While short episodes of cold stress are unlikely to cause serious adverse health impacts among the young and healthy, such physiological effects are damaging to the cardiovascular and respiratory systems of the elderly, and may exacerbate current ill health or diminish resistance to infections in healthy persons. At worst, chronic cold strain can result in fatal conditions and premature mortality.”* (Healy & Clinch, 2002, pg. 300)

*Healthy and active people are able to generate more of their own heat than sedentary or ill people, and generally a living room temperature of 18–21°C is considered comfortable. Health risks arise in prolonged colder temperatures. Below 16°C there is a decrease in ability to stave off respiratory illness; below 12°C, increased blood pressure and heart rate, and associated respiratory disorders; and below 6°C, risk of hypothermia.* (Stewart & Habgood, 2008, pp. 123-124)

5.9 Further to this, it is apparent that the majority of excess winter deaths in the UK are caused not by hypothermia but by an increase in the number of heart attacks and strokes, and respiratory problems (Baker, 2001, pg. 7). Under-heating homes as a strategy to deal with fuel poverty therefore particularly increases the risk of physical health problems amongst the pensioner group, who are least able to deal with the consequences of this.

5.10 However, physical health problems are not limited to those involving ‘cold strain’. The impact of cold temperature on mental functioning has been linked to an increase in the number of accidents in the home – again factors which are more likely to impact on older people (Baker, 2001, pg. 8).

5.11 There is also evidence linking damp homes and mould growth with a range of physical health problems including:

*“...nausea, breathlessness, backache, fainting and bad nerves among adults and respiratory symptoms (wheeze, sore throat, runny nose), headaches, fever, vomiting among children.”* (Baker, 2001, pg. 10)

5.12 It should be noted that whilst damp and mould growth is not always found in cold homes, there are links between the two. Often this is as a consequence of poor housing generally. Baker reports on the findings from Raw’s 2001 study:

*“Mould growth is less common in homes which have better insulation, cavity walls, good ventilation and air circulation, good heating which is actually used to keep the home warm, no use of unflued combustion appliances and a generally good state of repair. It is therefore less common in newer homes.”* (pg. 9)

5.13 There have also been a number of studies which have examined the link between housing conditions, dust mites, and asthma (see for example, Energy Action Scotland, 1999 cited in Baker, 2001, pg. 11; Pretlove et al, 2002). There have been concerns that certain types of improvements in the energy efficiency of homes can in fact increase the problems associated with dust mites (Energy Action Scotland, 1999). However, when ventilation systems are improved at the same time as installing energy efficiency measures, this has been found to ensure an overall reduction in the level of dust mites and improvements in health (Pretlove et al, 2002).

5.14 Finally, although not a direct physical response to housing conditions, it is also necessary to take account of the long term health impacts of poor diets, as there is evidence that low income households reduce expenditure on food in order to pay their fuel bills. Dowler & Calvert report that:

*“Parents claiming Income Support had worse micronutrient and iron intakes than those who had earned income: the further from benefit collection day, the worse their diets were.”* (pg. 3)

*“In the long term, lower nutritional levels have been associated with ‘social differentials in morbidity and mortality rates’* (pg. 6)

## **Stress & Mental Health Problems**

5.15 The impact of fuel poverty on mental health appears to be less well understood than physical health aspects partly because it is much harder to distinguish the specific impact of fuel poverty from issues of general deprivation (Baker, 2001, pg. 10). However, there is evidence that living on a low income and struggling to pay essential household bills causes stress and anxiety and can, at the extreme, result in depression.

5.16 McKendrick et al’s study of low income households in Scotland reports on the general problems associated with life on a low income:

*“Low income living was depicted, explicitly and implicitly, as stressful. To a lesser extent, low income living was described as inducing embarrassment and guilt (given their inability to consume at the same level as relatively more affluent households). Some stresses experienced in low income family households would in all probability be familiar in more affluent family households. The difficulties of juggling work and family, and the challenges of*

*parenting are described as stressful. However, stress is also induced by low income: the inability to meet bills and the worry that this brings... Everyday tasks – such as shopping – bring the stress of not being able to pay and running short on the basics.” (McKendrick et al, 2004, para. 2.16)*

5.17 The literature in this review revealed that anxiety concerning the payment of fuel bills is particularly common:

*“As soon as the bills come we start worrying about it.” (Rowlingson & Kempson, 1993, pg. 22)*

*“I’m wondering now what the bill will be, you know because I have had such a lot of heating on lately, and I did have it on day and night when it was that cold spell, all through I had it, so that’s going to cost a fortune I know.” (O’Neill et al, 2006, pg. 103)*

And for those households in debt, there is strong evidence that these anxieties escalate into medical problems:

*“Eighty-nine per cent of clients also reported worrying about their money problems ‘most’ or ‘all’ of the time...the great majority of clients believed their health had been adversely affected by their debt problems. Forty-eight per cent of clients described the impact of problems on their health as ‘great’, and 43 per cent felt that their health had suffered ‘to some extent’. Around three in five clients reported having received treatment, medication or counselling as a result.” (Pleasance, 2006, pg. 6)*

5.18 However, it is often the interaction between several sources of anxiety that causes the greatest problems:

*“...poor housing does lead to depression, particularly due to worries over fuel bills, feelings of ‘helplessness’ about being unable to improve their housing conditions and worries over more direct health problems eg diabetes”. (Baker, 2001, pg. 10)*

*“Money is a worry yes. It’s health and money together are the two main things and then how the family are getting on. Those are the three anxieties.” (Age Concern, 2006, pg. 19)*

## **Impact on Relationships**

5.19 The need to cut back on expenditure and the stress of managing on a low income has been found to affect both social and household relationships.

As reported previously, it has long been observed that one of the first actions taken by households struggling to manage on low incomes is to cut back on ‘luxuries’, including social activities. This has the effect of increasing the risk of social isolation, and increasing tensions within the household.

*“Some pensioners felt that it was difficult to describe their standard of living as decent, simply because they worried about money and spent all their monthly or*

*weekly income on 'basics'. Most of the discussions about what they would like to be able to do, but were unable to afford, focussed on social activities.*" (Age Concern, 2006, pg.10)

5.20 However, relationships in the home also appear to be badly affected by debt problems:

*"Forty-five per cent of clients stated that [debt] problems had a negative effect on relationships with partners."* (Pleasance et al, 2006, pg. 6)

5.21 Kempson et al found that couples with children who were also in debt had much higher rates of separation:

*"Where couples with children had any arrears, they were more likely to separate than for couples in general. The rate of separation was particularly high where families had arrears on housing costs (13 per cent) or were behind in paying for household bills (11 per cent)...."* (2004, pg. 5)

5.22 It should be noted, however, that the degree of time spent in debt and subsequent family fortunes appear to have a bearing here, as Farrell and O'Connor report that an increase in income, as a result of gaining employment, resulted in improved relationships within the home:

*"Fewer money worries and greater feelings of security tended to have a positive impact on relationships too. Couples found they argued less than before as there was less to worry about.... Talking about money had become less of a difficult subject in better-off households. Whereas once parents found it hard to talk to their children about money without becoming defensive and angry, they now felt more confident about telling children what was, and what was not, affordable."* (Farrell & O'Connor, pg. 55)

## 6 CONCLUSION & RECOMMENDATIONS

- 6.1 Household responses to fuel poverty are complex, with attitudes and experience playing as much of a role in determining the coping strategies that households employ as their financial circumstances. Whilst fuel poverty presents hard choices for many low income households, the actual choices that are made vary according to a range of factors including age, experience, and household composition, in particular the presence of children and/or household members with disability or long term illness.
- 6.2 The literature reveals that the way in which these factors determine the coping strategies that are employed have not been explored in depth and that further research is required.
- 6.3 We recommend that part of that future research be used to establish and test a framework capable of investigating both the emotional and practical responses to fuel poverty and looking at the underlying reasons for these.
- 6.4 It is also apparent that some groups of fuel poor households have also been under-researched in recent years. These include BME groups, private tenants, and households in rural areas. This is despite the fact that fuel poverty is particularly prevalent amongst these groups.
- 6.5 We may also not be making the best use of research available from local sources, including local affordable warmth partnerships and local authorities. Although, National Energy Action has established a searchable database for the purpose of sharing information and publications, this does not appear to receive regular uploads from local sources. It is recommended that ways of improving this be investigated, including its being recognised and appropriately publicised as the official depository for fuel poverty related research; with all agencies who commission or undertake research in this area being encouraged to systematically submit their work.
- 6.6 Nevertheless despite the need for further research to be conducted our review found evidence of potentially severe welfare implications to all of the coping strategies that have been identified. We find that the nature of decisions being made on a regular basis by fuel poor households are such that they must, in effect, choose between three evils - each of which has implications for health, either physical or mental, and for relationships both inside the household and with the wider world.
- 6.7 As fuel prices push the number of households in fuel poverty upwards, we recommend that more work is undertaken to establish why households respond in the ways that they do and to understand the social costs and long term consequences of fuel poverty.

## 7 APPENDIX: SEARCH METHODOLOGY

- 7.1 The literature review draws on academic literature; Government reports, and papers from leading charities and campaign organisations.
- 7.2 The literature was gathered using a number of database searches and using key search phrases to identify the relevant published literature. The following search tools were used:
- Sage Journals online
  - Springer Link
  - Blackwell Synergy
  - Science Direct
  - Informaworld
  - Metapress
  - Oxford Journals
  - Emerald Insight
  - Ingenta Connect
  - Google Scholar
- 7.3 A key word search was conducted of these using a range of terms which included the following: “fuel poverty”, “poverty”, “fuel debt”, “debt”, “benefit take-up”, “access to services”, “budgeting”, “household expenditure”, “coping strategies”, “warmth”, “affordable warmth”, “thermal comfort” and “fuel direct”. The titles and abstracts of all articles identified through the searches were reviewed to ensure their fit with the research questions.
- 7.4 The search of the academic literature was conducted alongside a gathering of relevant documents from enquiries made of organisations responsible for the commissioning of research and publication of reports in this field.
- 7.5 When relevant reports had been identified the findings were recorded and categorised to the specific research question to which they relate. In addition to this, information relating to the quality of each study was logged.
- 7.6 The findings were also disaggregated, when possible, according to the key demographics such as income, gender, age, ethnicity and household size. Where available additional information was extracted on whether the report had a geographical focus (i.e. urban or rural) and the population characteristics (whether the focus was on children, the elderly, those with disabilities, benefit claimants etc)

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