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### **‘JAM TOMORROW’ IN CHRIS HUHNE’S STATEMENT TODAY**

- **Over a quarter of households (28%) are already struggling to afford their energy bills<sup>[1]</sup> following this year’s hefty 21% or £224 price rise<sup>[2]</sup>**
- **Almost a third of consumers (32%) say that household energy is already unaffordable in the UK<sup>[3]</sup>**
- **69% of people say that the Government has not struck the right balance between ‘greening’ energy supplies and households being able to enjoy affordable energy<sup>[4]</sup>**
- **£1,500 a year on energy is the tipping point at which 77% of households will be rationing their energy, 59% will be going without adequate heating and 36% will be forced to turn their heating off entirely<sup>[5]</sup>**
- **The average household energy bill is now £1,293 a year<sup>[2]</sup> – just £207 or 14% short of the £1,500 ‘affordability ceiling’<sup>[5]</sup>.**

**Thomas Lyon, energy expert at [uSwitch.com](http://uSwitch.com), says:** “There is a real sense of ‘jam tomorrow’ in Chris Huhne’s announcement today. The fact is that the UK is on the brink of an affordability crisis when it comes to household energy and it will be difficult for consumers if they have to carry the cost of these policies before seeing the benefit.

“There may also be a question over whether the costs are more certain than the benefits, as the success of many of these policies will rely on consumers changing their behaviour or taking up the new options that will be made available to them. However, we welcome the fact that the Government has started to provide greater transparency over the financial impact of current energy policy and has acknowledged the pressure that many households are coming under.”

**The household energy ‘affordability ceiling’** (N.B. average household energy bill today is £1,293 a year):

	<b>£1,000 a year</b>	<b>£1,500 a year</b>	<b>£2,000 a year</b>
Rationing energy use	43%	77%	88%
Trying to reduce bills through energy efficiency measures	53%	84%	91%
Going without adequate heating	30%	59%	75%
Turning heating off entirely	18%	36%	55%
Cutting down spending in other areas, such as food	26%	54%	70%
Going into debt to pay energy bills	13%	27%	41%
Going onto a prepayment meter (PPM) to keep a lid on costs	10%	22%	33%
Installing a wood burner or alternative method of heating	14%	26%	39%

Source: uSwitch.com

**For more information visit [www.uSwitch.com](http://www.uSwitch.com) or call 0800 093 06 07**

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**Notes to editors:**

Research carried out in September 2011 with the uSwitch.com Consumer Opinion Panel amongst 2,295 adults with bill paying responsibility for gas and electricity in their household.

1. In response to: ‘Currently how would you describe your household’s ability to afford energy bills?’ 7.2% responded ‘very difficult (e.g. have had to go into debt or are behind with bills or have had to leave bills unpaid) and 20.3% said ‘Fairly difficult (e.g. struggle to afford the bills/have had to use a prepayment meter)’. These add up to 27.5% who are struggling to afford their energy bills.
2. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all suppliers and all regions.
3. In response to: ‘The average household energy bill is currently around £1,200 a year. At what point do you think energy will become unaffordable in the UK?’ 32.2% of respondents said ‘it’s already unaffordable’. For other responses see the table ‘At what point will energy become unaffordable in the UK?’ in the press release above.
4. In response to: ‘Households currently pay around £84 a year on their energy bills in different environmental taxes. This is expected to increase as Government commitments come into effect. Which of the following statements do you agree with most?’ 8.8% of respondents said ‘The Government has struck the right balance between ‘greening’ our energy supplies/reducing carbon and households being able to enjoy affordable energy.’ 68.5% said ‘The Government has not struck the right balance between ‘greening’ our energy supplies/reducing carbon and households being able to enjoy affordable energy.’ 22.7% of respondents said ‘Don’t know’.
5. The £1,500 affordability tipping point is determined in two ways. Firstly, this is the point at which more than half of consumers (59%) believe energy will become unaffordable (see point 3 above and the table ‘At what point will energy become unaffordable in the UK?’ in the press release above. Secondly, £1,500 is also the point at which

there is a marked difference in consumer behaviour (see table in the press release above: The household energy 'affordability ceiling'. This is based on responses to the following question: 'Following recent price increases, the average household energy bill is now over £1,200 a year. How much would your yearly energy bill have to be before you would consider the following actions....')

#### **About us**

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email [CustomerServices@uswitch.com](mailto:CustomerServices@uswitch.com) or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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