

Under embargo until: Thursday 3<sup>rd</sup> November, 2011

## BRITAIN GOES WITHOUT HEATING AS BILLS BECOME UNAFFORDABLE

- **Self-rationing:** almost nine in ten households - 89% or 23 million - will ration their energy use this winter to save on bills - 4 million or 16% more than last year<sup>[1]</sup>
- **Increased worry:** 87% of people are worried about the cost of their energy bills as they head towards the winter months - 26% more than last year<sup>[2]</sup>
- **Shivering Brits:** 55% of people went without heating at some point last winter to keep energy costs down<sup>[3]</sup> - this now looks set to rise
- **Cold comfort:** the hefty 21% or £224 price hike in the last year<sup>[4]</sup> means that energy costs are the top household worry for consumers (90%) ahead of mortgage payments (42%) and the rising cost of food (77%)<sup>[5]</sup>
- **Empty pockets:** nine in ten households (93%) have seen their disposable income hit by the rising cost of energy – 37% have seen a dramatic reduction while 19% no longer have any disposable income left<sup>[6]</sup>
- **Turning to debt:** one in three households (37%) are in ‘bill debt’<sup>[7]</sup>, using credit to cover their day to day households bills - 36% owe over £1,000 and one in ten households (14%) owe more than £3,000<sup>[8]</sup>.

Almost nine in ten households (89%) will be rationing their energy use this winter to save on bills<sup>[1]</sup>, according to new research from [uSwitch.com](http://uSwitch.com), the independent price comparison and switching service. As a result, potentially 23 million households will be switching off or turning down this winter – 4 million or 16% more than last year<sup>[1]</sup>.

As Britain braces itself for another freezing winter, the 21% or £224 hike in energy prices within the last 12 months<sup>[4]</sup> has left 87% of people worried about the cost of this year’s winter fuel bills - a 26% increase on last year<sup>[2]</sup>. It also means that energy bills are now the biggest worry for consumers (90%), ahead of food bills (77%), the cost of petrol (74%), council tax (59%) and mortgage or rent (42%)<sup>[5]</sup>. An overwhelming majority of consumers, 88%, attribute their mounting concerns over winter fuel bills directly to recent price hikes<sup>[9]</sup>.

Last winter over half of all households (55%) went without heating at some point to keep their energy costs down<sup>[3]</sup>. While many risked their health or well-being with inadequate heating, others made potentially damaging sacrifices to keep their heating on. In fact, just a quarter of people (25%) were able to afford to heat their home last winter without sacrificing anything. 17% reduced the number of hot baths or showers they took, 16% bought less food and 18% cut back on lighting. And while 13% sacrificed watching TV, using computers or other non-essential activities, 6% went without hot dinners and 3% of households sacrificed buying medicines to pay for their heating<sup>[10]</sup>.

As well as quality of life, the rising cost of energy has hit household disposable income – nine in ten households (93%) have seen their disposable income reduced by the rising cost of energy. Over a third (37%) have seen a dramatic reduction while 19% no longer have any disposable income left<sup>[6]</sup>.

As a result, growing numbers are being forced to go into debt to pay their essential household bills. Over one in three households (37%) are struggling to pay their essential bills and have turned to debt to cover them<sup>[7]</sup>. Two in ten (20%) owe £500 to £1,000. However, 17% owe between £1,000 to £2,000 and 14% are drowning in over £3,000 worth of bill debt<sup>[8]</sup>.

**Ann Robinson, Director of Consumer Policy at [uSwitch.com](https://www.uswitch.com), says:** “The rising cost of energy has hit everyone hard, but the idea of people going without heating this winter is alarming. Almost 7 million households are now in fuel poverty<sup>[11]</sup>, with single working parents and pensioners the worst hit. But these are not the only households that can’t afford to keep warm – almost nine in ten homes will be rationing their energy use this winter and the impact on health and quality of life should not be underestimated.

“As the cost of our energy bills escalates people are being forced into making potentially dangerous choices. Whether they sacrifice something else to keep the heating on or turn the heating off to pay for something else, there is a modern-day Russian roulette going on in homes up and down the country.

“The fact is that we must all start thinking about and managing our energy usage and there are two key steps to this - use less energy by making your home more energy efficient and pay less for the energy you do use. By improving energy efficiency and ensuring they are on the most competitive plan for them, hopefully households can keep their winter fuel bills manageable without resorting to drastic and potentially dangerous measures.”

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

-Ends-

**For more information please contact:**

Jo Ganly, uSwitch.com on 0207 802 2915 or [joganly@uswitch.com](mailto:joganly@uswitch.com)

Beth Murray, Lansons Communications on 0207 566 9728 or [bethm@lansons.com](mailto:bethm@lansons.com)

Nithiya Gnanathas, Lansons Communications on 0207 566 9716 or [nithiyag@lansons.com](mailto:nithiyag@lansons.com)

**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. Research about the previous winter was also conducted with the uSwitch.com Consumer Opinion Panel amongst 1,557 respondents between 27<sup>th</sup> December, 2010 and 3<sup>rd</sup> January, 2011.

1. When asked: 'Are you planning to cut back on the amount of energy you use to make your bills cheaper?' 64.5% said 'I am already doing this' and 24% said 'Yes, I am planning to'. 89% of 26 million households (ONS) is 23,140,000. In 2010, 73% of households responded "I am already doing this" and 'Yes, I am planning to'. 89% - 73% = 16%. 16% of 26 million households is 4,160,000.

2. When asked: 'Are you worried about the cost of your energy bills as we head towards the winter months when energy use will increase?' 86.9% of respondents said 'yes'. In 2010, 61% of respondents said 'yes'. 87% - 61% = 26%. 26% of 26 million households (ONS) is 6,760,000.

3. From previous winter's research, in response to: 'How often have you gone without heating this winter so far to keep energy costs down?' 25% said never, 33.3% said occasionally, 20.3% said regularly and 0.9% said always. 33.3% + 20.3% + 0.9% = 54.5% of people who went without heating at some point last winter to keep their energy costs down.

4. 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.

5. When asked: 'Thinking of the rising cost of living, which FOUR of the following worry you the most?', the answers were: Food bills 77.00%, Council tax 58.90%, Energy bills 89.60%, Petrol 73.50%, Train fares 11.60%, Mortgage/rent payments 41.90%, I am not worried 3.80%

6. When asked: 'What impact has the rising cost of energy had on your household's disposable income? By disposable income we mean what you have left to live on after paying taxes and essential bills'. 18.8% said 'We no longer have any disposable income', 37.1% said 'It has reduced our disposable income dramatically' and 36.6% said 'It has reduced our disposable income slightly'. 5.3% said 'no impact'.

7. When asked: 'Thinking about the day to day living costs such as essential bills which of the following best describes your situation? For debt we mean paying on credit card, using overdraft, taking out a bank loan, borrowing from friends and family, etc', 20.9% answered 'I'm in debt and I'm worried about it' and 15.7% answered 'I'm in debt but I'm not too concerned'.

8. When those in debt due to bills were asked: 'How much do you estimate you have gone into debt in total as a result of paying your essential household bills?'

9. In response to: 'Have recent price increases made you more worried about your winter energy bills?' 88% said 'yes'.

10. In response to: 'To keep your heating on last winter did you have to sacrifice any of the following?' Please tick all that apply.

11. Total fuel poverty numbers come from research conducted by YouGov on behalf of uSwitch.com. Total sample size was 2,323 adults with bill paying responsibility for their household. Fieldwork was undertaken 12<sup>th</sup>-15<sup>th</sup> April 2011. The survey was carried out online. The figures were weighted and representative of all GB adults (aged 18+). The groups identified as in fuel poverty were calculated by cross referencing type of household and social grade (ABC1 classified as middle class, C2DE classified as working class) with net monthly household income and average monthly energy spend. Respondents who answered "Don't Know" or "Prefer not to say" were excluded from fuel poverty calculations. Fuel poverty calculation = Monthly energy bill divided by net monthly income.

**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.

uSwitch.com is owned by Forward Internet Group Limited, a privately funded collection of internet-based businesses focused on consumer engagement and innovation.