

For immediate release: Thursday, 14 July 2011

FUEL POVERTY FIGURES ARE OUT OF DATE AND OUT OF TOUCH WITH REALITY

The annual fuel poverty report published by DECC this morning is out of date and out of touch with reality, failing to tell the full story about the UK's current fuel poverty crisis, according to uSwitch.com, the independent price comparison and switching service. DECC reports that in 2009 there were 5.5 million fuel poor households in the UK – a dramatic 1 million rise on 2008's figures^[1]. However, new research from uSwitch.com shows that 24% or 6.3 million^[2] households are in fuel poverty today:

- **Single working parents are the most likely group to be in fuel poverty – 39% of these households are fuel poor^[2]**
- **36% of working class households are in fuel poverty, but 15% of middle class households are fuel poor too^[2]**
- **Current definition of fuel poverty doesn't take into account housing costs – if rent or mortgage payments are factored in^[3] then 22% of middle class and 47% of working class households would be considered fuel poor^[4]**
- **Household energy bills have rocketed by £472 or 71% in just over 5 years^[5] making affordability and fuel poverty a middle class issue too**
- **Households urged to take control of their energy bills, by paying the lowest possible price for their energy and learning to use less of it.**

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: “DECC's fuel poverty figures are out of date and out of touch with reality. They date back to 2009 whereas in fact 24% or 6.3 million households are living in fuel poverty today^[2]. Household energy bills have rocketed by an eye-watering £472 or 71% in just over 5 years^[5]. As a result we can now find the fuel poor amongst all walks of life and in all types of households. The sad truth is that consumers are paying a heavy price for this country's disjointed, incoherent and unaffordable energy policy.

“With household energy prices on the rise again, people must start protecting themselves now and there are two key steps in this: pay the lowest possible price for your energy and learn to

use less of it by becoming more energy efficient. Many households, especially those on tight budgets, may like the security of a fixed price energy plan. But all households should also look to invest in longer-term energy efficiency measures, such as insulating lofts and cavity walls. Those who would struggle to afford this investment should contact their energy supplier to see whether they would qualify for any energy efficiency grants or financial support. Suppliers have a pot of money available to help customers in this way and those who qualify could see their energy bills substantially reduced as a result.”

Fuel poverty in 2011^[6]:

Type of household	% working class in fuel poverty	% middle class in fuel poverty	Total % in fuel poverty	Total % in fuel poverty (net of housing costs)
Pensioner	44%	24%	33%	36%
Single parent (working)	45%	33%	39%	52%
Single person (working)	16%	11%	13%	32%
Couple (one income, no children)	47%	14%	31%	39%
Couple (two incomes, no children)	5%	6%	5%	11%
Family with children and a stay-at-home parent	38%	13%	25%	44%
Family with children and two incomes	12%	5%	8%	16%
All households	36%	15%	24%	33%

Source: uSwitch.com/YouGov

For more information visit 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

Beth Murray, Lansons Communications on 0207 566 9728 or bethm@lansons.com

Notes to editors:

1. DECC fuel poverty report - http://www.decc.gov.uk/en/content/cms/news/pn11_062/pn11_062.aspx

- 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 12th-15th 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” have been excluded from fuel poverty calculations. ABC1/C2DE are classified as follows:

social grade	social status	occupation
A	upper middle class	higher managerial, administrative or professional
B	middle class	intermediate managerial, administrative or professional
C1	lower middle class	supervisory or clerical, junior managerial, administrative or professional
C2	skilled working class	skilled manual workers
D	working class	semi and unskilled manual workers
E	those at lowest level of subsistence	state pensioners or widows (no other earner), casual or lowest grade workers

Fuel poverty calculation = Monthly energy bill divided by net monthly income. Those who were spending 10% or more of their net monthly income on energy bills are classified as being in fuel poverty.

- Consumer Focus, NEA, FOE, ACE and Age UK joint submission to inquiry on social justice in the low carbon economy, where they say: “remove housing costs from income to give an After Housing Costs measure. The government’s Before Housing Costs measure does not allow like-for-like comparison of fuel poverty across tenures and different geographic areas” as a way of strengthening the definition of fuel poverty:
<http://www.consumerfocus.org.uk/files/2011/06/Joint-submission.pdf>
- Research as per point 1 above, but numbers in fuel poverty were re-calculated taking into account the household’s monthly spend on rent or mortgage. Fuel poverty calculation (net of housing costs) = Monthly energy bill divided by (net monthly income minus monthly rent/mortgage). 9 million is based on 26 million households in the UK with 33.4% in fuel poverty under the revised definition.
- Based on a medium user customer consuming 3,300 kWh of electricity and 16,500 kWh of gas, on a standard plan paying by cash or cheque with bill sizes averaged across all regions and all the big six suppliers.

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 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.