

Press Release – The Money Charity – For Immediate Release

(BEGINS)

Majority of Consumers Limiting Fuel and Energy Spending
But Debt Persists
The Money Statistics January 2024

UK household spending on energy and fuel is falling but these reductions seem driven by people looking to cut down their expenditure against a steadily growing backdrop of debt, according to the January 2024 Money Statistics, produced by The Money Charity.

Energy and fuel spending are down for the average UK household, but while some of this is due to falling prices, the majority of the change appears to be driven by people's cost-cutting measures. In Q3 2023, UK households spent an average of **£3.48**¹ per household per day on water, electricity and gas. This was **14.6%** less than in the same period one year before.

But even with a forecasted upcoming decrease of **£368.28**² in the Default Tariff cap on energy bills, **57%**³ of all UK households have reported they are limiting their heating use or avoiding turning it on at all. Furthermore, **41%**⁴ of adults said, at the beginning of December 2023, that they were finding it very or somewhat difficult to pay their energy bills, although this was a **7% decrease** against the same figures a year ago. While many people may legitimately be choosing to limit their heating use in order to save on spending, this choice isn't without risks, with **21.5%**⁵ of excess winter deaths said to be directly attributable to cold homes.

Meanwhile, debt overall can clearly be seen as on the rise, with outstanding consumer credit debt increasing by **8.6% (£5.5 billion)**⁶ in the year to November 2023. In the same period there were **25,414**⁷ individual insolvencies, a decrease on the year prior, while in the year to December 2023, Citizens Advice Bureaux reported dealing with **1,006** debt issues per day, with debt calls up **11.4%**⁸ compared to the year before. However, calls regarding fuel debts were down **14.1%**.

Michelle Highman, Chief Executive of The Money Charity says:

“Keeping expenditure low when possible and seeking best ‘value’ from spending is an important part of people getting to grips with their money and increasing their Financial Wellbeing. When these are measured, sustainable and healthy financial choices, then some of these figures are something to likely be celebrated. However, if they are simply indicative of increasing struggles for many households, they should be seen as a major problem.

“There are positive signs in some of these stats, plus possible hints of more people seeking help sooner, rather than letting situations worsen. But findings showing that a majority of the population are limiting their use of heating due to spending worries should cause us all to pause.

¹ (The Money Statistics January 2024 Full Report, P14)

² (The Money Statistics January 2024 Full Report, P4.1)

³ (The Money Statistics January 2024 Full Report, P4.1)

⁴ (The Money Statistics January 2024 Full Report, P4.1)

⁵ (The Money Statistics January 2024 Full Report, P4.1)

⁶ (The Money Statistics January 2024 Full Report, P5)

⁷ (The Money Statistics January 2024 Full Report, P8)

⁸ (The Money Statistics January 2024 Full Report, P7)

Circumstances clearly remain deeply challenging right across the UK, with too many facing decisions they shouldn't have to, which means ongoing centralised support continues to be necessary. Our Financial Wellbeing and Financial Education sessions will keep playing their role too, engaging many thousands of people of all ages with making the right financial decisions for themselves in the year ahead and beyond.”

Other Striking Numbers from the January Money Statistics:

- **3.2 million** prepayment meter customers experienced ‘self-disconnection’, owing to an inability to ‘top up’ their meter either online or in-person in 2022. (P4.1.)
- The number of people unemployed in the UK increased by **658 per day** in the twelve months to July 2023. (P20.)
- Retail sales were estimated to decrease in volume by **3.2%** volume in December 2023, following the revised 1.4% rise in November. (P4.1.)

Get the full picture and many more fascinating facts about money in the UK in our monthly Money Statistics.

Notes to Editors

- For over 25 years, The Money Charity has been the UK's Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://themoneycharity.org.uk/>
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