

Press Release – The Money Charity – For Immediate Release

(BEGINS)

Fuel Poverty Grips as Cost of Winter Emerges
The Money Statistics February 2023

The UK is experiencing an unprecedented energy crisis as the true cost of winter begins to be seen, with many millions of households living in fuel poverty, according to the February 2023 Money Statistics, produced by The Money Charity.

In the lead up to this winter, concerns were widespread of significant hardship for many UK households in coping with the cost of living crisis, specifically the energy market. Those concerns have sadly proved well-founded with fuel poverty for millions. Soaring energy price increases have been the key driver for this, with UK electricity prices rising by **66.7%**¹ and gas by **129.4%**¹ in the year to January 2023. These sharp increases have in turn impacted the annual inflation rate. While the overall rate sits at **10.1%**, high in itself, the highest component of that rate during the 12 months to January 2023 was for housing, water, electricity, gas and others fuels at **26.7%**².

As a result, **4.5 million**³ households in the UK are estimated to be living in fuel poverty. End Fuel Poverty define this as a household being unable to afford to heat their home to an adequate temperature. It is further predicted that from April 2023, at the next review of the energy price cap, this could increase to **8.4 million** households.

Further evidence for these figures can be seen in reports from support services. In January 2023, Citizens Advice top debt category dealt with was fuel debts, with total debt calls up by **22.9%**⁴ on January 2022.

Support has been made available for households, with the government reporting that **1.7 million**⁵ vouchers from the Energy Bills Support Scheme had been redeemed in January 2023, with an estimated **76%** of vouchers now having been redeemed. Despite this major uptake of available support, other figures still suggest that much more is needed. In last year's winter period, December 2021 to March 2022, the latest available figures, it is estimated that **4,020**⁶ preventable deaths in England and Wales were caused by the impact of cold homes, or around **45** per day. In the context of this month's figures, it is hard to see this total not rising in turn.

Michelle Highman, Chief Executive of The Money Charity says:

“While much of this month's figures were expected, that doesn't take away the distress of seeing the sheer scale of the problem, nor the likelihood that with so many people affected, these issues are likely to be impacting me, you or any of those people we live near. As we continue to aim to help the UK increase its Financial Wellbeing, the challenges ahead only go on growing.

¹ (The Money Statistics February 2023 Full Report, P4.1)

² (The Money Statistics February 2023 Full Report, P19)

³ (The Money Statistics February 2023 Full Report, P4.1)

⁴ (The Money Statistics February 2023 Full Report, P7)

⁵ (The Money Statistics February 2023 Full Report, P4.1)

⁶ (The Money Statistics February 2023 Full Report, P4.1)

“What is very clear is that more has to be done. Existing support schemes have surely lessened this crisis from being even worse, but obviously not enough and so no option should be taken off the table. This is not a political issue and shouldn’t be treated as one. As just one step, we have joined with multiple other organisations in calling for urgent action from the Government through the energy price cap continuing to be frozen at its current level.”

Other Striking Numbers from the February Money Statistics:

- **7/10** UK families are going without essentials due to the rising cost of living. (P4.1.)
- Government debt increased by **£397 million** a day in the three months to January 2023. (P19.)
- **1,076 people** a day reported they had become redundant in October to December 2022. (P20.)

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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 - You do not make substantive adjustments to the presentation of the statistics, such as amending the statistic phrasing, or for example, repurposing the statistics into a format they are not appropriate for, such as an editorial/’opinion piece’ from the charity.
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