

# Energy Hardship: Consumer Lived Experiences



**July 2024**

Utility Regulator would like to extend our gratitude to all who took part in the research and thank them for sharing their story with us. We would also like to thank Perceptive Insight who undertook this research on our behalf.

## Introduction

This document provides a summary of interviews and case studies, completed by Perceptive Insight on behalf of Utility Regulator, to develop an in-depth understanding of the lived experiences of electricity and gas consumers who have struggled to pay for their energy.

The participants who took part, had experience of being in debt with their energy supplier, regularly running out of energy on their prepayment meter or had significantly reduced their energy usage to levels below their daily living needs because of energy payment struggles.

This summary provides an overview of the key findings and accompanies the full report prepared by Perceptive Insight.

## Methodology

Forty-two consumers took part in the research. This included 16 in-depth and 26 semi-structured interviews. The interviews took place between November 2023 and January 2024.

To ensure inclusion of a broad range of experiences, quotas were set for the interviews which included gender, age, disability, heating type, payment type (credit/prepayment meter), housing tenure, household type and employment status.

### Key fact

In our 2023 Domestic Consumer Insight Tracker, 37% of electricity consumers and 41% of gas consumers reported sometimes, often or always struggling to pay for their energy.

### Definition of lived experience:

Listening and learning from people who have a first-hand experience of a particular circumstance.

## Key findings

The key findings are structured around the following themes:

1. The circumstances experienced by the participants and how they felt about their situation.
2. The behavioural strategies that participants were adopting to cope with energy payment struggles.
3. The impact of energy hardship on health and quality of life.
4. Changes the participants wanted to see.

### 1. Circumstances

Participants shared their experiences of the situations and circumstances that had led to them being in energy hardship. Some participants had always struggled to pay for their energy, while for others, changes in their lives meant that they were experiencing energy hardship for the first time. Several participants had experienced changes in their circumstances that had led to them having to manage on a lower income. This included life events such as divorce or separation, having children or needing to leave work due to an illness or injury, retirement or to care for a dependent.

“ I ended up in intensive care on life support. It's gone from two incomes to one, so it's tight. ”

“ [My maternity allowance] ends in January, but the job that I was on before I got pregnant was temporary, so coming off maternity I'm currently unemployed. ”

In some cases, household energy needs had changed, meaning individuals were using more electricity or gas. Some were at home more often as they no longer went out to work each day. Others were families coping with more children in the home. Several participants, or other members of their household, relied on medical equipment that used a lot of electricity or had illnesses or disabilities which required their home to be heated to certain temperatures for health and wellbeing purposes.

“ I have sensory equipment for my son that does tend to use quite a lot of electricity. ”

“ You’re doing a load of washing for him [my baby] alone in a day. Boiling the kettle more, making bottles. So yeah, with the baby here, the electric is definitely on more. ”

Several participants had other existing debts that they were struggling to repay which was making their situation worse. In some cases they had gone into debt in order to pay for their energy. Most were doing all that they could to avoid getting into debt.

“ I feel like I’m having to get myself into debt just to survive. ”

“ I had to phone debt management people and they said they can take it out as £15 a month. I don’t even know if I’m getting £15 a month. So you can’t take £15 off something that’s not there. ”

Many participants felt that there were others ‘worse off’ than them and as a result chose not to seek help or support, even though the circumstances these participants were facing would qualify them for help from a range of support services. Most participants had not contacted their supplier for support as they assumed their supplier would not be able to help them. Those who had contacted their supplier had shared what they found most helpful. This included being able to set up manageable repayment plans and receiving advice on how to use energy more efficiently and therefore save money.

## Participant reflections about their situation

Participants shared their thoughts and feelings about their experiences. They wanted to be self-sufficient and to 'afford to live' without having to rely on government handouts, borrowing or charity support.

“

I would feel like I was begging and having to explain the situation, I would just feel like a pity party.

”

“

The food bank on the corner, I've used it a couple of times. I don't go in myself. I ask my friend to get it for me because I just don't want people to see me. It's embarrassing.

”

Most downplayed the extent to which they were struggling. They simply wanted to get by as they had done before and maintain their dignity.

“

It's my job to provide for my children. I would love to be able to go to work in the mornings. But then God gifted me two very small children who have very complex needs. And I have no choice now but to stay at home.

”

“

Just felt ashamed. I felt a failure, as a mother. I couldn't provide properly for my kids. There's been times where I've ran out of toilet roll. It's a heavy burden on your heart.

”

### Key fact

Our 2023 Domestic Consumer Insight Tracker found that respondents who had a disability or illness and those who had children were more likely to struggle to pay for their energy.



“Now I turn everything off. Nothing is left on standby. I noticed quite a bit of difference, around £1 per week.”

“There’s many Fridays it’s [the prepayment meter] ringing, and I’ll have to wait until the family allowance is in on the Monday to top it up.”

“I had one meal yesterday. I’ll probably have one meal today.”

“To be honest, I was actually thinking today of ringing the foodbank again because I just can’t afford it [grocery shop].”

“We went to the swimming pool to get washed because we’ve had no gas. I’ve slept at my friends, because I’ve had no electric.”

“If the gas was to run out and the children weren’t coming back for two or three days, I would just let the gas stay out.”

## 2. Behavioural strategies

The majority of participants were doing everything they could to reduce their spending on energy. This included strictly managing their household budgets and being very aware of their spending. Most participants were turning off lights and devices when not in use and, where possible, were investing in energy saving appliances such as LED light bulbs and air fryers.

Behaviours and choices of participants to reduce their spending are outlined below. This included several potentially harmful behaviours.

- Drastically cutting back on energy usage to levels below their essential daily living needs. In some cases, stopping heating their home altogether.
- Skipping meals or reducing food intake.
- Reducing use of hot water including for bathing and washing dishes in cold water.
- Boiling the kettle for hot water to wash their hair to avoid turning on their immersion heater.
- Using alternative heating sources in the home that rely on electricity as they thought this would be less expensive than running their central heating.
- Going outside the home for heat, either to family and friends, to community-based initiatives and in one case, using their free bus pass to ride around on the bus to stay warm.
- Parents prioritised their children’s needs by skipping meals in order to feed their children and by only using the electricity or heating when the children would be at home.



## Key fact

In our 2023 Domestic Consumer Insight Tracker, 9% of respondents had gone without or delayed getting essentials to pay for their electricity in the last 12 months. It was most common to have gone without food or groceries.

# Case study

Mr. C lives alone in rented housing. He recently had to leave his job due to ill health and is struggling to understand the benefits system.

He has not used his gas heating for several years as he cannot afford to and instead lives in one room of his house to reduce his electricity usage.

Mr C's home doesn't have a working cooker and he doesn't own a washing machine or have internet. He has been severely rationing his eating and groceries to save money.

Mr C struggles to understand tariffs and pricing but he hasn't contacted his supplier for support as he doesn't feel they can help him.

He would prefer to continue getting by as he does, rather than get into debt with his provider. He would like to talk to someone about help but is not aware of who to contact.



"I basically have a TV, a kettle, electric blanket, light bulbs, and that's pretty much me. I live in a cave."

"I eat maybe a sandwich a day, a cup of soup or something which isn't healthy, it's not good for you."

"Now I've got a free bus pass, I sometimes just get on the bus because it's warm and just ride about."

"They just tell me about price raises or reductions or stuff, which to me is like learning emojis."

"I'm trying to manage what I have at the minute without saying, 'Listen, I'm here with my begging bowl.'"

"And maybe there is help out there. I don't know. It's like learning a new language. This is all new to me."

"I'd love to be able to go and talk [to someone] about help."



### 3. Impact of energy hardship

#### Mental health

All participants referenced an impact on their mental health as a result of their situation.

The impacts included:

- Anxiety and stress. Participants talked about being constantly worried, feelings of distress and not being able to sleep at night because of their situations;
- Experiencing depression, or worsening of depression, because of financial hardship; and
- Feelings of hopelessness.

#### Physical health

Many participants also noticed an impact on their physical health including:

- The worsening of an existing illness or disability;
- The development of new illnesses;
- Respiratory issues such as asthma and problems with joints. Participants affected felt this was due to a lack of warmth or because of damp and mould in the home; and
- Extreme weight loss or weight gain. Many participants were rationing their food intake as they couldn't afford to spend on groceries. Others noticed gaining weight as they bought poorer quality foods because they were cheaper.

“My entire life is consumed by not being able to afford other things because of my energy bills.”

“We tend to get sick very often but whether it's a direct cause of the mould in the home remains to be seen. I have a lot of respiratory issues myself as well.”

“I have to keep [my daughter] warm. She's got chronic lung disease.”

“I have asthma. If I get too much cold that affects me, I have to go to hospital. I have to heat my house.”

“I've just gained a lot of weight from eating really processed food because it's quicker to heat up, it's cheaper and you're not using the gas and electric to cook it.”

# Case study

Ms. A lives with her five-year-old child in rented housing and has a zero-hour contract job.

Previously, Ms. A has had to take periods of unpaid leave from work due to illness or to care for her child and doesn't receive any sick pay due to the zero-hour contract.

The main impact Ms. A noticed was in relation to her mental health and social life. She shared how she no longer goes out with friends as she cannot afford the rising costs.

She is doing all she can to try and reduce her spending on energy including turning off lights and appliances when not in use, re-wearing clothes to avoid washing and drying, boiling the kettle for hot water and using electric blankets to stay warm. She recently looked into switching but discovered she was already with the cheapest supplier. She also explained that she was hesitant to switch due to the perceived hassle.



“My child was born quite premature, and would have a predisposition to getting quite sick and stuff, so it’s quite imperative that the house is nice and warm.”

“I was agency before, so if anything happened, if I took sick, I just had to deal with it and I don’t have any savings or anything like that.”

“Last year I was actually crying [thinking], ‘I can’t afford to live’. I was just really anxious. I just didn’t know how I was going to provide for myself and my child, everything is more expensive. But wages aren’t really budging.”

## Quality of life

In general, participants viewed any spending above what they considered to be essentials as a 'luxury spend'. Most were struggling to stretch their budgets to cover basic household spending such as groceries or energy bills. For many participants, this had impacted on their social and emotional wellbeing.

Examples of everyday items or activities where participants had significantly cut back or stopped spending money on to pay for their energy included:

- Activities and days out with their children;
- Socialising with friends. While some still maintained social contacts, others had become more isolated;
- Going on dates. A few participants talked about how they had given up on finding a partner because they could not afford to date;
- Getting a haircut; and
- Having broadband or streaming services in the home.

“ [I can't do] silly things like excursions for my daughter, taking her to soft play, it's £7, [but] £7 could be us eating tonight. ”

“ I've got no money, basically, to put aside for essentials. Basically everything gets spent on energy at the moment. ”

“ I wish I had money to put away or, you know, start saving or holidays and stuff but it's just getting by at the minute. ”



## 4. Changes the participants wanted to see

The type of support that participants said they would like to see can be categorised into three main themes - financial support; government support; and communication and advice.

### Financial support

- Participants want lower tariffs or a cap on tariffs being offered by suppliers. Participants simply want to be self-sufficient on their current incomes and afford to use the energy in their homes at a level that meets their needs.
- Several participants suggested introducing reduced tariffs for certain groups such as:
  - > Young families.
  - > Those with disabilities or illnesses in the household.
  - > Those working but on low incomes.
  - > Those on benefits.

“  
Certainly, dropping the prices to give people a chance. I'm really screaming inside to drop the prices.  
”

“  
Recognise that there's a lot of people who live on that minimum wage and rather than gas and electric being a luxury, it's an essential.  
”

“  
Somebody that relies on electricity to keep alive, I think that should be reduced. I think there should be a bit of an allowance for people like that who are using electricity and it's not a choice, they have to use it as it's essential to their health or wellbeing. There should be some sort of free or at least reduced tariff for them.  
”

## Government support

- Participants wanted an increase in the number of funded community initiatives that are offered, for example ‘warm banks’ that provide people with a warm place to go during the day. There was a particular lack of these services available to those living in rural areas.
- They also wanted to see government funding to help them pay for their energy. Ideas from participants included the provision of energy vouchers, an energy scheme equivalent to the previous ‘eat out to help out scheme’ or the availability of additional winter energy payments.



## Communication and advice

- Many participants wanted advice on energy efficiency, in particular for ways to maximise their heating systems so that they could reduce their spending on energy. They also felt it would be helpful to have more information on their appliances and the impact they have on their energy usage.
- Participants wanted clear and transparent communication on tariffs. In particular, those who were prepayment meter users wanted to understand their usage better. Participants also wanted more communication on tariff changes, and what this would mean for them.
- It was felt that it would be helpful for suppliers to contact their customers to make sure they are on the cheapest tariff available to them. It was suggested that suppliers monitor customer energy usage to identify those who are using very little energy or who had run out of credit on their prepayment meter. It was also felt that suppliers should monitor consumer debt levels and step in quicker to offer help or support.
- Generally, participants wanted information on existing support from suppliers, government and within their local communities.

## Next steps

As part of Utility Regulator's Consumer Protection Programme for 2024 - 2029 (CPP 2024), we have committed to using these findings to work with suppliers and other relevant stakeholders to identify how best to support consumers experiencing energy hardship.

Further information on our debt and affordability projects in the CPP 2024 can be found on our [website](#).

A copy of the full report 'Energy Hardship: A Lived Experience Report' can be accessed on our website [here](#).

“

People aren't aware that there's help out there...

”

If you are struggling to pay for your energy bills, help and support is available. You can access this information on our [website](#) or contact your electricity or gas supplier.

General information and advice associated with the cost of living is available on NI Direct's [website](#).