

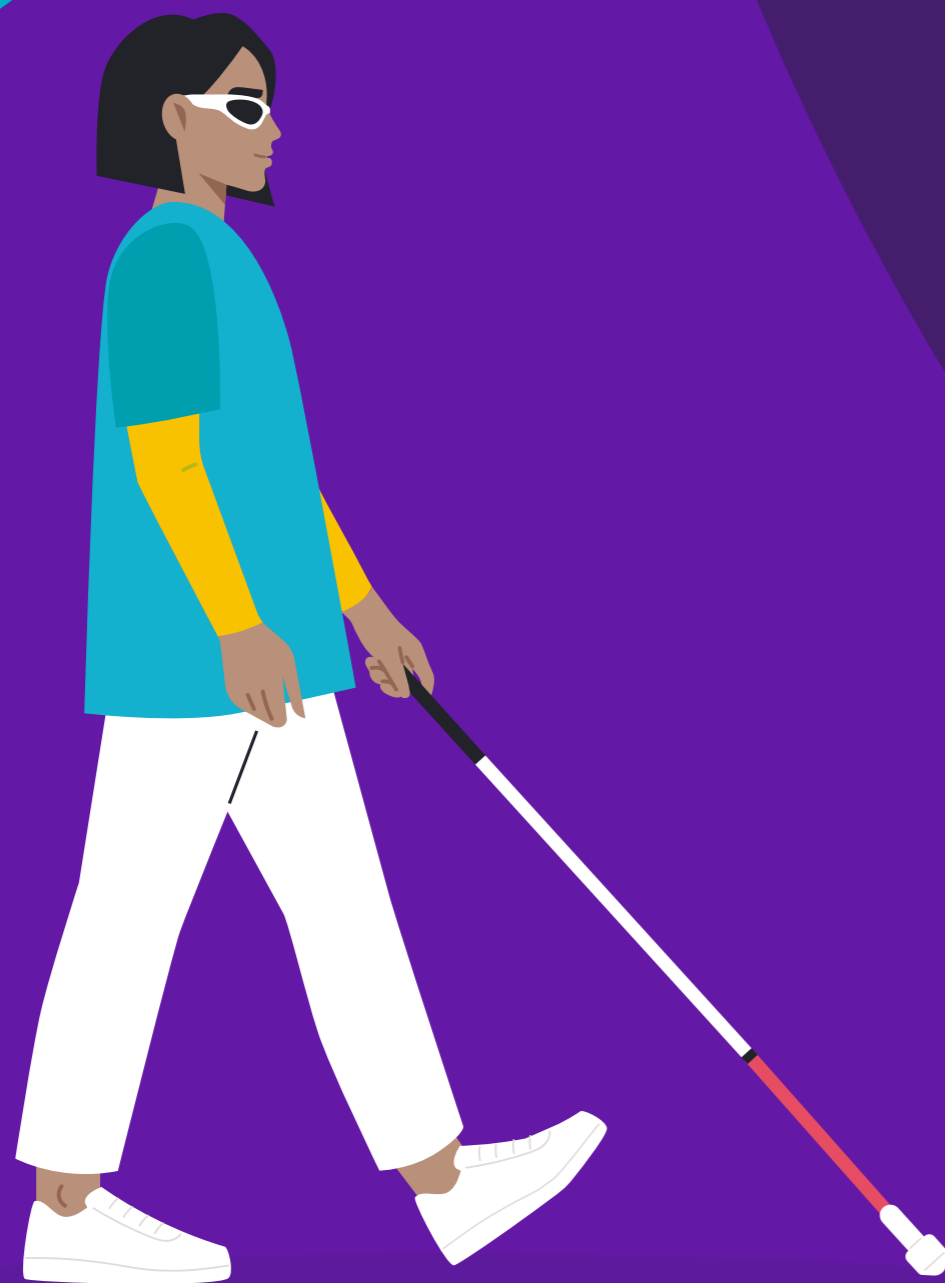


# Debt, Disability and Energy



# Contents

|  |           |
|--|-----------|
| <b>Introduction</b> .....  | <b>5</b>  |
| <b>Strategic context</b> .....   | <b>6</b>  |
| <b>Energy is important for disabled households</b> .....               | <b>8</b>  |
| <b>Key findings</b> .....  | <b>10</b> |
| <b>Coping with additional costs associated with disability</b> .....   | <b>12</b> |
| <b>Prioritising and coping mechanisms</b> .....                        | <b>13</b> |
| <b>Consumer actions as a result of the rising cost of living</b> ..... | <b>15</b> |
| <b>The financial story</b> .....                                       | <b>16</b> |
| <b>Table of costs incurred in disabled households</b> .....            | <b>17</b> |
| <b>Next steps</b> .....  | <b>19</b> |



# Introduction

In 2022 the Consumer Council commissioned Social Market Research (SMR)<sup>1</sup> to explore how consumers, and particularly those with a disability, are coping financially during the cost-of-living crisis. The research presents the findings based on three complementary elements: depth interviews with stakeholder organisations active in the field of disability; a nationally representative survey of 1004 consumers; and depth interviews and case studies with consumers with a disability.

The report highlighted a link between households with a disabled person and high energy usage and costs.

This summary report reviews the main findings relating to disability and energy usage, including why energy is so important to disabled households and how the increasing cost of energy has had such an impact.

<sup>1</sup> Coping Financially in the wake of the cost-of-living crisis (Disability Focus) April 2023.

# Strategic context

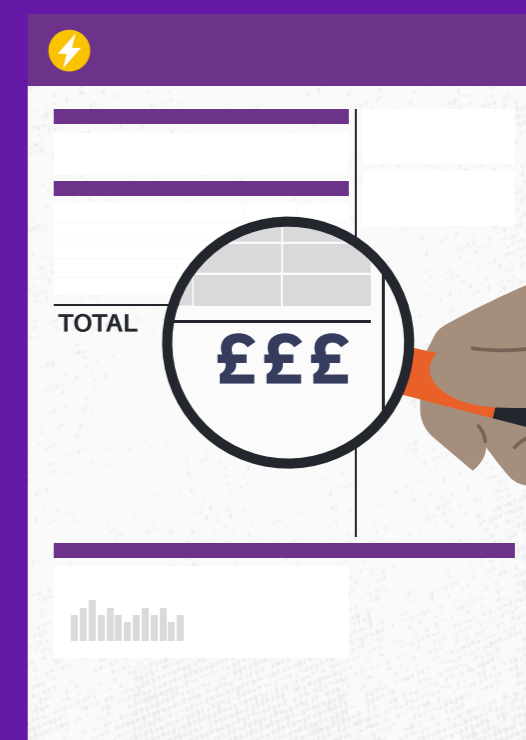
**The rising cost of electricity, gas, oil, and solid fuels is something that is often reported as a concern for households. This research has indicated that energy bills are often higher amongst disabled households because of the need for energy to support how people manage their disability, such as the use of specialised equipment, the need for prolonged periods of heating and the increased costs of personal hygiene and laundry costs.**

In 2022 the UK government acknowledged the cost of energy as being an issue that was crippling households and causing detriment and acted by providing NI households with a £600 payment to go towards the cost of heating homes (Energy Bill Support Scheme). This was rolled out from January 2023 and has had a successful uptake. The UK Government also further supported the cost of energy through the Energy Price Guarantee (EPG). Commencing in November 2022, this discounted the unit price paid by NI consumers for electricity and gas.

On 1st July 2023 the government reduced the extra support through their energy price guarantee to zero. This means for Power NI customers as an example, the government support has gone from 3.77p per unit to 0p. Whilst the energy bills are starting to come down, this still means an increase for customers with Power NI<sup>2</sup> estimating an average extra cost to customers of 14p per day. Energy prices remain around double the pre-pandemic norm and households continue to struggle. The Consumer Council energy team has provided consumers with tools to check they are getting the best tariff from their energy supplier and help to enable consumers to switch providers.

Whilst this undoubtedly provided much needed support for many, the statistics gathered in this report paint a challenging picture for households with a disabled person.

This is likely to drive disabled households further into financial detriment, households that are already cutting down on energy within the home may find themselves unable to keep warm or cook warm meals.



<sup>2</sup> Residential Customer Energy Bill Support | Power NI.

# Energy is important for disabled households

**Keeping the home warm is a major priority for all consumers and even more so for those with a disability. Many disabilities and health conditions require homes to be heated continuously and turning the thermostat down is not an option. Disabled households also face higher energy bills through heavier use of electrical equipment, hot water for longer showers and more frequent laundry.**

The extra costs of disability are often related to higher levels of energy consumption, and this is considered the main factor that stretches the budgets of consumers with a disability. Our research found that savings are being depleted and borrowing is rising, though this is often on an informal basis from family sources. With costs rising in general and the costs associated with disability rising also, this is a segment of the population that appears to be facing a "cost-of-living crisis plus".

Some types of disability mean that a person needs more heat in their home, so turning it down or off may be detrimental. Colder houses can lead to or worsen respiratory problems.

Disabled households not only struggle to heat their homes, frequent changes of bedding and clothing can often mean that disabled households may need to use a washing machine and tumble dryer more often. There may be extra costs associated with bathing and showering either more frequently or for longer. Showering can take more time if the person has mobility problems or where showering is assisted. Running specialist machinery in the house can be expensive and using household equipment such as dishwashers may be necessary if a disabled person has difficulty doing things manually.

Disabled people often need extra heat in their homes because of their condition. For example, those with mobility issues experience stiff joints if they get cold and this can lead to further reductions in mobility and falls. Equally, people with heart problems and those taking blood thinners also need to keep warm. People with disabilities, therefore, cannot take the same measures as others to reduce their heating or energy use.

|| "Heating is very important because I need the house to be warm when I get up as I am very stiff in the morning, and it takes my body a long time to heat up."

|| "I need heat to keep mobile, otherwise I can't get out of the chair, and I worry about falling."

|| "When you are on blood thinners you really feel the cold, so I have to have the heat on all the time."

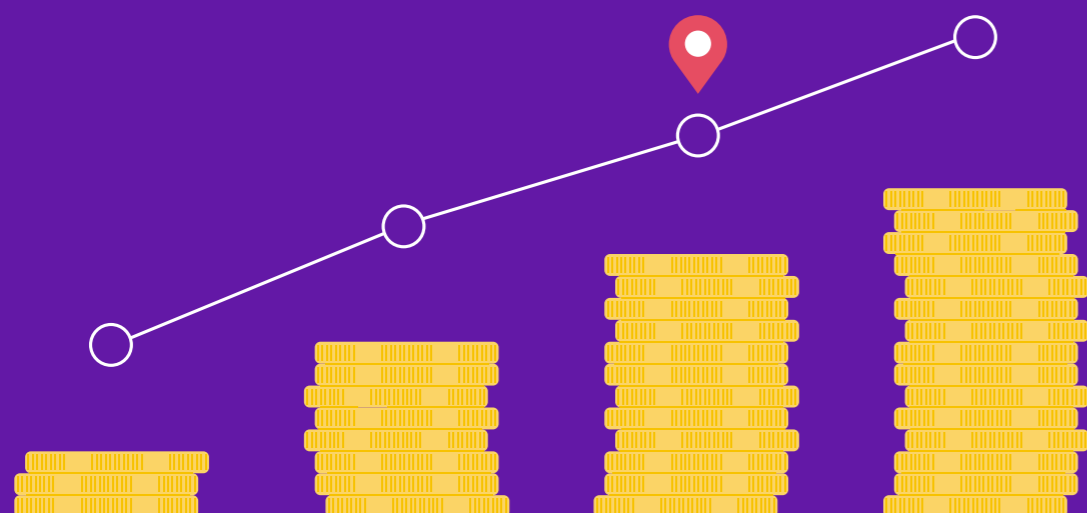
|| "The washing machine is never off. She is incontinent and her bedding and clothes have to be changed daily."

As noted above, many disabled people need to have extra heat or need to have their heat on all the time. Those for whom heating is essential to their health are cutting back to save money.

# Key findings

Stakeholders working in disability focused organisations were interviewed during the research. They told us home heating costs can be higher because many disabilities and health conditions require the person's home to be well heated and continuously heated. Furthermore, energy consumption is higher amongst disabled households because of the use of specialised equipment and the costs of longer shower times and extra laundry.

Interviews were also conducted with consumers with a disability to better understand their lived experience of coping financially with disability. Many of these findings echoed the points made by the stakeholder organisations. Keeping the home warm was identified as a major priority, as many disabilities and health conditions require homes to be heated continuously and turning the thermostat down is not an option. It was felt that disabled households also face higher energy bills through heavier use of electrical equipment, hot water for longer showers and more frequent laundry.



## Our statistical research with consumers also found the following:

### 71%

of all consumers have taken steps as a result of a rise in the cost-of-living (48% have cut back on essentials such as food, clothing, heating, and cooking). Consumers with a disability (85%) were more likely to have taken some action as a result of the rise in the cost-of-living compared with the general population (71%) and non-disabled consumers (65%).

### 38%

of those with additional costs because someone in their household has a disability said it will be difficult to cope with the additional costs (33% say they will struggle and 11% say they will be unable to cope).

### 43%

of consumers living in households where someone has a disability said that the current cost-of-living crisis affects them in other ways, the most common of which include concerns about additional heating (18%), increased stress, worry and anxiety (14%), and the impact on their mental health (13%).

Whilst heating the home has been a major difficulty for most of the population, for disabled people and those with certain health conditions a properly heated home is vital to maintaining their health and wellbeing. Furthermore, energy use in general is likely to be higher in homes where there is a person with a disability. This can be because of higher laundry costs, running specialist equipment or running hot water for longer because it takes longer to shower. Indeed, 42% in the survey faced extra costs associated with heating/energy and greater costs associated with electrical appliances (22%) and laundry (21%), with most of these households (82%) saying they find it difficult, struggle or are unable to cope with these additional costs.

Among consumers with a disability, the most common suggestions for support with the cost-of-living included a reduction in the cost-of-living (22%), an increase in pay/wages in line with inflation (11%), and a reduction in energy costs (9%).

# Coping with additional costs associated with disability

The research asked consumers how they manage everyday expenses such as energy bills. Among those who said their household has additional costs because someone has a disability, 18% said they can easily cope with these additional costs, 38% said they can cope but it will be difficult, 33% said they will struggle and 11% said they will not be able to cope.

Those living in households where someone has a disability were asked if a number of additional costs apply to their household because of this. The most common costs for households with someone with a disability are additional heating/energy costs (42%), costs associated with greater use of electrical appliances (22%), extra laundry costs (21%) and increased costs associated with having to shop locally because of a disability/not being able to shop around (20%).

“We have a prepay meter and try to load the card when we can afford it, but we still have to ration the use of electricity and gas.”

“The oil is up so much in price we can't afford it; my husband gets free pallets and we burn those. As a bit of a treat, I put the heat on in the bedrooms now and again.”

An example highlighted in the report was sightedness and how energy costs can have an impact on a blind or partially sighted person. It was stated that people with sight problems may need extra lighting and may need to leave lights on all the time.

Other research<sup>3</sup> by the Consumer Council carried out in 2022 shows that households had already cut back on their energy costs and notable numbers (33%) have run out of credit on their prepayment meter as they could not afford to top up (self-disconnection). This will have a more negative impact on vulnerable consumers, including those with a disability. This research has been updated in 2023 and while it is still to be published, it shows similar and worsening trends.

<sup>3</sup> A Review of Poverty Levels in Northern Ireland May 2022.

# Prioritising and coping mechanisms

To cope with these extra and rising costs, disabled people reported that they often eat cold food to avoid using hobs and ovens. They are ordering water bottles and blankets for the winter and are cutting down to one meal a day. The researchers were advised that more disabled people are opting for institutional care as being a cheaper option than staying in their own homes even though they do not feel ready for that option. Others fear institutional care even though their circumstances make institutional care appropriate, but they continue to live in cold houses to avoid it.

“I get very cold very quickly in my hands, feet and legs so I am very reliant on heating. My daughter bought me a snoodie to keep warm as I have to cut back on the heating. I am on a lot of drugs which thin my blood. We rely on oil; I don't have it on as much during the day, but you need it on during the day at the moment. I'd say we have cut back about 4 or 5 hours per day.”

However, it is not only people with a physical disability that may suffer a detriment or go without energy, for people with a mental health condition, energy bills may be intrinsically linked to other issues or the ability to afford things like food or transport. These additional costs mean that people with a mental health condition may suffer as they are unable to socialise as much with family or friends and stay at home more because of the rising cost of eating out or transport.

“I feel very isolated, I am very close to my family but they live in Tyrone and places like that so I am not seeing them as often as I would like because of the cost of diesel.”

“Life is more difficult now; we don't get out and we don't see friends. We don't have the money for food and wine like we used to before prices went so high. It's terrible as we were so social before and I miss that so I would have a lot of down days.”

“I feel that not being able to afford to drive has had a detrimental effect as you feel more isolated as I can't afford to go and see friends as much or just escape for a drive. And not being able to see family is hard, my Dad lives in Cork so it's a 5 hour drive and takes a serious amount of fuel to get there, so I can't afford to be able to do that. It doesn't help my depression, my Dad is great support, but I just can't afford to go there.”

“We used to be able to get a pizza one night or a takeaway or make a nice one-off dinner like a roast, but we just can't afford to do this anymore. You miss out on those things.”

“It's not ideal, it's hard when the things you enjoy in life are now deemed as luxuries. The quality of life we had before is now not attainable anymore. I mean go for a wee drive, an ice cream or coffee as the cost of those wee treats are an extra £10 and you could put on the electricity to keep the house warm for that tenner.”

“Somebody needs to be made aware that a lot of people struggle from stress, depression and anxiety which can lead to suicidal tendencies so a lot more lives are lost at this time of year. No, I wouldn't be capable of that sort of thing, but I think that is really important and something that should be said about people taking their own lives.”

“We have cut back on the treats and takeaways. We have to plan more how we spend our money; nothing is done on impulse anymore.”

“I don't just go out for a spin or meet up with friends for a coffee anymore because the cost of petrol is so high, so I do feel more isolated these days without the support of my friends.”

The final quote, not only demonstrates how those with a mental health condition are impacted by increased energy usage, it demonstrates that the potential for serious harm is higher when people are isolated and feel like they have no choice but to stay at home. This in turn leads to higher energy consumption as the home needs heated and more electricity is used. It can feel like a no-win situation for those with a disability.

## Consumer actions as a result of the rising cost of living

Consumers were asked if they have taken different steps as a result of the rise in the cost-of-living. Consumers most commonly reported cutting back on essentials such as food, clothing, heating, and cooking (48%), with 39% reducing the amount they save each month.

“My electricity bill has quadrupled in the last year. My daughter has a CPAP machine which needs to run constantly during the night to ensure that she keeps breathing.”

“When the heating is off, I just wear more layers to keep warm. We have to be very aware of how we spread our money around, if I need £400 to pay for the oil then we have to find it from somewhere.”



# The financial story

In comparison to the general public, consumers with a disability were significantly more likely to report some sort of financial impact on their ability to cope. With a higher number of households using savings to pay for these essentials (31% v 22%). Consumers with a disability were also more likely to cut back on these essentials (64% v 48%).

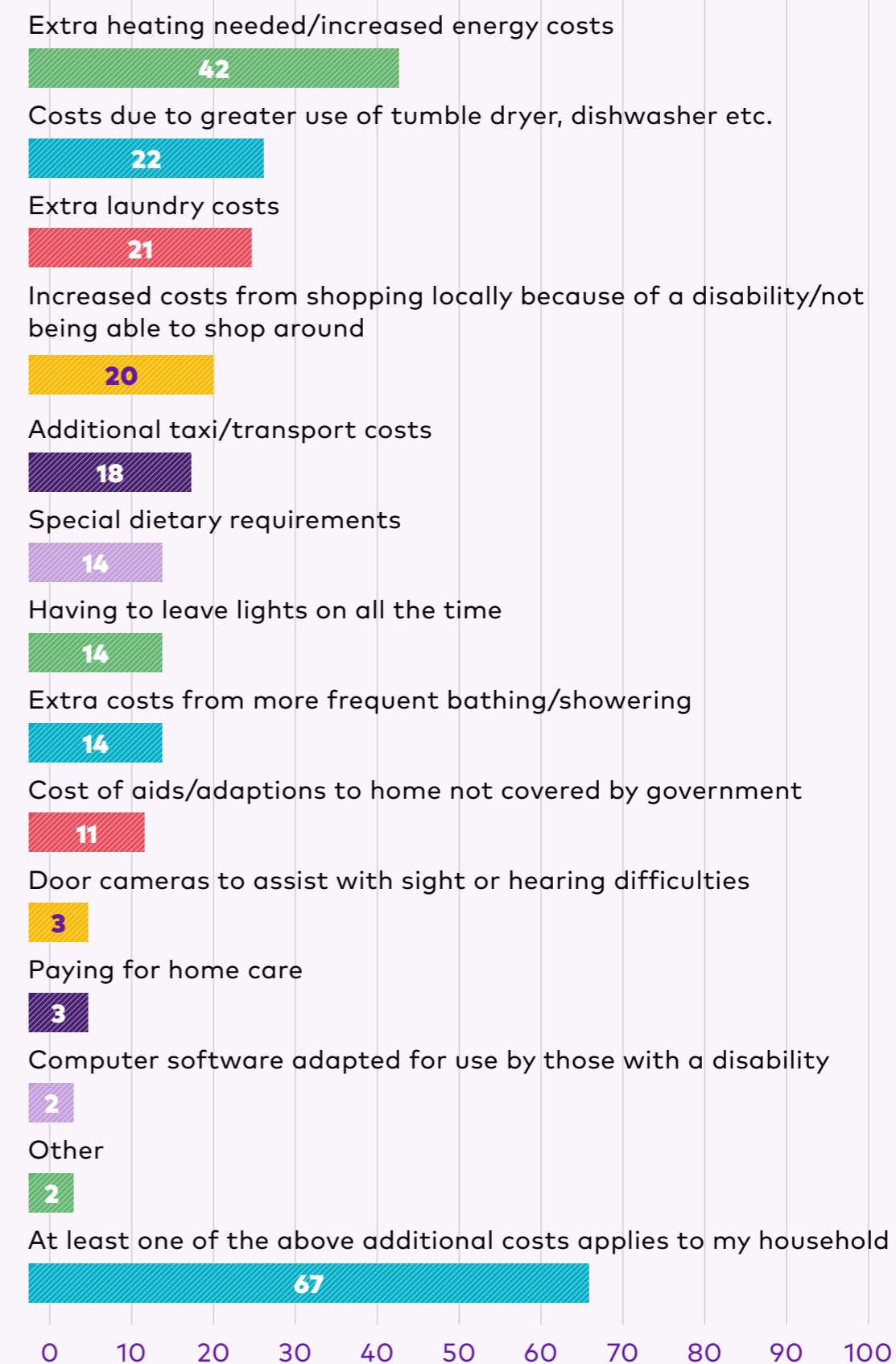
“I try to keep the lights off to save money and then you are cutting back on the heating as well, so you are sitting in the dark and cold most of the time which is very depressing in itself. It feels like you are living in a cave, you have no comfort. It has massively increased my anxiety levels.”

“Oil is very expensive, so basically, I keep the central heating off when my son is not here. I try to use as little electricity as possible too. I used it last weekend because he was here with me and on Monday I had a £15 bill, so I actually had just £3 credit left and no more money for the meter.”

Those who indicated that they have taken out additional borrowing because of the cost-of-living were asked what they had used this money/credit for, with 16% saying they had used the money to pay energy/utility bills.

## Table of Costs Incurred in Disabled Households

Most (67%) households with someone with a disability said they have at least one of the additional costs listed in the table below:



Whilst heating the home has been a major difficulty for most of the population, for disabled people and those with certain health conditions a properly heated home is vital to maintaining their health and wellbeing. Indeed, 42% in the survey faced extra costs associated with heating/energy and greater costs associated with electrical appliances (22%) and laundry (21%), with a majority of these households (82%) saying they find it difficult, struggle or are unable to cope with these additional costs.



## Next steps

**The research provides robust evidence that consumers with a disability have been disproportionately impacted by the cost-of-living crisis. They are more likely to report a negative impact on their household income, to have taken on additional debt to cope with the financial impact, but at the same time report being less able to manage this extra debt.**

Households with someone with a disability have incurred additional costs because of the cost-of-living crisis, with energy costs being with most common additional consideration for households with someone with a disability.

To support consumers in general, the Consumer Council continues to provide information to help empower consumers to make informed decisions. This includes the promotion of our Home Energy Price Comparison Tool and Home Heating Oil Price Checker, and other resources.

We continue to advocate for consumers to ensure that adequate support is in place with energy suppliers and community groups to help consumers who are struggling to afford their energy costs.

In addition, the Consumer Council works closely with local, regional, and national government officials and representatives to highlight issues facing consumers in Northern Ireland and encourage appropriate support.

To better protect households with someone who has a disability, we ask suppliers to promote and encourage their customers to sign up to critical care and customer care registers where applicable. These allow utility companies and network operators to tailor their communications appropriately and make adaptations depending on consumer need (e.g., alternative bill type, notification of power cuts).

This report highlights the additional costs faced by households with someone with a disability and this should be considered when organisations design schemes to help with energy costs. This could be reduced tariffs (e.g., social tariffs), discounts, or emergency support payments. Support should be targeted to those most at need, and a key focus should be people with a disability.



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