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Fuel Poverty

Summary

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Summary

April 2025 update

The April 2025 version of this briefing includes a complete update of all the statistics, but only a minor update to the policy sections (last updated in November 2024) to include a description of the review of the fuel poverty strategy in England.

Fuel poverty is a devolved policy area, and is defined and measured differently in different parts of the UK.

Rapid increases in energy prices in late 2021 and 2022 led to higher energy debt, more customers on prepayment meters ‘self-disconnecting’ and others having to drastically cut their energy usage. This, along with wider cost of living pressures, led to heightened concerns about the extent and severity of fuel poverty and its impact on people. Energy prices have fallen somewhat since this ‘energy crisis’ but remain well above earlier levels.

In general, fuel poverty relates to households that must spend a high proportion of their household income to keep their home at a reasonable temperature. Fuel poverty is affected by three key factors: a household’s income, their fuel costs, and their energy consumption (which in turn can be affected by the energy efficiency of the dwelling).

Fuel poverty statistics

To date only the official estimates for England and Scotland reflect the period of rapid energy price rises during the ‘energy crisis’. Estimates for Wales and Northern Ireland have not yet been published for 2022 or later years.

The impact of these rising prices on fuel poverty estimates differs between England and Scotland due to the different definitions they use .

In England the definition of fuel poverty is focused on energy efficiency ratings and income, and so fuel poverty estimates showed no real change in 2021 or 2022 and modest falls in 2023 and 2024. This is in stark contrast to [estimates published by charities](#) working in the sector which show large increases in 2022 and 2023.

There was a substantial increase in estimated fuel poverty in Scotland between 2019 and 2023. This was because the definition used in Scotland is sensitive to changes in fuel prices.

Fuel poverty rates vary across the nations of the UK and cannot be directly compared due to differences in methodology. In the latest estimates, around 11% of households in England were classed as fuel poor, 34% in Scotland, 14% in Wales, and 24% in Northern Ireland. In all nations, fuel poverty rates have been relatively stable in the years just before the energy crisis (though a lack of data in some areas makes identifying trends challenging). The dotted lines on the graphs below show estimated projections, and the broken line on the graph for Scotland is due to the change in definition of fuel poverty.

Trends in fuel poverty within the UK using each country's own definition

% of households defined as fuel poor



Fuel Poverty in England

Fuel poverty data is more detailed and up to date for England than for the rest of the UK. The definition in England has also changed in ways which have a substantial impact on fuel poverty levels and trends. Therefore, this paper includes more analysis on fuel poverty and how it is measured in England.

In England, unlike in the rest of the UK, only those households in homes with lower energy efficiency (bands D-G) who fall below the poverty line after energy costs are considered to be in fuel poverty. In 2024 3.1 million households in England were in the lowest two income deciles (10% groups), but were not deemed to be in fuel poverty because their property had a rating of C or better.

The definition in England also means that direct energy rebates, such as the Warm Home Discount, are treated as if they improved the energy efficiency of a dwelling. This reduces the numbers deemed to be in fuel poverty. However, the Warm Home Discount in reality has no impact on improving energy efficiency, and therefore does not help deliver the policy aims that energy efficiency support can achieve, such as reducing greenhouse gas emissions, cutting reliance on fossil fuel imports and providing green jobs.

The aggregate fuel poverty gap in England (the total reduction in energy costs needed to take all fuel poor households out of fuel poverty) is a measure that is more sensitive to fuel prices. It increased by an estimated 47% between 2020 and 2023, before falling by 7% in 2024. The extent of fuel poverty (the number of fuel poor households under the official definition) did not increase during the energy crisis, but the depth of their fuel poverty did.

The [definition of fuel poverty in England has been described](#) as a “blunt instrument” which leads to “leads to an overly skewed policy focus”. [The Committee on Fuel Poverty have said](#) it “should be reviewed as it no longer captures the full range of households facing unaffordable bills”.

The charity [National Energy Action \(NEA\) has estimated that 4.5 million households were in fuel poverty in the UK](#) in October 2025. This figure is two-thirds higher than official estimate for England alone. NEA define a household as fuel poor if it needs to spend more than 10% of its income on energy to provide a satisfactory heating regime.

[The government has estimated](#) that 9.0 million households in England could be classed as fuel poor in 2024 using a version of this 10% definition; almost double its level in 2021. This estimate includes the impact of the different support schemes introduced by the government during the energy crisis to help make bills more affordable and targeted cost of living payments in 2022/23 and 2023/24.

Fuel poverty policy

There are both national and devolved policies for addressing the drivers of fuel poverty. Fuel poverty can be alleviated by improving a household's income (and their ability to pay bills), reducing their fuel costs, and reducing their energy consumption (by improving energy efficiency).

- To improve a household's ability to pay, there are payments and discounts available to certain eligible customers including the Winter Fuel Payment, Warm Homes Discount, and Cold Weather payments, designed to help potentially vulnerable customers with their bills. More information is available in the Library briefing paper on [Help with Energy Bills](#).
- There is also an energy price cap which protects customers on variable tariffs from overcharging. More information is available in the Library briefing paper [Domestic energy prices](#).
- To improve the energy efficiency of a household there are schemes such as the Energy Company Obligation, Warm Homes Grant, and the Boiler Upgrade Scheme. More information is available in the Library briefing paper on [Help with energy efficiency, heating and renewable energy in homes](#).
- During the energy crisis the government introduced several measures to support households with rising bills (for example in 2022 the government [announced a package of support to help households with rising energy bills](#)). However these have now all closed. The Library briefing papers [Gas and electricity prices during the 'energy crisis' and beyond](#) and [Domestic energy prices](#) looks at how and why energy prices have changed.

Several stakeholders have recommended that governments do more on fuel poverty, pointing to wider potential benefits such as for health from avoiding cold homes, and decarbonisation from more energy efficient homes.

1 Introduction

Fuel poverty is a devolved policy area, and is defined and measured differently in different parts of the UK. In general, fuel poverty relates to households that have to spend a high proportion of their household income to keep their home at a reasonable temperature. Fuel poverty is affected by three key factors:

- a household's income,
- a household's fuel costs, and
- a household's energy consumption (which in turn can be affected by the energy-efficiency of the household's dwelling).

Fuel poverty can have impacts on several additional policy areas. For example, cold homes can have negative impacts on both mental and physical health, potentially adding demand to the NHS and social care providers, and directly contributing towards excess winter deaths.¹ Health impacts of cold homes include increased risk of heart attack or stroke, respiratory illnesses, poor diet due to "heat or eat" choices, mental health issues, and worsening or/slow recovery from existing conditions.² Those most at risk of ill health from fuel poverty include children the elderly, and long-term sick and disabled people.

Aspects of fuel poverty policy, specifically on energy efficiency, also impacts other energy policy priorities such as decarbonisation and energy security. The Climate Change Committee (CCC – who advise the government on decarbonisation) said in their [2019 Net zero report](#) that "addressing fuel poverty should continue to be a priority".³ The CCC has consistently said that energy efficiency is key to decarbonisation as it reduces energy consumption, which also improves energy security. Conversely, any higher fuel costs from decarbonisation will have a greater impact on those in fuel poverty and could risk the numbers in fuel poverty increasing. As such, the CCC argue that energy efficiency is also important to address fuel poverty to ensure decarbonisation takes place as part of a "just transition".⁴

¹ Committee on Fuel Poverty, *Annual Report 2018*, p.5

² Public Health England, *Cold Weather Plan for England, making the case: why long-term strategic planning for cold weather is essential to health and wellbeing*, October 2017, p.24

³ CCC, *Net Zero – The UK's contribution to stopping global warming*, May 2019

⁴ CCC, *Net Zero – The UK's contribution to stopping global warming*, May 2019

2

Fuel poverty trends

Fuel poverty is defined and measured in different ways across the nations of the UK. Estimates have also been produced at different time frequencies and sometimes with large gaps. Direct comparisons between the nations can therefore not be made.

The first estimates of fuel poverty were made more than two decades ago using the 10% definition, where a household was defined as being in fuel poverty if it needed to spend more than 10% of its income on energy to provide a satisfactory 'heating'⁵ regime. Wales and Northern Ireland still use this measure, as do many stakeholder organisations.

Box 1: Modelled v actual energy use

The modelled or theoretical energy needs of a household are an important part of all the definitions of fuel poverty used across the UK. Energy needs are modelled using data from a physical survey of the property and its occupancy levels/patterns. A satisfactory heating regime as 21°C in the main living area and 18°C elsewhere.

[Analysis of actual energy usage between 2012 and 2016](#) found that 69% of households used less energy over this period than the theoretical totals suggested by the modelling process. On average households spent £133 less over this period than the modelling suggested they would. This was at a time when energy prices bills were less than half their current levels.

The level of 'underconsumption' was larger for fuel poor households at £320 compared with £110 for other households. There was also a clear link with energy efficiency bands; 'underconsumption' was the equivalent of £68 for households in in band C properties, rising to £280 in band D, £409 in Band E and £758 in bands F/G. Across all the analysis the only group to consume more than their theoretical energy consumption were households in highest income decile (10% band).⁶

It is highly likely that the rapid increases in prices during the energy crisis led to a considerable increase in 'underconsumption' compared to modelled energy needs. First, these higher prices will give a larger financial value to any given difference in energy usage. Second, and more importantly, [higher](#)

⁵ While often referred to in this way the measure covers all use of energy for heating, lighting, hot-water, cooking, running appliances etc.

⁶ BEIS, [Energy Trends special feature article March 2019, Comparison of theoretical energy consumption with actual usage](#)

[prices led to a fall in household energy consumption](#). Some households might have been able to cut non-essential consumption or install energy efficiency measures. Others, particularly those in or at risk of fuel poverty, might have had to reduce essential spending on energy, with potentially negative impacts on their health and well-being.⁷

2.1

Fuel poverty trends in England

Current definition

In England the government introduced a new definition of fuel poverty in 2021. This is the ‘Low Income Low Energy Efficiency’ (LILEE) definition of fuel poverty. Here a household is fuel poor if:

1. They are living in a property with an energy efficiency rating of band D-G,⁸ and
2. their disposable income (income after housing costs and energy needs) would be below the poverty line

The poverty line was £18,440 in the 2024 dataset. It is defined as 60% of equivalised⁹ household disposable income after housing costs.

Only those households in band D-G homes who fall below the poverty line (after energy costs) are considered as being in fuel poverty. This definition means that changes in energy prices have the same impact (in the opposite direction) as changes in income.¹⁰

This definition measures the extent of fuel poverty. The depth of fuel poverty is measured by the fuel poverty gap -the reduction in fuel costs needed for a household to not be in fuel poverty.¹¹

⁷ See, for instance, Ofgem, [Consumer impacts of market conditions survey - wave 4 \(July 2023\)](#), ONS, [Public opinions and social trends, Great Britain: household finances](#) and National Energy Action, [Lived experiences of fuel poverty](#)

⁸ As defined by the most up-to-date Fuel Poverty Energy Efficiency Rating methodology

⁹ Adjusted for household size and composition

¹⁰ For instance, a £1,000 increase in energy bills would be cancelled out by a £1,000 increase in income, as disposable income (after housing and energy costs) would be no nearer or further away from the poverty line after these changes. However, they would likely result in a large increase in the proportion of household income they needed to spend on energy.

¹¹ Under LILEE this is the lower of 1) the reduction in required fuel costs which would bring them in line with the fuel costs of a band C property, or 2) reducing their energy costs to a level where their disposable income after housing costs and energy needs is no longer below the poverty line.

A household in a property with an energy efficiency rating of C or better cannot be defined as being in fuel poverty, regardless of their income or how high energy prices are.

The definition was set out in the 2021 fuel poverty strategy [Sustainable warmth: protecting vulnerable households in England](#) and followed on from earlier consultation. The government said that the aim of the new measure was “...to better track progress toward the statutory fuel poverty target...”. They recognised that some households in energy efficiency bands A, B and C would be unable to afford to keep their home warm due to very low incomes, but most would not benefit very much from energy efficiency measures so would not be included in the new measure of fuel poverty.¹²

The LILEE definition means that a household in a property with an energy efficiency rating of C or better (63% of dwellings in 2024¹³) cannot be defined as being in fuel poverty, regardless of their income or the level of energy prices. In 2024 an estimated 3.1 million households in England were in the lowest two income deciles (10% groups), but were not defined as fuel poor because their property had a rating of C or better. All the remaining 2.0 million households in these income groups were defined as fuel poor.¹⁴

The definition in England is therefore better viewed as a measure of progress against the government’s fuel poverty target (see later), rather than an estimate of the full extent of households who are struggling to keep their homes warm, well-lit, provide sufficient hot water and run appliances. This helps to explain why so many organisations outside government still estimate current levels of fuel poverty using the old 10% measure (see [Box 2](#) below).

The LILEE measure replaced the ‘Low Income High Costs’ (LIHC) in 2021. Under this previous definition, a household was fuel poor if:

1. the amount they would need to spend to keep their home at “an adequate standard of warmth” is above the national median level, and
2. if they spent that amount, their leftover income would be below the official poverty line.¹⁵

LIHC was the first measure to introduce the concept of the fuel poverty gap.

The LIHC measure was adopted in 2015 and based on the year-long independent [Hills Fuel Poverty Review](#) for the government. The review was led by Professor John Hills, Director of the Centre for Analysis of Social Exclusion at the LSE.¹⁶

The LILEE measure has been calculated back to 2010 only, so current trends in fuel poverty cover a shorter period than under the previous measure.

¹² BEIS, [Sustainable warmth: protecting vulnerable households in England](#), February 2021, (p10)

¹³ This uses the ‘Fuel Poverty Energy Efficiency Rating’ which is a modified version of the standard energy efficiency rating. See [Box 2](#) for further information.

¹⁴ DESNZ, [Fuel poverty detailed tables 2025 \(2024 data\)](#), Tables 3 and 31

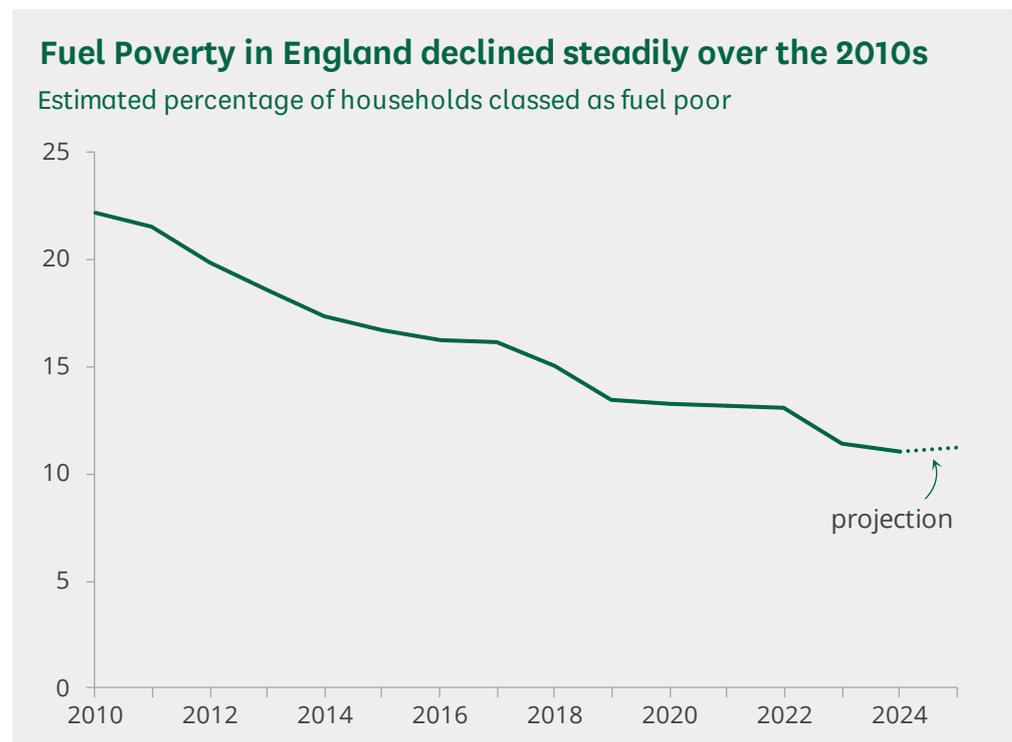
¹⁵ Gov.uk, [Fuel poverty statistics](#), 26 June 2018

¹⁶ [Getting the measure of fuel poverty](#), Final report of the Fuel Poverty Review by John Hills

Trends

Extent of fuel poverty

In the latest year for which statistics are available (2024) an estimated 2.73 million households in England were defined as fuel poor under the LILEE definition. This was 11% of households and the lowest ever level on a series going back to 2010. Trends are shown below. Fuel poverty rates gradually declined from 22% in 2010 to just over 13% in 2019. There was no significant change in the fuel poverty rates over the following years (at the height of the energy crisis) and falls in 2023 and 2024. The estimated number of households in fuel poverty fell by 1.6 million (34%) between 2010 and 2019 and by 0.4 million (14%) between 2022 and 2024.¹⁷



Source: DESNZ, [Fuel poverty trends 2025](#)

The government estimates that the number of households in fuel poverty increased by just 5,000 in 2021 and by 8,000 in 2023. This was despite the record energy prices during this period. Average dual fuel bills for typical consumption under the direct debit price cap were £1,138 in summer 2021. They increased to £1,971 in summer 2022, £2,500 for nine months from October 2022 and fell to around £2,000 in the second half of 2023.¹⁸ The LILEE measure is not sensitive to changes in energy prices, however the fuel poverty gap is more sensitive.

¹⁷ DESNZ, [Annual fuel poverty statistics report 2025](#)

¹⁸ See the Library briefing [Gas and electricity prices during the 'energy crisis' and beyond](#) for more details on price rises.

Detailed 2022 statistics, based on projections, were published in 2023 to provide more timely data. This was repeated in 2024 and 2025

In a change to past practice, the 2023 fuel poverty statistics report gave projections of fuel poverty in the year just past. This was published in February 2023 and gave detailed statistics for 2022. The previous report, published in February 2022, gave detailed data for 2020. This change was to “...provide more timely estimates of fuel poverty in detail.”¹⁹ The report also included a (less certain) projection for 2023. This was repeated in the 2024 and 2025 reports which gave detailed data for 2023 and 2024 respectively.

The main source of information for these estimates is the English Housing Survey. The 2023 data (and projections for 2024 and 2025) are based on the latest dataset which covers the period April 2022 to March 2024. The price data for the 2024 projections covers 2023/24 and 2024/25. The 2025 projection is based on prices in 2024/25 and projections at the time for 2025/26.

Contribution of different factors in 2024

Estimates of the contribution of different factors to changes in the number of households in fuel poverty in 2024 are set out below.

- Higher incomes: **-68,000**
- Higher housing costs: **+17,000**
- Improved energy efficiency (including the extension to the Warm Home Discount): **-59,000**
- Higher energy prices: **+42,000**

The government expects that restrictions to Winter Fuel Payments will not affect overall fuel poverty rates.

The impact of higher energy prices and housing costs were offset by increased incomes and improvements to energy efficiency. The estimated number of households in fuel poverty fell by 68,000 in 2024.²⁰

The government estimates that restrictions to Winter Fuel Payments from winter 2024/25 will not change overall fuel poverty rates. It expects that the impact on pensioner households with incomes close to the fuel poverty will be small, so few pensioner households would be drawn into fuel poverty by this change.²¹

Fuel poverty gap

The LILEE definition also allows analysis of the depth of fuel poverty; known as the fuel poverty gap. This measures the reduction in fuel costs a household would need to no longer be in fuel poverty under the LILEE definition. In 2024 the mean average fuel poverty gap was £407 per fuel poor household, down by 4% of 2023’s new record. The aggregate gap across all fuel poor

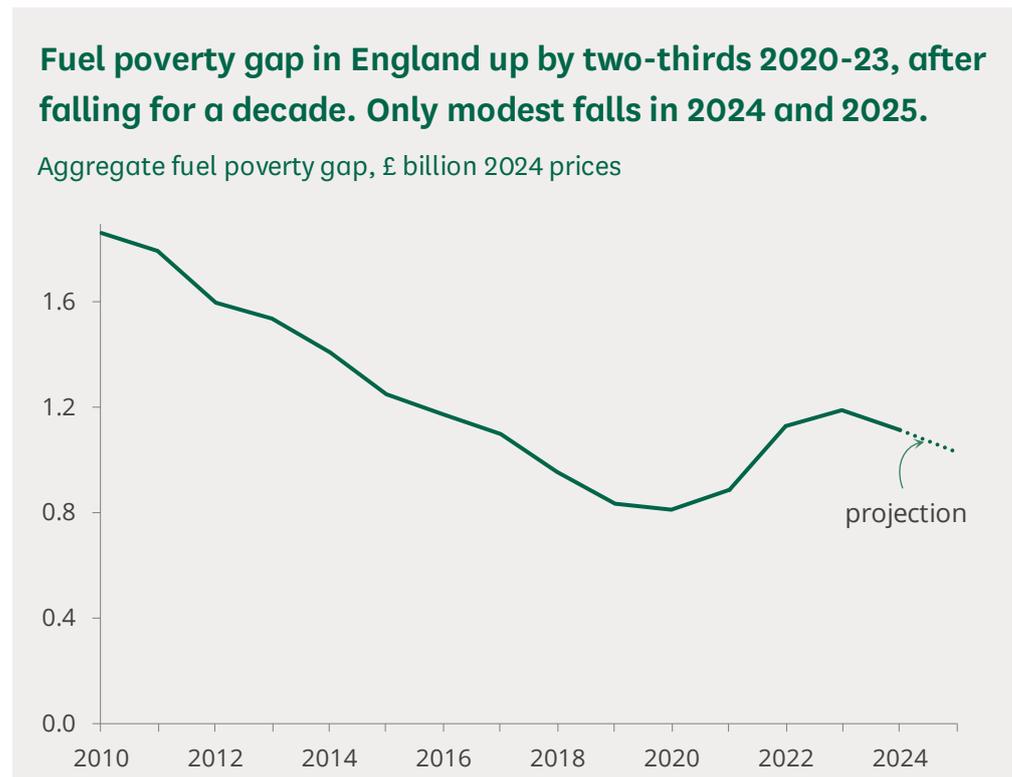
¹⁹ DESNZ, [Annual fuel poverty statistics report: 2023](#) (p8)

²⁰ DESNZ, [Annual fuel poverty statistics report 2025](#), pp2-3

²¹ DESNZ, [Annual fuel poverty statistics report 2025](#), annex G

households was £1.1 billion in 2024. This was 7% lower than in 2023 and well below levels from the early 2010s.^{22 23}

The next chart shows trends in the real level of the aggregate gap in England. The government recommends using this (rather than the percentage of households measure) as an indicator of trends at a national level. It is more sensitive to changes in energy prices and energy efficiency. The level of the aggregate fuel poverty gap fell from £1.9 billion in 2010 to a low of £0.8 billion in 2020 (both figures in 2024 prices). It was subsequently driven up by higher energy prices to £1.2 billion in 2023.



Source: DESNZ, [Fuel poverty trends 2025](#)

The average fuel poverty gap reached a record level in 2023; up by two-thirds in three years

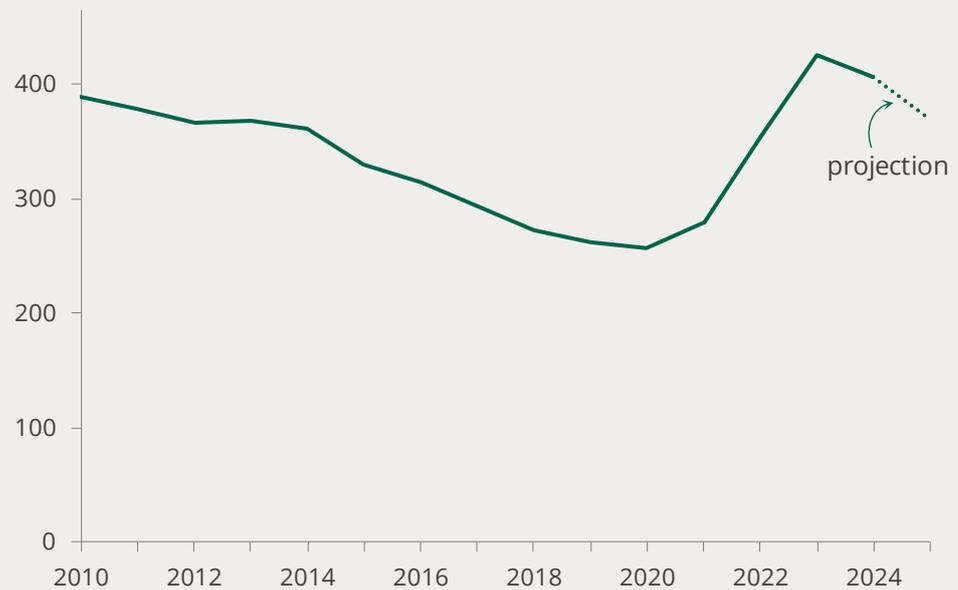
The aggregate fuel poverty gap is in effect a combination of the number of households defined as fuel poor and their average fuel poverty gap. The chart below shows that the mean average fuel poverty gap fell more slowly than the aggregate gap over the 2010s. It increased much faster between 2020 and; there was an increase in the depth, but not the extent of fuel poverty. This measure reached a record high of £426 in 2023; a 66% increase on the 2020 low. The average fuel poverty gap fell by 4% in 2024, but it was still at its second highest ever level (on a series going back to 2010). This measure of the depth of fuel poverty has been driven up by the increase in fuel prices.

²² DESNZ, [Annual fuel poverty statistics report 2025](#)

²³ The mean and aggregate fuel poverty gap have somewhat different trends because of the underlying decline in fuel poverty in the 2010s

Increases in average fuel poverty gap during the 'energy crisis' reversed a decade of reductions in England

Mean average fuel poverty gap, £ per fuel poor household, 2024 prices



Source: DESNZ, [Fuel poverty trends 2025](#)

Box 2: The Fuel Poverty Energy Efficiency Rating (FPEER)

The definition of fuel poverty in England means that no household living in a property with an energy efficiency rating of C or better can be classed as being in fuel poverty.

The conventional measure of energy efficiency of a property is the government's Standard Assessment Procedure (SAP) energy efficiency rating. This assigns a rating to a dwelling from 1 (highly inefficient) to 100 (highly efficient)²⁴. The SAP rating of a dwelling is based on its modelled energy costs per m² of floor. These ratings can be converted into bands A-G, where A is most efficient, and G is least efficient. To be classed as Band C a property needs an energy efficiency rating of 69-80.

The FPEER uses a modified version of the SAP rating which takes into account policies that directly affect the cost of energy. In recent years this has been the rebate provided by Warm Home Discount (WHD). The FPEER methodology subtracts this rebate from the overall modelled costs produced under the SAP system. This gives an energy efficiency rating (again from 1-100), which will be higher than the SAP rating if the household receives WHD. This rating can be translated to a band (A to G) on the same bases as the SAP system, ie. band C

²⁴ Zero energy costs

is 69-80. The document [Fuel Poverty Energy Efficiency Rating Methodology](#) gives further details.

The FPEER is also used to measure progress against the government's 2030 fuel poverty target to ensure that as many fuel poor households as reasonably practicable achieve a minimum energy efficiency rating of band C.

In effect the FPEER treats the energy cost savings from the WHD as if they had been due to actual energy efficiency improvements to the property.²⁵ However, a cash transfer, such as the WHD, and energy efficiency improvements have different impacts. Actual energy efficiency improvements have a wide range of other benefits including reducing the energy costs of the dwelling in the long term, lowering the marginal costs of heating, cutting greenhouse gas emissions, reducing reliance on imported fossil fuels and providing employment in UK's 'Green Economy'.

The Committee on Fuel Poverty has questioned the validity of the assumption that the WHD payment reduces energy costs for someone in a band D property as much as if the property had been moved to band C through improved energy efficiency. They recommended that the LILEE metric be reviewed, and any review should end the assumption that receipt of the WHD is equivalent to improvements in energy efficiency.²⁶

The government consulted on its updated fuel poverty strategy in 2019. The official response to the consultation said that some responding stakeholders would prefer a LILEE metric of fuel poverty that used Energy Performance Certificates (EPCs) and "...the inclusion of receipt of the Warm Home Discount rebate in the LILEE (FPEER) metric could artificially change a household's fuel poverty status in the short term." The government responded:

The EPC metric would only measure energy efficiency improvements, while the FPEER metric would also measure rebates like the Warm Home Discount. We agree that energy efficiency is the best long term solution to fuel poverty. However, the government believes the measurement of progress against a fuel poverty target should also reflect the progress made through the full range of policies, including the Warm Home Discount, which is why the fuel poverty statutory target is based on FPEER. As the official metric used by the annual fuel poverty statistics, LILEE (FPEER) will clearly track government's progress toward the FPEER-based target.

The government has not extended the definition of energy bills support which counts towards the FPEER beyond the WHD. This is despite the increased support aimed at helping households cope with higher energy bills such as the £150 Council Tax rebate in April 2022 and the £400 Energy Bill Support Scheme

²⁵ As the current SAP rating is based on energy costs per m², rather than energy efficiency per se, it could be argued that this treatment of WHD is consistent the overall SAP approach.

²⁶ [Committee on Fuel Poverty annual report: 2024](#)

in winter 2022/23. Both these elements of support were treated as energy bill savings rather than income uplifts.

The value of the WHD increased from £140 to £150 in 2022-23 and its eligibility extended from around 2.0 to 2.8 million households. The government has estimated that 248,000 households were removed from fuel poverty by the WHD under the LILEE definition.²⁷

Patterns of fuel poverty

The following charts look at how rates of fuel poverty vary between different types of properties and households. This includes a selection of property/household characteristics. [Fuel poverty detailed tables](#) gives a wider range and includes data on the size of the fuel poverty gap for each group.²⁸ Differences in fuel poverty rates by property characteristics largely reflect differences in energy efficiency, especially age and type. Variations by household characteristics reflect a combination of differences in income between different groups and, in some cases, differences in the energy efficiency of their property.

²⁷ DESNZ, [Annual fuel poverty statistics report 2024 \(2022 and 2023 data\)](#), Annex F

²⁸ DESNZ, [Fuel poverty detailed tables 2025 \(2024 data\)](#)

Variations in fuel poverty in England 2024

% of households defined as fuel poor under the LILEE definition, selected groups

Property characteristics

Type

Purpose-built flat	8.0%	
Converted flat	18.8%	
Mid terrace	12.7%	
End terrace	17.5%	
Semi-detached	11.4%	
Detached	7.3%	

Age

Pre 1919	17.1%	
1919 to 1944	14.3%	
1945 to 1964	13.4%	
1965 to 1980	11.5%	
1981 to 1990	6.7%	
1991 to 2002	5.4%	
Post 2002	1.1%	

Tenure

Owner occupied	7.5%	
Private rented	21.5%	
Social housing	13.1%	

Energy efficiency band

A, B and C	0.0%	
D	23.6%	
E	21.2%	
F/G	31.7%	

All households 11.0%

Household characteristics

Age of oldest person in household

16 - 24	18.9%	
25 - 34	9.5%	
35 - 49	11.1%	
50 - 59	11.5%	
60 - 74	11.5%	
75 or more	10.1%	

Ethnicity of household reference person

Ethnic minority	13.3%	
White	10.7%	

Someone with long term illness/disability in household

Yes	14.9%	
No	8.6%	

Income decile

1st (lowest)	38.6%	
2nd	38.0%	
3rd and 4th	17.0%	
5th-10th (highest)	0.0%	

Gas payment method

Direct debit	8.4%	
Standard credit	16.8%	
Prepayment	20.9%	
No gas	16.0%	

Source: DESNZ, [Fuel poverty detailed tables 2025 \(2024 data\)](#)

Box 3: Fuel Poverty under the 10% measure in England and the UK

Several different charities and research organisations have estimated how increased energy prices have affected the number of households in fuel poverty. These nearly all use the 10% definition, or a version of it. Some of these estimates are summarised below:

- The charity [National Energy Action](#) (NEA) estimated that the increase in the price cap in autumn 2021 meant the number of households in fuel poverty

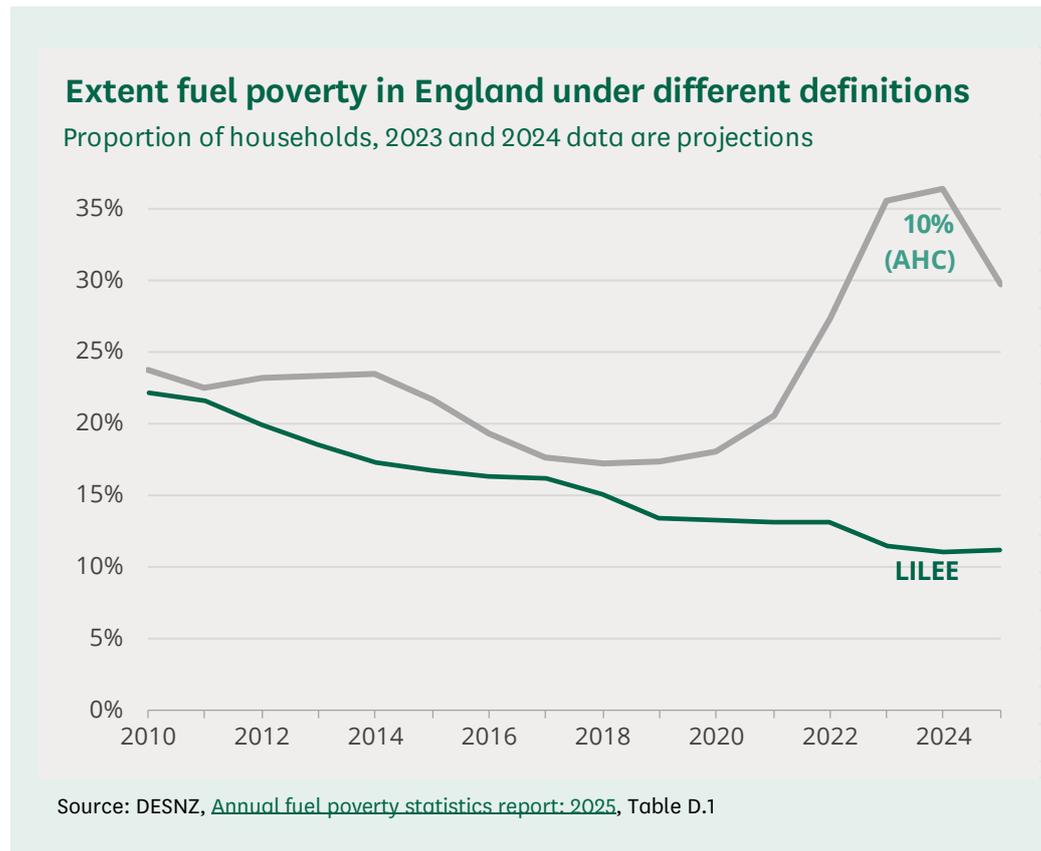
across the UK increased from 4 million to around 4.5 million. Their latest estimate is [6.1 million](#) for January 2025 which is [below levels they estimated during the energy crisis](#). They use the 10% definition; a household is in fuel poverty if it needs to spend more than 10% of its income on energy in order to maintain a satisfactory heating regime. NEA has published a [Fuel Poverty Statistics Explainer](#) which sets out the differences between its estimates and those of the UK government.

- In Spring 2024 the [End Fuel Poverty Coalition](#) predicted that the number of households across the UK affected by fuel poverty would be 6.2 million at the start of 2025.
- In November 2022 the [Child Poverty Action Group](#) and academics at the University of York estimated that the number of households across the UK who spent more than 10% of their (after housing costs) income on fuel was 10.4 million. This estimate looked at household income after housing costs which gives much higher estimates. [Later estimates](#) used a 20% (after housing costs) thresholds and put the number of households in fuel poverty at 4.9 million in 2022/23 and only slightly lower at 4.8 million in 2025.

In response to “stakeholder interest” in the impact of rising energy prices on fuel poverty and their use of “affordability measures” (the 10% definition or variations of it) to quantify this, the Department of Energy Security and Net Zero produced its own analysis of fuel poverty trends under the 10% definition alongside the latest official estimates. This analysis was first included in the government’s 2023 fuel poverty statistics report. The latest estimates showed an estimated 9.0 million households in England in 2024 would meet the 10% definition on an after housing costs basis. This was more than double the estimate for 2020 and the highest on the series which goes back to 2010.²⁹

The following chart compares trends in the 10% definition (after housing costs) and the LILEE measure. It shows that the proportion of households defined as fuel poor was lower under the LILEE measure. It fell at a similar rate to the 10% definition during most of the 2010s. The difference between the two measures from 2020 is stark: fuel poverty under the LILEE definition was stable or falling as energy efficiency improvements and higher incomes cancelled out the relatively small impact of higher prices. This does not happen for the 10% definition which is closely linked to prices. Fuel poverty more than doubled between 2020 and 2024 on this measure, but it projected to fall by 18% in 2025.

²⁹ DESNZ, [Annual fuel poverty statistics report 2025](#), Annex D



Local estimates

The government publishes annual [sub-regional estimates of fuel poverty](#) in England.³⁰ The latest were published in December 2024 and gave 2022 modelled estimates for local authorities, Parliamentary Constituencies and Lower Layer Super Output Areas (LSOAs).³¹ The [Commons Library Local area data: fuel poverty dashboard](#) summarises the latest constituency data including maps of how fuel poverty rates vary within the constituency.

Target

The government’s 2015 fuel poverty strategy, ‘[Cutting the cost of keeping warm](#)’, set out the fuel poverty target:

The fuel poverty target is to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030.³²

The 2017 Clean Growth Strategy included a broader target of upgrading all homes by 2035 to EPC band C:

³⁰ DESNZ, [Sub-regional fuel poverty in England, 2024 report \(2022 data\)](#)

³¹ LSOAs are small areas with an average population of around 1,500 people or 650 households.

³² HM government, [Cutting the cost of keeping warm: A fuel poverty strategy for England](#), 2015

We are aiming to have the 2.5 million fuel poor homes in England improved to energy efficiency rating C or better by 2030. More broadly, our aspiration is that as many homes as possible are improved to EPC Band C by 2035, where practical, cost-effective and affordable.³³

This energy efficiency rating is based on the Fuel Poverty Energy Efficiency Rating (FPEER) which is described in [Box 2](#) above.

The [Fuel Poverty \(England\) Regulations 2014](#) amended the [Warm Homes and Energy Conservation Act 2000](#) to give effect to the new fuel poverty target. The government also has interim targets of EPC Band E by 2020 and Band D by 2025.³⁴

The latest fuel poverty statistics report gave an update on progress for these targets. This showed in 2024:³⁵

- An estimated 97.6% of low income households were in properties with an energy efficiency rating of band E or higher
- 93.1% were in band D or higher
- 59.5% were in band C or higher.

There have been modest improvements in these rates since 2020.³⁶ The government projects that there will be a small drop in low income households in band D or above dwellings in 2025 (the interim target year) and a small increase in those in band C or above properties.³⁷

The [government's 2021 strategy](#) (discussed below) commented on the 2020 interim target:

Together with partners, we have made progress towards the 2020 milestone. According to the latest statistics, by 2018 92.6% of fuel poor households were living in a property with a fuel poverty energy efficiency rating of Band E or above. This means that around 180,000 fuel poor homes remained rated F or G in 2018. We expect that the number of fuel poor homes rated F and G would be similar under both LIHC and LILEE. As we look towards the 2025 milestone, it is imperative Band F and G rated homes are not left behind, especially as future technological advances lower costs and increase technical potential. The 'Worst First' principle [...] will need to ensure that the next generation of fuel poverty schemes contribute to improving the remaining Band F and G homes.³⁸

³³ HM government, [Clean Growth Strategy](#), October 2017

³⁴ HM government, [Clean Growth Strategy](#), October 2017. The Committee on Fuel Poverty who advise the government expect these targets to be missed.

³⁵ DESNZ, [Annual fuel poverty statistics report 2025](#), Table 2.3

³⁶ The differences were not statistically significant.

³⁷ DESNZ, [Annual fuel poverty statistics report 2025](#), Table 4.3

³⁸ BEIS, [Sustainable Warmth, Protecting Vulnerable Households in England](#), February 2021

Strategy

The government's most recent fuel poverty strategy was published in 2021, titled: [Sustainable Warmth: protecting vulnerable households in England](#). Before this, the government had published a 2015 Fuel Poverty strategy, 'Cutting the cost of keeping warm' and had included some provisions on fuel poverty in the 2017 [Clean Growth Strategy](#).

The [2021 strategy](#) set out several policies to improve fuel poverty. Most of these were based on existing schemes with expansions or extensions:

This Fuel Poverty Strategy for England sets out our plan to:

- Invest a further £60 million to retrofit social housing and £150 million invested in the Home Upgrade Grant, contributing to the manifesto commitment to a £2.5 billion Home Upgrade Grant over this Parliament.
- Expand the Energy Company Obligation (ECO), a requirement for larger domestic energy suppliers to install heating, insulation or other energy efficiency measures in the homes of people who are low income and vulnerable or fuel poor.
- Invest in energy efficiency of households through the £2 billion Green Homes Grant, including up to £10,000 per low income household to install energy efficient and low-carbon heating measures in their homes. [since the strategy was published, this scheme was closed – see section 3.1 below]
- Extend the Warm Home Discount a requirement for energy companies to provide a £140 rebate on the energy bill of low income pensioners and other low income households with high energy bills, ensuring continuity for vulnerable or fuel poor consumers.
- Drive over £10 billion of investment in energy efficiency through regulatory obligations in the Private Rented Sector. Additionally, lead the way in improved energy efficiency standards through the Future Homes Standard, and the Decent Homes Standard.³⁹

Review of the fuel poverty strategy

As part of its [Warm Homes Plan](#) the government announced a [review of the fuel poverty strategy](#) and consultation on 7 February 2025.

The review announcement said that the time since the current target was set (in 2014), the energy crisis and ongoing high energy prices meant it was essential to review progress on alleviating fuel poverty. There had been insufficient progress on the fuel poverty target, especially in the last five years. Fuel poverty had deepened as prices had risen and progress had to

³⁹ BEIS, [Sustainable Warmth, Protecting Vulnerable Households in England](#), February 2021

accelerate to meet the target. This, it argued, was why a new strategy was needed. The updated strategy development will consider:

- The relationship between energy affordability and fuel poverty, given the impact of energy price increases since 2021.
- Whether the 2030 fuel poverty target should remain the focus or whether an alternative objective should be set.
- What constitutes as many households as is ‘reasonably practicable’ to enable a collective understanding of the target outcomes and facilitate greater scrutiny of progress.
- An assessment of meeting the target on the current trajectory and the expected impact of policies to meet the target and milestones dates.
- An updated plan to accelerate progress on alleviating fuel poverty. The consultation seeks views on priority recommendations to alleviate fuel poverty, including the role of energy efficiency and low carbon heating upgrades alongside energy price protection and bill support.⁴⁰

The consultation raised the prospect that (separate) changes to energy efficiency ratings, including multiple metrics, could be incorporated into a new fuel poverty target. However, progress towards the existing target would be measured on a consistent basis unless the existing target were amended and fuel poverty target regulations were changed.⁴¹

2.2

Scotland

Definition

The [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#) introduced a new definition of fuel poverty in Scotland. Under this two-part definition, a household is considered fuel poor if:

- an order to maintain a satisfactory heating regime, total fuel costs necessary for the home are more than 10% of the household’s adjusted net income after housing costs; and
- after deducting fuel costs, benefits received for a disability or care need and childcare costs, their remaining adjusted net income is insufficient to maintain an acceptable standard of living, defined as being at least 90% of the UK Minimum Income Standard (MIS).

Regulations introduced in 2020 set out an ‘enhanced heating regime’ for certain categories of vulnerable households and introduced an uplift to the MIS for households in remote rural, remote small town and island areas.

The definition of extreme fuel poverty in Scotland is the same except the household would have to spend more than 20% of their adjusted net income

⁴⁰ DESNZ, [Review of the Fuel Poverty Strategy](#), 7 February 2025

⁴¹ DESNZ, [Review of the Fuel Poverty Strategy](#), 7 February 2025 (pp32-33)

after housing costs. The fuel poverty gap is the annual amount required to move a household out of fuel poverty. It is presented as the median gap (for households in fuel poverty) in current and 2015 values.

Fuel poverty in 2023

861,000 households in Scotland were estimated to be in fuel poverty in 2023. 491,000 of these households were in extreme fuel poverty. This means that 34.0% of households were fuel poor, and 19.4% were in extreme fuel poverty rate. The median fuel poverty gap was £1,250.⁴²

These are the second set of official figures which meet the all the elements of the definition of fuel poverty introduced in 2020. The underlying survey was not carried out in 2020 due to the pandemic. The 2021 survey was carried out, but Covid restrictions meant that it was undertaken in a different way⁴³ and the results are not thought to be comparable to earlier years.⁴⁴

In 2023 estimated fuel poverty rates were higher in the social rented (61%) and private rented (44%) sectors and below average in households with a mortgage (15%) and those who owned their homes outright (25%). There were relatively high rates of fuel poverty in households living in the least energy efficient properties (48% for bands F or G), those using electricity for heating (52%), households with prepayment meters (57%), in remote rural areas (44%) and in the 15% most deprived areas in the country (51%).⁴⁵

Trends

Annual estimates have been published under different methodologies back to 2003/04. Estimates for the new definition have been made back to 2012, although there are some minor discontinuities in this series. Trends are shown in the following chart.

The proportion of households in fuel poverty increased steadily under the original methodology from 16% in 2003/04 to a peak of 39% in 2011.⁴⁶ The new series increased from 29% in 2012 to 32% in 2013, generally fell back in the following years, before increasing to its highest level of 34% in 2023.

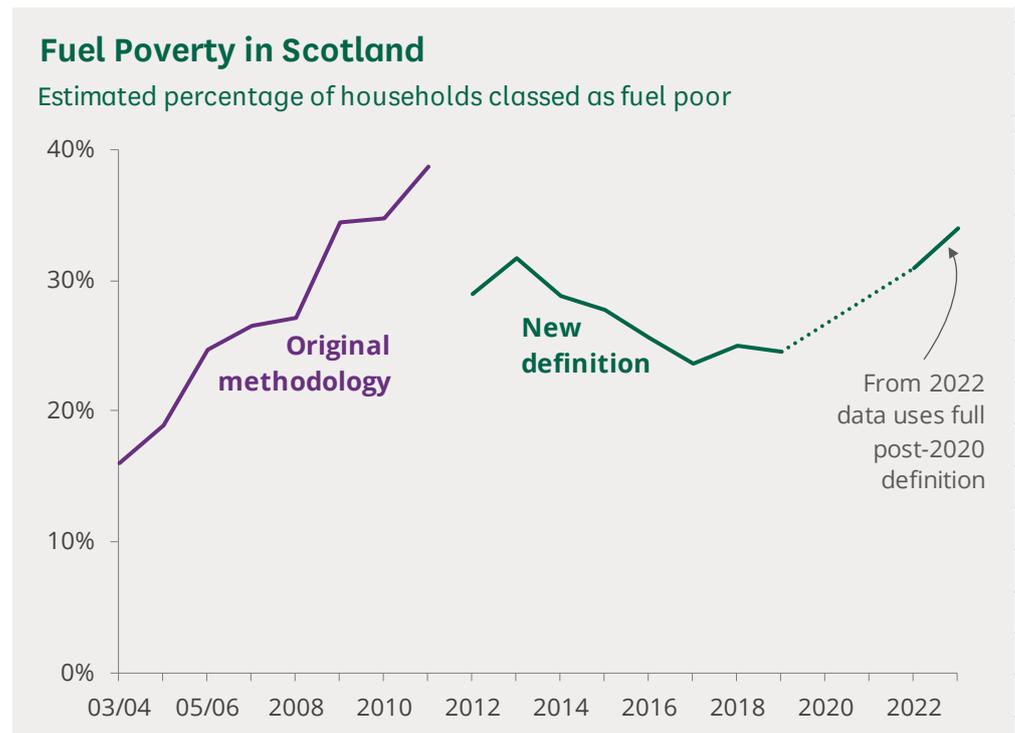
⁴² Scottish government, [Scottish House Condition Survey: 2023 Key Findings \(Section 3 Fuel Poverty\)](#), January 2025

⁴³ The survey, which normally involved an internal and external inspection by a qualified surveyor, involved an external-only inspection in 2021 with information on internal aspects of the property obtained from a telephone survey. The change meant low income households/those on prepayment s were underrepresented and rates of fuel poverty are thought to be underestimates.

⁴⁴ Scottish government, [Scottish House Condition Survey: 2021 Key Findings \(Section 6 External+ Data Quality\)](#), May 2023

⁴⁵ Scottish government, [Scottish House Condition Survey: 2023 Key Findings \(Section 3 Fuel Poverty\)](#), January 2025

⁴⁶ October 2011 estimate



Source: Scottish government, [Scottish House Condition Survey: 2023 Key Findings \(Section 3 Fuel Poverty\)](#), January 2025, and earlier editions

The Scottish Government has estimated the impact of different factors on the change in fuel poverty between 2022 and 2023. Fuel prices rises, taken on their own, increased the fuel poverty rate by 4.4 percentage points, income changes decreased fuel poverty by 2.4 points on their own, while other factors such as changes in energy efficiency and housing costs increased the rate by 0.9 points. The net effect was a 3.0 percentage point increase in 2023.⁴⁷

The median fuel poverty gap was £1,250 in 2023, very close to the 2022 level and up from £750 in 2019.⁴⁸ These comparisons are not adjusted for inflation.

491,000 households were thought to be in extreme fuel poverty in 2023 or 19.4% of households. This was up from a low of 11.3% in 2018 and the highest level on this series (which also goes back to 2012).⁴⁹

Local estimates

The Scottish government publishes [local authority estimates of fuel poverty](#) and the fuel poverty gap. These data are averaged over three years. As the 2021 data were not consistent with earlier surveys the latest local estimates are for the period 2017-19.⁵⁰ Headline results are broken down by broad

⁴⁷ Scottish government, [Scottish House Condition Survey: 2023 Key Findings \(Section 3 Fuel Poverty\)](#), January 2025

⁴⁸ Scottish government, [Scottish House Condition Survey: 2023 Key Findings \(Section 3 Fuel Poverty\)](#), January 2025, and earlier editions

⁴⁹ Scottish government, [Scottish House Condition Survey: 2023 Key Findings \(Section 3 Fuel Poverty\)](#), January 2025

⁵⁰ Scottish government, [Scottish House Condition Survey: Local Authority Analysis 2017-2019](#)

dwelling characteristics and household types. The figures combine three years of data to provide reliable estimates as they are direct survey-based estimates, not modelled results like local data for England.

The [Commons Library Local area data: fuel poverty dashboard](#) summarises the latest local authority data for Scotland alongside local area data for the rest of the UK.

Target

The [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#) also includes a new statutory target for fuel poverty that in 2040:

- no more than **5%** of households in Scotland are in fuel poverty;
- no more than **1%** are in extreme fuel poverty.
- the median fuel poverty gap is no more than **£250** (adjusted for inflation)

The Act also includes a series of interim targets:

The target is that in the year 2030—

- (a) no more than 15% of households in Scotland are in fuel poverty,
- (b) no more than 5% of households in Scotland are in extreme fuel poverty,
- (c) the median fuel poverty gap of households in Scotland in fuel poverty is no more than £350 [adjusted for inflation]

(3) The target is that in the year 2035—

- (a) no more than 10% of households in Scotland are in fuel poverty,
- (b) no more than 3% of households in Scotland are in extreme fuel poverty,
- (c) the median fuel poverty gap of households in Scotland in fuel poverty is no more than £300 [adjusted for inflation]

Strategy

The Scottish government published a [fuel poverty strategy](#) in 2021. This set out actions to tackle what the strategy identified as the four main drivers of fuel poverty: poor home energy efficiency, high energy costs, low household income, how energy is used in the home. The policies are set out in the Fuel Poverty Action Plan, and are grouped around themes including research, promoting consumer engagement, improving the social security system, providing financial support, and reducing household costs.

In addition to domestic interventions in areas that are devolved, such as a new Cold Weather Payment, and doubling Scottish Child Payments, there are

actions included the Scottish Government's views on reserved matters such as "urg[ing] the UK Government to rebalance environmental and social obligation costs (levies) on energy bills to reduce the premium that is paid for by customers who use electric heating".

On next steps, the Strategy also stated the Scottish government would:

"Working with key partners, including the Scottish Fuel Poverty Advisory Panel, we will develop a reporting format that will set out the progress we have made in reaching the fuel poverty targets. We will report every three years, with the final report being published no later than 2042

We will keep this Strategy under review and will revise it at least every 5 years, with the first review taking place no later than 2026"⁵¹

2.3

Wales

Definition

The Welsh government defines a household as being in fuel poverty if:

...they would have to spend more than 10 per cent of their income on maintaining a satisfactory heating regime.

A household which needs to spend more than 20% of their income is said to be in severe fuel poverty. One which needs to spend 8-10% of their income on energy is classed as being at risk of fuel poverty.

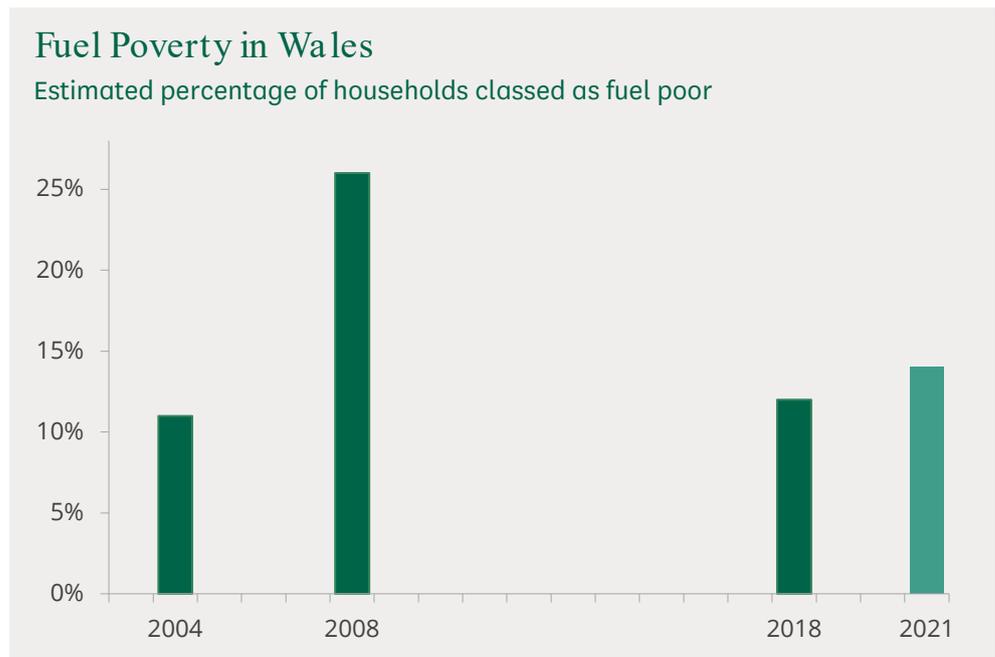
Trends

The Welsh government does not produced annual estimates of fuel poverty. The latest estimates were included in [Fuel poverty modelled estimates for Wales: as at October 2021](#). This estimated that 196,000 households were in fuel poverty under the Welsh 10% definition in October 2021. This was 14% of households. 38,000 households (3%) were thought to be in severe fuel poverty and 153,000 (11%) were at risk of fuel poverty.⁵²

The chart below gives the estimates it has made in the past, for 2004, 2008, 2018 and 2021.

⁵¹ Scottish Government, [Tackling fuel poverty in Scotland, a strategic approach](#), December 2021

⁵² Welsh government, [Fuel poverty modelled estimates for Wales: as at October 2021](#)



Source: Welsh government, [Fuel poverty modelled estimates for Wales: as at October 2021](#)

The large time gaps make it very difficult to judge the underlying trends. The 2021 data uses a different definition of a satisfactory heating regime so is not directly comparable to earlier data. Data on a comparable basis⁵³ shows that fuel poverty is thought to have increased from 11% in 2018 to 12% in 2021.⁵⁴

In 2021 there were particularly high levels of fuel poverty in the poorest 10% of households (74%), older households⁵⁵ (22%), private rented properties (23%), pre-2019 dwellings (22%), households without central heating (50%) and properties in energy efficiency bands F/G (54%). The Welsh government has estimated that fuel poverty levels in Wales in 2021 would be around 13% under the LILEE definition used in England. This is the same as the 2021 figure for England.⁵⁶

The Welsh government estimated that the April 2022 increase in the energy price cap could increase fuel poverty in Wales to “up to 45%” or 610,000 households. The number in severe fuel poverty could be “up to 8%” or 115,000 households. These estimates take no account of the additional financial support made available to households and assume that all households are on the price cap. They are therefore acknowledged to be overestimates.⁵⁷

⁵³ The 2018 heating regime

⁵⁴ Welsh government, [Fuel poverty modelled estimates for Wales: as at October 2021](#)

⁵⁵ Those where the household reference person (‘head’ of household) was age 75 or older.

⁵⁶ Welsh government, [Fuel poverty modelled estimates for Wales: as at October 2021](#) (November 2022)

⁵⁷ Welsh government, [Fuel poverty modelled estimates for Wales \(headline results\): as at October 2021](#) (April 2022)

Local estimates

The Welsh government publishes modelled [local authority estimates of fuel poverty](#).⁵⁸ These estimates are not published annually. The latest were published in 2020 and gave 2018 figures. Their [interactive fuel poverty dashboard](#) brings together different existing data on fuel poverty and related indicators and includes a map of the 2018 local authority estimates. The [Commons Library Local area data: fuel poverty dashboard](#) also summarises these figures alongside local area data for the rest of the UK.

Target

The Welsh government published a [new fuel poverty strategy](#) in March 2021. This included new targets for fuel poverty that by 2035:

- No households are estimated to be living in severe or persistent fuel poverty as far as reasonable practicable;
- Not more than 5% of households are estimated to be living in fuel poverty at any one time as far as reasonably practicable;
- The number of all households “at risk” of falling into fuel poverty will be more than halved based on the 2018 estimate

Strategy

In March 2021, the Welsh government published a [new strategy on Tackling fuel poverty 2021 to 2035](#). The plan included four goals:

Goal 1: Identify: Proactively identify people who are in, or at risk of being in, fuel poverty to ensure our support will benefit people living on lower incomes.

Goal 2: Prioritise and protect: Worst first: Ensure people in most need receive the most appropriate package of support so they can always continue to heat their homes

Goal 3: Decarbonise: Fabric first: Improve the thermal and energy efficiency of lower income homes in the owner occupier and private rented sector, reducing energy bills and harmful carbon emissions.

Goal 4: Influence: Use our influence to ensure that the UK government, Energy Regulator and energy companies consider and meet the needs of people living in Wales.⁵⁹

Detailed priority actions with delivery dates were also published. This included investment in energy efficiency improvements through the Warm Homes programme, consulting on arrangements for delivering measures for

⁵⁸ Welsh government, [Welsh Housing Conditions Survey \(WHCS\) 2017-18: Local area Fuel Poverty estimates modelling and results summary](#) (PDF)

⁵⁹ Welsh government, [Tackling fuel poverty 2021 to 2035](#), 2 March 2021

tackling fuel poverty beyond March 2023, and establishing an administrative advisory board to monitor and review progress on action to tackle fuel poverty in Wales.

2.4

Northern Ireland

Definition

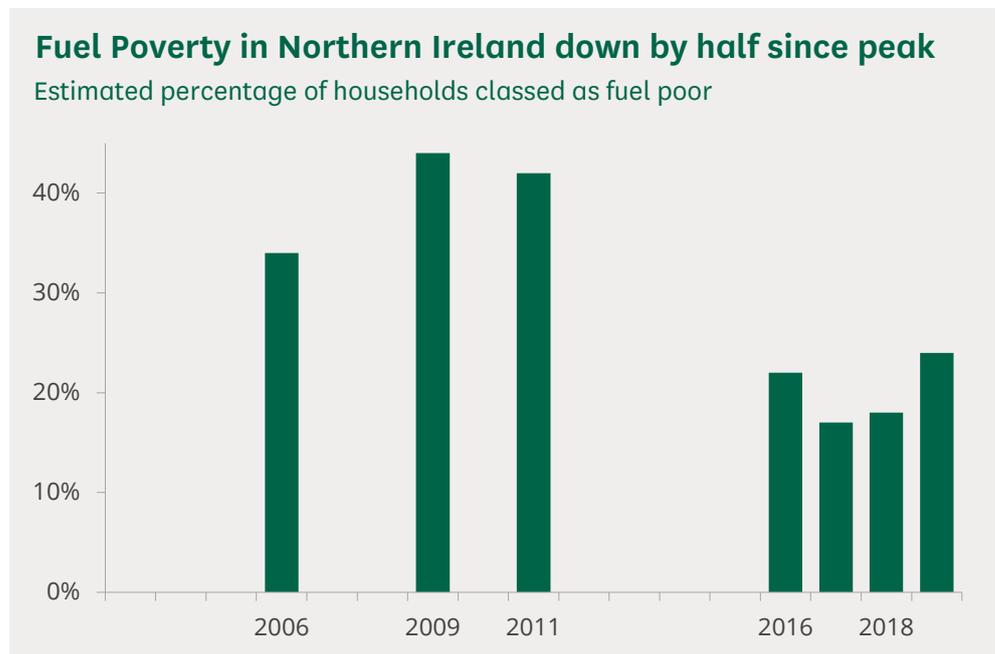
In Northern Ireland a household is considered fuel poor:

...if, in order to maintain a satisfactory level of heating (21°C in the main living room and 18°C in other occupied rooms), it is required to spend in excess of 10% of its household income on all fuel use.

Trends

160,000 households were estimated to be in fuel poverty in Northern Ireland in 2016; 22% of households. Modelled estimates put the rate at below this level in 2017 and 2018, but show and increase to 24%, or 179,000 households in 2019.⁶⁰

Earlier estimates were not made on a regular annual basis. The chart below gives the trend since 2006.



Sources: NI Housing Executive, [Estimates of fuel poverty in Northern Ireland in 2019](#) (PDF); NI Housing Executive, [Estimates of fuel poverty in Northern Ireland in 2017 and 2018](#) (PDF); NI Housing Executive, [2016 Northern Ireland House Condition Survey \(HCS\)](#)

⁶⁰ NI Housing Executive, [Estimates of fuel poverty in Northern Ireland in 2019](#) (PDF)

Estimates peaked under this ‘series’ at 44% in 2009 before falling slightly to 42% in 2011. The latest rates are around half this level.

The Northern Ireland Housing Executive said that it had hoped to publish estimates for 2020 but disruption due to the Covid-19 pandemic meant that its normal data sources were not available.⁶¹ It has published a ‘ready reckoner’ of the impact of changes in the prices of different fuels on estimated levels of fuel poverty using 2016 as a baseline.⁶²

The charity National Energy Action has commissioned research into recent levels of fuel poverty in Northern Ireland. Results from a ‘representative’ poll in September 2024 estimated that 40% of households in Northern Ireland were in fuel poverty at the time.⁶³

Local estimates

The Northern Ireland Executive last published [district council level estimates of fuel poverty](#) in 2018. These were part of the 2016 Northern Ireland House Condition survey report.⁶⁴ The [Commons Library Local area data: fuel poverty dashboard](#) also summarises these figures alongside local area data for the rest of the UK.

Targets and strategy

The latest NI government [fuel poverty strategy](#) was published in March 2011. This states that a 2004 target to eradicate fuel poverty by 2016 will not be met, but states “the eradication of fuel poverty must remain as a core goal”.⁶⁵

The NI government webpage on [Fuel Poverty and the Just transition](#) states that a new strategy is under development:

In line with our commitment to the Department’s five-year strategy- ‘Building Inclusive Communities’ and its key themes of Anti-Poverty, Wellbeing & Inclusion, Sustainability & Inclusive Growth, we are now developing a new Fuel Poverty Strategy. This also reflects commitments within the [draft Housing Supply Strategy](#) as well as [the Executive’s Energy Strategy for Northern Ireland](#).

The new Strategy will recognise our responsibilities under the [Climate Change Act \(NI\) 2022](#) and focus on ensuring a Just Transition for the residential sector.⁶⁶

⁶¹ NI Housing Executive, [Estimates of fuel poverty in Northern Ireland in 2019](#) (PDF)

⁶² NI Housing Executive, [Northern Ireland fuel price ready reckoner for fuel poverty](#) (PDF)

⁶³ NEA, [Fuel poverty in Northern Ireland](#) (accessed 14 April 2025)

⁶⁴ NI Housing Executive, [2016 Northern Ireland House Condition Survey \(HCS\)v](#) (Main data tables -table 6.5)

⁶⁵ NI government, [A new fuel poverty strategy for Northern Ireland](#), March 2011

⁶⁶ NI government, [Fuel poverty and the just transition](#), accessed November 2024

3 Fuel poverty policy

A range of measures are currently available to help alleviate fuel poverty. These include both UK wide policy, and, as fuel poverty is devolved, additional measures available in Scotland, Wales, and Northern Ireland, as well as specific measures in certain local authorities.

Broadly, fuel poverty alleviation measures are either direct payments to help with energy bills, or grants to support energy efficiency measures to reduce energy bills.

The Library has two briefing papers that set out relevant policy support:

- [Help with energy bills](#) (September 2024). This provides details on the following support schemes:
 - The [Winter Fuel Payment](#) is a tax-free annual payment to help older people meet the cost of their winter fuel bills in England and Wales. Starting from November 2024, the Winter Fuel Payment will no longer be paid to people unless they receive Pension Credit, certain other means-tested benefits, or tax credits.
 - [Cold Weather Payments](#) are made to certain recipients of Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Universal Credit, or Pension Credit in England, Wales and Northern Ireland during periods of very cold weather. The 2024/25 scheme will start on 1 November 2024 and until 31 March 2025 will be made. It will not affect other benefits.
 - The [Winter Heating Payment](#) is the Scottish replacement for the Cold Weather Payment. The amount paid to eligible households does not depend on weather conditions. Winter Heating Payment will be paid from December 2024.
 - The [Household Support Fund](#), allows local authorities (County Councils and Unitary Authorities) in England to make discretionary payments to people most in need to help towards the rising cost of food, energy, and water bills and wider essentials. Authorities can provide a basic safety net support to an individual, regardless of their immigration status, such as individuals with no recourse to public funds. Government funding for the Household Support Fund was due to expire at the end of September 2024 but has now been

extended to the end of March 2025. Payment will be made in arrears until December 2024/January 2025.

- The [Warm Home Discount Scheme](#) provides a discount of £150 off electricity bills between October and March for eligible customers in England, Wales and Scotland. Eligible customers are essentially those who get the [Guarantee Credit element of Pension Credit](#) or have a low income and high energy costs. Electricity suppliers will apply the discount to the bill automatically in England and Wales if eligible. In Scotland people on low income need to contact their energy suppliers to apply.
 - The [Affordable Warmth Scheme](#) is Northern Ireland's equivalent of the Warm Home Discount scheme addressing the effects of fuel poverty and energy inefficiency. The scheme is directed at low-income households and provides grant supports of up to £7,500 depending on the energy efficiency measures recommended by the Technical Officer. For houses in need of solid wall insulation, the grant-aid pays up to £10,000.
- [Help with energy efficiency, heating and renewable energy in homes](#) (November 2024). This provides details on the following support schemes:
- The [Energy Company Obligation](#) (ECO) is a government energy efficiency scheme in England, Scotland and Wales designed to tackle fuel poverty and help reduce carbon emissions, focused on supporting low-income households. ECO is an obligation placed on energy suppliers with over 150,000 customers to deliver measures such as insulation, first time central heating, renewable heating, solar panels, and district heating connections to domestic premises.
 - The [Great British Insulation Scheme](#) (GBIS) is a government energy efficiency scheme in England, Scotland and Wales formerly known as ECO+. It is designed to complement the ECO and boost help for those on the lowest incomes, as well as extending support to a wider range of households living in the least energy efficient homes and in the lower Council Tax bands.
 - The Home Upgrade Grant (HUG) and the Local Authority Delivery (LAD) schemes provide funding for energy efficiency upgrades and low-carbon heating in low-income households in England. Funding for both schemes is available from [local authorities who were successful in the 2021 Sustainable Warmth competition](#) and supported by government funding.

- The [Boiler Upgrade Scheme](#) (BUS) provides upfront grants to help with the cost of installing renewable heating systems in domestic properties and small non-domestic properties in England and Wales.
- Smart Export Guarantee (SEG): The [Smart Export Guarantee](#) (SEG) supports small scale renewable power (electricity) generation. It does not offer upfront payments but households installing renewable power technologies will be paid by their energy supplier for each unit of electricity they supply to the grid (i.e. the excess to their domestic consumption). They will not be paid for electricity they use themselves.
- Green Deal loans: Households may be able to access loans for home energy improvements (including energy efficiency measures and heating systems) through the [Green Deal](#). Unlike a previous scheme with the same name, these loans are not backed by the government and are instead backed by private investors. The loans are paid back over time with interest, through energy bills. The loan is attached to the property (rather than the individual), so if a homeowner sells their home, the loan will pass to the new owner.

4 Stakeholder views

The stakeholder views in this section relate to the fuel poverty policy of the UK government, which applies in England only, or broader reserved policy issues such as tariff caps.

4.1 Parliamentary debate

In a [Parliamentary Answer on 14 October 2024](#), the government said that it is reviewing the [2021 fuel poverty strategy for England](#).

On 8 October 2024, during an [exchange of questions on the Warm Homes Plan](#), (which was included in the Labour manifesto) the Parliamentary Under-Secretary of State for Energy Security and Net Zero, Miatta Fahnbulleh, stated that the government's Warm Homes Plan would include:

an offer of grants and low-interest loans to support families to invest in insulation, low-carbon heating and home improvements. Critically, alongside that, we are committing to boosting minimum energy efficiency standards for private rented homes and social housing, to tackle fuel poverty.

The minister also noted that the government is “committed to an additional £6.6 billion to invest in our warm homes plan over the course of this Parliament.”

A [Commons debate on the government's decision to restrict the Winter Fuel Payment](#) to those in receipt of pension credit (a decision that has attracted criticism)⁶⁷ was held on 10 September 2024. The Parliamentary Under-Secretary for Work and Pensions, Emma Reynolds, noted the government's campaign to increase take-up of pension credit among those eligible who do not claim:

We are taking immediate action to increase that take-up, given that up to an estimated 880,000 eligible pensioners are missing out on this support, worth £3,900 on average.⁶⁸

⁶⁷ For example Age UK, Save the [Winter Fuel Payment for struggling pensioners](#).

⁶⁸ [HC Deb 10 September 2024, c791](#)

4.2

Committee on Fuel Poverty

The Committee on Fuel Poverty (CFP) is a non-departmental body that monitors and provides advice on the government's [strategy to improve the energy efficiency of fuel poor homes in England](#).

The CFP publishes reports every year on the progress towards meeting the Government's Fuel Poverty targets and makes recommendations for policy.

Its [2023 annual report, Meeting or missing the milestones](#), made 5 main recommendations:

1. Ensure a robust Fuel Poverty Strategy and effective measurement of fuel poverty that leaves no one behind.
2. Improve targeting of payments to support bills and better targeted energy efficiency programmes to meet the government's milestones.
3. Improve affordability of bills through fairer pricing and better regulation to protect the fuel poor.
4. A shared mission to tackle fuel poverty adopted by government, local government and the NHS.
5. A fair transition to net zero that does not increase fuel poverty.⁶⁹

In its [2024 annual report, Can fuel poverty be ended?](#), the Committee found that it had “not seen the evidence” that its 2023 recommendations had been addressed.⁷⁰ A press release accompanying the report highlighted the report's finding that progress on reducing fuel poverty had stalled:

In 2023, there were an estimated 13.0% of households (3.17 million) in fuel poverty in England under the Low Income Low Energy Efficiency metric, effectively unchanged from 13.1% in 2022 (3.18 million).⁷¹

Among its recommendations is a change to the method used to measure fuel poverty:

The report states that ‘the increase in the amount added to the standing charge element of energy bills, a flat-rate charge incurred by even households with the lowest usage, is regressive in nature.’ Based on current energy price levels, targeted support to the fuel

⁶⁹ Committee on Fuel Poverty [2023 annual report, Meeting or missing the milestones](#), 24 June 2023

⁷⁰ Committee on Fuel Poverty [2024 annual report, Can fuel poverty be ended?](#) (PDF), 28 August 2024, p6

⁷¹ Committee on Fuel Poverty press release, [‘Fuel poverty has not fallen ‘to any meaningful extent’ in 5 years](#), 28 August 2024

poor will remain important, and necessary, for the foreseeable future.

Nor can fuel poverty be separated from the experience of many households who are struggling to afford their bills or are at risk of getting into energy debt. The report urges a future fuel poverty strategy to include 'a guarantee of affordable energy for all' and consideration should be given to low-income households who may not be in receipt of state benefits. This includes reviewing the Low Income Low Energy Efficiency metric, the current metric used to measure fuel poverty in England, which is based on a combination of household income, energy requirements and energy prices.⁷²

On 30 August 2024, the Committee [wrote to Miatta Fahnbulleh, Minister for Energy Consumers](#) expressing concern that the effect of fuel poverty on NHS resources was not taken into account in its winter planning guidance. The letter also said that while the Committee supported better targeting of the Winter Fuel Allowance, it was concerned that limiting it to those in receipt of pension credit did not do enough to measure other factors contributing to fuel poverty, particularly among those just above the qualifying threshold. The Committee recommended the use of data to identify fuel poor households. It also said that it would support exploring the feasibility of social energy tariffs. More information is available in the Library briefing paper on [Energy Social tariffs](#).

4.3 Fuel poverty research

Energy Demand Research Centre

The [Energy Demand Research Centre](#), a research programme based at the University of Sussex Business School, published a briefing in October 2024 on [The economy-wide impacts of different approaches to addressing fuel poverty: the importance of where, when and how public funds are spent](#).

Its key findings were that:

- Direct energy bill support (at a total cost of £9 billion) temporarily helps all households who are classed as living in fuel poverty and provides a transitory boost to the economy through the uplift to their non-energy spending. This boost peaks in the years 2030-31 with an additional 6,000 jobs and annual GDP gains of just over £600 million. However, all benefits quickly erode thereafter.

⁷² Committee on Fuel Poverty press release, , [Fuel poverty has not fallen 'to any meaningful extent' in 5 years](#), 28 August 2024

- Redirecting the £9 billion pot to provide loft and cavity wall insulation for households in fuel poverty would deliver more permanent gains in terms of reduced energy bills for those receiving energy efficiency improvements. The impacts on those households' real income and spending will support modest lasting GDP and job gains (around £100 million per annum/1,100 jobs). However, the pot is only sufficient to reach 64% of the 3.6 million households helped through direct energy bill support.
- Public spending on delivering loft and cavity wall insulation means additional demand for an already busy UK construction industry. This could trigger more pressure on the cost of living and doing business in the period to 2030 than direct bill support does.

The key point is that new public spending constitutes additional demand in a constrained UK economy, not least because of persisting worker and skills shortages. The main implication is that some increase in the consumer price index (CPI) should be expected where the economy expands in response to either approach considered here. However, where government spends on construction activity for energy efficiency, the pressure on the CPI, and the cost of doing business during the period of public spending (to 2030) is exacerbated because the construction industry services investment demand in all sectors.

The briefing recommends a transition to improving energy efficiency and away from direct bill support, expanding industry and supply chain capacity in the energy sector to relieve cost and delay pressures, and considering ways to target government funding to the least able to pay as part of a retrofit of the entire UK housing stock.⁷³

Centre for Sustainable Energy

On 28 August 2024, the Committee on Fuel Poverty published research undertaken on its behalf by the Centre for Sustainable Energy, [Understanding the barriers and enablers to supporting fuel poor households achieve net zero](#). The report set out challenges faced by poor households in taking measures to improve energy efficiency and reduce their carbon footprint. It set out five key recommendations:

1. The intricacies of policy design should not result in undue complexity across the customer journey for fuel poor households.
2. Provide end-to-end advice and support, which consider the associated costs of participating in energy efficiency schemes.

⁷³ Energy Demand Research Centre, [The economy-wide impacts of different approaches to addressing fuel poverty: the importance of where, when and how public funds are spent](#) (PDF), 30 October 2024

3. Targeted and specific action for the private rented sector.
4. Harness and empower trusted intermediaries and independent advice providers to support clarity around information.
5. Enhanced monitoring and evaluation to better understand progress towards reducing fuel poverty as part of scheme delivery and better understand take-up and dropouts across the customer journey.⁷⁴

LSE Centre for Analysis of Social Exclusion

In February 2025 the director of the Centre for Analysis of Social Exclusion at the LSE published a blog entitled [There's a problem with how we measure fuel poverty](#). This highlighted various problems with the consistency and timeliness of fuel measures across the UK and limitation of the Low Income Low Energy Efficiency (LILEE) measure in England. The author said:

I want to highlight a different problem which is that we do not know how many households in the UK face fuel poverty this winter, or for that matter any winter. This doesn't just matter because we don't have an accurate picture of fuel poverty in the UK, but the consequence is that policy makers' ability to reduce fuel poverty is stymied and real suffering follows.⁷⁵

The blog linked the lack of a consistent definition in the different parts of the UK, and the often considerable lag between data collection and publication of estimates to difficulties in producing effective policies to combat fuel poverty. It argued that policy makers should agree a single measure of fuel poverty across the UK to help develop effective policies in areas which cover the whole of Great Britain such as social security benefits, energy price regulation and the largest energy efficiency scheme.⁷⁶

The author criticised the LILEE measure in England:

The LILEE measure is a blunt instrument which assumes households cannot be fuel poor if they are living in properties deemed to be energy efficient. This means that it is largely insensitive to soaring energy prices and falling real incomes.⁷⁷

They said that the LILEE measure leads to an “overly skewed” focus on energy efficiency measures at the expense of other drivers of fuel poverty such as prices and incomes.

⁷⁴ Committee on Fuel Poverty, [Understanding the barriers and enablers to supporting fuel poor households achieve net zero](#) (PDF), August 2024, pp8-9

⁷⁵ Abigail McKnight (LSE-CASE), [There's a problem with how we measure fuel poverty 25 January 2025](#)

⁷⁶ Abigail McKnight (LSE-CASE), [There's a problem with how we measure fuel poverty 25 January 2025](#)

⁷⁷ Abigail McKnight (LSE-CASE), [There's a problem with how we measure fuel poverty 25 January 2025](#)

4.4

Consumer groups

A number of charities have campaigned for new policy on fuel poverty.

The consumer advice and support body [Citizens Advice](#) has said that it has found that [One in four people could be forced to turn off their heating and hot water when energy bill increases come in this autumn](#) (21 August 2024) and called for reforms to better target the Warm Homes Discount.

[National Energy Action \(NEA\)](#), a fuel poverty charity, has found that in October 2024 there are nearly 6m homes in fuel poverty, compared to 4.5 m in 2021. It has called for increased financial support for fuel poor households, a social tariff for energy, and increased energy efficiency.⁷⁸

NEA's Fuel Poverty Monitor 2022-23, published in January 2024, found that fuel poverty targets for all fuel poor households to reach EPC C by 2030 were unlikely to be met:

7 out of 10 respondents to our Call for Evidence overwhelmingly told us that the English 2030 target is unlikely to be met.

1 in 2 respondents told us that at least one of the three targets for Wales would be unlikely to be met.

1 in 3 respondents told us that the Scottish 2040 target is unlikely to be met.⁷⁹

The report made 6 main recommendations:

1 England should retain its 2030 target and accelerate its path towards this statutory requirement.

2 To abate endemic fuel poverty levels and generate the greatest societal, economic, and environmental benefits, the devolved nations should employ similar energy efficiency-based targets within their own strategies and plans.

3 It is not sufficient to have plans that sit solely within a single department. Fuel poverty spans energy, income, housing, and health policies so all new and refreshed fuel poverty strategies should be put together on a cross-departmental basis, including at least the relevant departments with responsibility for energy, housing and health.

4 As well as adequate overall investment (see below) these strategies should prioritise extending the accessibility of current

⁷⁸ National Energy Action, [Energy crisis](#)

⁷⁹ National Energy Action [UK Fuel Poverty Monitor 2022-23](#) (PDF), p8

programmes and ending the postcode lotteries of current programmes.

5 Rectifying failed poor quality energy efficiency retrofit schemes in communities with high fuel poverty must be an urgent priority for policymakers.

6 It is vital that Northern Ireland, the only area without a live strategy or plan, brings a new ambitious strategy into force as soon as possible and should be a greater priority within any future programme for government.

The report called for “Significant additional Treasury investment to be committed to meet legal duties and capture the full benefits of meeting these goals”.⁸⁰

4.5

Industry

[Energy UK](#), the industry trade body, has [welcomed the announcements about the Warm Homes Plan in the Budget on 30 October 2024](#) and [highlighted its voluntary Vulnerability Commitment](#) by participating suppliers to support customers with additional needs.

⁸⁰ National Energy Action [UK Fuel Poverty Monitor 2022-23](#) (PDF), pp9-10

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