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Since our original EBSS response predictions for the price of energy this autumn have worsened, reinforcing the need to maximise access to the EBSS for hard-to-reach households. The latest industry assessments suggest the October price cap will represent a significant increase in consumer costs, taking £2,880⁸ to £2,900⁹ a further rise is expected from January, taking bills to over £2,900¹⁰.

EBSS. Below we outline our responses to BEIS additional questions on how best to deliver the Scheme in light of the Go three new reforms.

Consultation questions

1. To provide support over the winter months of 2022/23, the Chancellor in the changes announced on 26th May, specified that suppliers must provide the £400 support in the six months from October 2022. This applies to all customers, however they pay for their energy. Do you agree with the approach to ensuring support is provided over the winter months? Please provide any reasoning to support your response.

Our previous response reinforced that wherever possible the rebate payment should be delivered gradually, focusing support during colder periods. The emphasis should be on efficient distribution of funds, with payments staggered to provide additional help during the coldest months (see our response to question 3 for a proposed distribution timeline).

It is crucial that if BEIS allow energy providers to distribute funds as late as April 2023 that suppliers do not use this as an excuse to delay distribution until early spring. This could result in many older consumers missing out on critical support during colder periods over the winter.

Our recent research into the impact of price rises demonstrated that many of the lowest income older households report routinely turning down or turning off their heating in response to rising bills¹¹. Age UK is acutely aware of the dangers that self-rationing and self-disconnection pose to older people during the winter, as they are more likely to live with health conditions which require additional heating¹². S3 12 TF694.9

Age UK is concerned about certain consumer groups who will be missing out on the Scheme. Beyond the three groups outlined in the introduction we are also worried about the impact on certain housing-with-care, housing-with-support and care home residents who are paying for their energy via a service charge or direct to their landlord. BEIS should investigate this and any potential wider consumer groups missing out.

Households in Northern Ireland are also excluded from the EBSS. Northern Ireland lacks consumer support from the Warm Home Discount, leaving it exposed to energy price volatility. Households in Northern Ireland should be provided with suitable alternative provision to the EBSS by October 3rd to ensure comparable adequate support is delivered this winter.

Doubling the EBSS payment to £400

the risk of vulnerable consumers feeling pressurised to make multiple trips to physically redeem their vouchers soon after receiving them.

4. The policy has changed from a rebate with levy to an outright grant, and the amount of grant has been doubled to £400 to help consumers over the winter period. The consultation took a neutral position on whether the original £200 should be used against arrears or part used against a payment plan for customers with an agreed plan. Does the change from £200 to £400 affect whether the grant should be used towards arrears or payment plans?

We wish to reiterate our previous reaction to these proposals (see answer to question 17

¹ Britain includes England, Scotland and Wales. The Government has committed to put alternative arrangements in place for Northern Ireland through the Barnett Formula.

² Age UK, 2022. Consultation response: Technical proposals for the Energy Bills Support Scheme. Age UK. [Online]. <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/consultation-responses-and-submissions/safe-at-home/consultation-response---technical-proposals-for-the-energy-bills-support-scheme-department-for-business-energy--industrial-strategy.pdf>. [Accessed 16/06/22].

³ Age UK, 2022. Consultation response: Technical proposals for the Energy Bills Support Scheme. Age UK. [Online]. <https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/consultation-responses-and-submissions/safe-at-home/consultation-response---technical-proposals-for-the-energy-bills-support-scheme-department-for-business-energy--industrial-strategy.pdf>. [Accessed 16/06/22].

⁴Age UK approximation based on our previous consultation response which estimated at least 500,000 older households were using a legacy PPM and that during the GER scheme as much as 30% of legacy PPM users missed out on their vouchers. In practice our experience suggests older consumers are more likely to use a legacy PPM and less likely to access energy voucher schemes, so these approximations may underestimate the scale of the issue. For further details see: Age UK, 2022. Consultation response: Technical proposals for the Energy Bills Support Scheme. Age UK. [Online].

<https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/consultation-responses-and-submissions/safe-at-home/consultation-response---technical-proposals-for-the-energy-bills-support-scheme-department-for-business-energy--industrial-strategy.pdf>. [Accessed 16/06/22]. Pgs8-9.

⁵ HCL, 2019. Research Briefing: Mobile Park Homes. House of Commons Library. [Online]. Available at: <https://commonslibrary.parliament.uk/research-briefings/sn01080/>. [Accessed 22/04/22].

⁶ HCL, 2019. Research Briefing: Mobile Park Homes. House of Commons Library. [Online]. Available at: <https://commonslibrary.parliament.uk/research-briefings/sn01080/>. [Accessed 22/04/22].

⁷ BEIS, 2022. Annual Fuel Poverty Statistics in England, 2022 (2020 data). Department for Business, Energy and Industrial Strategy. [Online]. Available at: <https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2022>. [Accessed 04/04/22]. Table 10.

⁸ Cornwall Insight, 2022. Price Cap predictions soar as EU sanctions on Russia cause volatility in the wholesale market. Cornwall Insight. [Online]. Available at: <https://www.cornwall-insight.com/press/price>