

Citizens Advice – Cost of Living Crisis Briefing 2

17 August 2022

Citizens Advice [CA] have started a series of monthly briefings on the impact of the cost of living crisis on their clients and the issues they are presenting with. CA are using these data to monitor the full effects of the crisis and to use it as evidence to Government. The second meeting in the series [17.08.2022] was today: existing inequalities are being amplified by the crisis. You can access a dashboard with all the information via: <https://public.flourish.studio/story/1634399/>

Headlines

- CA have seen a significant increase in clients presenting who have no funds to top up their pre-payment meters and so have no gas or electricity at all. These numbers are expected to increase month on month.
- By October at the next energy price cap, 24% of households are expected to be unable to pay their energy bills – of which half will be working household not entitled to benefits. By the price cap rise in January the number is expected to increase to around one third of households.
- People with disabilities are already likely to live in poverty and are least able to cope with cost of living increases.
- Applications to local homeless services are also increasing but there is wide variation across the country. Variations can be seen via the dashboard [above].
- CA are seeing an increasing number of clients presenting with multiple serious debt problems related to housing availability and costs, council tax arrears, energy bills and food.
- Concern is greatest for several groups:
 - people falling through the gap when transitioning to universal credit
 - those paid weekly who qualify for universal credit and additional support in one month but not in another
 - people with disabilities or long term illnesses
 - those on prepayment meters
 - working households on low incomes who fall just outside additional benefit support.
- CA are asking for benefits to be increased by rate of inflation from September.

Principles to Guide Government

CA have used these data to identify two principles that must guide Government intervention and which they are discussing with HMG now and regulators now.

1. **Targeting support to people who need it most** as a fundamental underpinning to address the crisis. However, the crisis is redrawing boundaries of those who will need substantial support, quickly extending to low income working households not entitled to benefits.
2. **Preventing the worst happening if people cannot pay their bills.** CA are looking to Ofgem to prevent people being moved onto prepayment meters if in debt, stop the use of debt collectors and being cut off. It also wants to see the requirement for companies to support customers in debt fully implemented, despite the increased numbers presenting.