



Dear Chancellor,

As chief executive of Scotland's national advice service, Advice Direct Scotland, I am writing to request that you bring forward a UK-wide social energy tariff in your budget statement on March 06.

It is our belief that an opt-out tariff, which would automatically place vulnerable households on the cheapest deal, is the only way to fix the broken energy market. By acting now, you have the opportunity to tackle fuel poverty ahead of next winter.

Advice Direct Scotland is a charity providing free, impartial, and practical advice to anyone in Scotland. We engage with almost one million people each year on a range of issues including debt, energy bills and consumer rights.

According to Scottish Government statistics, the proportion of households in fuel poverty – defined as when more than 10 per cent of net income after housing costs is spent on fuel – has risen dramatically since 2019. As of April 2023, it is estimated that 980,000 households met this criteria, 39 per cent of the total number of households and up from 25 per cent in 2019. The Ofgem price cap might be coming down in April, but the amount people are paying for gas and electricity will still be far higher than it was before the energy crisis started. Slightly lower prices will also do nothing to address the mountain of debt built up by struggling households.

Between October and December last year, we recorded a 125 per cent rise in the number of queries relating to 'self-disconnection', when someone cannot afford to top up their prepayment meter. Our advisers dealt with a total of 401 self-disconnection cases over these three months, compared to only 178 over the same period in 2022, suggesting that existing help available to billpayers is nowhere near sufficient.

Advice Direct Scotland is joining calls from across the third sector in Scotland and the UK to call for the government to work with energy suppliers to introduce an opt-out social energy tariff, which would provide long-term and vital protection from fuel poverty for some of the most vulnerable people in society. Social energy tariffs were previously offered voluntarily by major suppliers, but were phased out after the Warm Homes Discount was introduced in 2011. The policy is currently used by the broadband industry, with around 4.3 million UK households qualifying and able to save around £200 per year on their bills.

I look forward to hearing from you regarding how this life-saving measure can be implemented by the UK Government, lifting thousands of households out of fuel poverty.

Kind Regards,
Andrew Bartlett



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