

## Research Briefing

12 December 2023

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# Help with energy bills



## Summary

- 1 Universal government support schemes
- 2 Targeted support schemes
- 3 Practical steps
- 4 Further sources of information and advice

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## Summary

This Library briefing sets out sources of financial and practical help for constituents with domestic energy bills. This briefing focuses on schemes that individuals can access, rather than those aimed at local authorities or housing associations. It covers universal government support schemes, targeted schemes, and provides information on practical steps such as supplier switching, joining priority services registers, collective purchasing, and making complaints. It also provides links to useful resources.

Universal support schemes covered include:

- The [Default Tariff Cap](#) (the energy price cap) sets maximum prices for a unit of energy and daily standing charges for customers on standard variable tariffs in each energy supply region of Great Britain. It does not cap maximum annual bills. For the period of October to December 2023, the price cap has been set at £1,834 for a typical household per year. This will rise to £1,928 for a typical household per year for the period 1 January to 31 March 2024.
  - The [Energy Price Guarantee](#) (EPG) is a temporary, additional protection on all domestic electricity and gas domestic tariffs. For the duration of the EPG, maximum prices paid by consumers will be set by either the price cap or the EPG, depending on which is lower. The EPG will remain in place as a safety net until the end of March 2024 should energy prices increase above £3,000 per year.
- The [Energy Bill Discount Scheme](#) provides a discount on non-domestic electricity and gas prices over the period 1 April 2023 to 31 March 2024.
- The government has introduced [pass-through regulations](#) covering the whole of the UK. These require “relevant intermediaries” (such as landlords) to pass on benefits received under the Energy Price Guarantee and Energy Bills Discount Scheme to end users (such as tenants). These requirements may also apply to residents of park homes or marinas who purchase energy through the site owner. There are [specific requirements for heat networks](#).

Targeted support schemes covered include:

- [Winter Fuel Payment](#), a tax-free annual payment to help older people meet the cost of their winter fuel bills.
- [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 [Winter Heating Payment](#) is the Scottish replacement for the Cold Weather Payment, and the amount paid to eligible households does not depend on weather conditions.
- One-off [Cost of Living payments](#) to recipients of certain benefits or tax credits throughout the UK
- the [Household Support Fund](#), which allows local authorities in England to make discretionary payments to people most in need to help towards the rising cost of food, energy, and water bills.
- The [Warm Home Discount Scheme](#) provides a discount of £150 off electricity bills between October 2023 and 31 March 2024 for eligible customers. Eligible customers are essentially those who get the [Guarantee Credit element of Pension Credit](#) or have a low income.

The government's [Help for Households website](#) has advice on actions that households can take to cut their energy use and save money this winter. Its webpage on [Help with your energy bills](#) has links to various cost of living and energy bill support schemes.

The following Library briefings provide more information on energy bills and wider support available to help constituents with these:

- [Rising cost of living in the UK](#) (November 2023)
- [Gas and electricity prices under the Energy Price Guarantee and beyond](#) (November 2023)
- [Domestic energy prices](#) (December 2023)
- [Help with energy efficiency, heating and renewable energy in homes](#) (July 2022)
- [Heat networks and energy prices](#) (April 2022)
- [Constituency casework: Government support for energy bills](#) (March 2023)
- [Constituency casework: Help with energy bills for businesses, public sector organisations and charities](#) (December 2022)

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# 1 Universal government support schemes

## 1.1 The Default Tariff Cap (energy price cap)

A price cap is a form of limiting bills or tariffs; it can either be a total limit, a limit on companies' profits, or a limit on the difference between the cheapest and most expensive deal.

The '[Default Tariff Cap](#)' for gas and electricity, also known as the energy price cap, came into force at the beginning of 2019. It followed the introduction of tariff caps for customers on prepayment meters in April 2017 and for vulnerable customers in February 2018. It covers prices for customers on default or standard variable tariffs.

The price cap sets maximum prices for a unit of energy and daily standing charges for customers in each energy supply region of Great Britain. It does not cap maximum annual bills. The cap levels [vary by payment method and by region](#). Ofgem multiplies these capped unit prices for gas and electricity by 'typical' annual consumption levels and adds these to daily standing charges to arrive at an illustrative annual bill in each region. These regional levels are averaged to give the headline figure for Great Britain. An individual customer's annual bill will largely depend on how much energy they use. For more information, see the Library briefing [Domestic energy prices](#).

The price cap applies where a customer has not signed up for a fixed-term contract with their supplier (they are on a 'standard variable tariff'). The regulator Ofgem reviewed the levels of the cap twice a year up to summer 2022, publishing updates in February, which set the levels of the cap in summer (April-September), and August, which sets the cap for winter (October-March). From October 2022 the price moved to three-month periods, with the first from 1 October 2022 to 31 December 2022.<sup>1</sup>

Ofgem sets the price cap using its own estimates of the different costs that suppliers will face in the upcoming price cap period. These mainly consist of the wholesale cost of gas and electricity, network costs, supplier operating costs and the costs of government policies that are passed on to customers. It also includes an element for supplier profit and VAT is added at the end. For more information see the Library briefing [Energy bills and the price cap](#).

For the period of October to December 2023, the price cap has been set at £1,834 for a typical household per year. This will rise to £1,928 for a typical

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<sup>1</sup> Ofgem, [Energy price cap \(default tariff\) policy](#), accessed 28 November 2023

household per year for the period 1 January to 31 March 2024.<sup>2</sup> The table below shows the average unit price per unit for gas and electricity under the price cap for these periods. These figures are based on the England, Scotland and Wales average for people who pay by Direct Debit. These include VAT. The actual rates you are charged will depend on where you live, how you pay your bill and the type of meter you have. The unit rates and standing charges for each region can be found on Ofgem’s website, [Get energy price cap standing charges and unit rates by region](#).

Table 1 Energy price per unit under energy price cap		
	Energy price per unit 1 October to 31 December 2023	Energy price per unit 1 January to 31 March 2023
Electricity	27.35 pence per kWh 53.37 pence daily standing charge	28.62 pence per kWh 53.35 pence daily standing charge
Gas	6.89 pence per kWh 29.62 pence daily standing charge	7.42 pence per kWh 29.60 pence daily standing charge

Source: Ofgem, [Energy Price Cap](#), accessed 23 November 2023

The Library briefing [Energy bills and the price cap](#) provides further background.

## 1.2 Energy Price Guarantee (EPG)

The [Energy Price Guarantee \(EPG\)](#) was [announced on 8 September 2022](#) and came into force on 1 October 2022. The EPG was intended to reduce the prices paid by consumers during a time of rapidly increasing energy prices. For the duration of the EPG, maximum prices paid by consumers will be set by either the price cap or the EPG, depending on which is lower. At the moment, the EPG is higher than the energy price cap. This means that direct debit customers on a standard variable tariff (SVT, also known as a default tariff) pay the (lower) price cap rate and the EPG does not apply. The EPG still applies to prepayment meter customers (see page 10).

When in effect, the EPG reduces the amount customers in Great Britain on domestic contracts can be charged for their energy over the period 1 October 2022 to 31 March 2024. Under the EPG, the government fully compensates suppliers for the cost of the EPG by paying them the difference between the EPG level and what suppliers would otherwise have charged customers under the energy price cap. The EPG is automatically applied to bills and households do not need to apply for it. From the customer’s perspective, both the EPG and the price cap have the same effect of capping the price that they pay.

<sup>2</sup> Ofgem, [Energy price cap](#), accessed 23 November 2023



For customers on an SVT (subject to the energy price cap), the EPG set a maximum limit on the unit rate of gas and electricity. For all other customers, the EPG provided a unit rate discount. Customers on fixed tariffs had the same support as those on variable tariffs, but rates were subject to a ‘floor’ price (the minimum rate the price per unit was discounted to).<sup>3</sup> Further information on how the EPG applied for customers in different situations can be found in the government’s policy paper [Energy Price Guarantee up until 30 June 2023](#).

The level of the EPG limit is set as follows:

- Between 1 October 2022 to 31 March 2023 the EPG was set at a level equivalent to an annual bill of £2,500 for a “typical” household in Great Britain, or £1,950 in Northern Ireland.<sup>4</sup> It was intended to save a typical household in Great Britain around £900 over winter 2022-23, compared to what energy prices would have been under the energy price cap for this period.
- Between 1 July 2023 to 31 March 2024 the EPG was increased so that a typical household in Great Britain will pay £3,000 per year, saving £500 compared to prices under the energy price cap level for Q2 of 2023.<sup>5</sup>
- For the period of 1 October to 31 December 2023, the energy price cap has been set at £1,834 for a typical household per year. This will rise to £1,928 for the period 1 January to 31 March 2023. **As this is lower than the EPG, prices will be capped by the level of the price cap, rather than the EPG.**

## EPG from 1 July 2023 onwards

The price cap is currently lower than the EPG level, meaning households will pay rates capped by the price cap. For this reason, from 1 July 2023, households without a pre-payment meter no longer receive an EPG discount on their gas and electricity bills. Households with a pre-payment meter will continue to receive the EPG to align their costs with those of direct debit customers (see page 10).<sup>6</sup>

As set out on [the government’s policy paper on the EPG](#), the EPG will remain in place “as a safety net until the end of March 2024 should energy prices increase above £3,000 per year”.<sup>7</sup> If wholesale prices rise so that the price

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<sup>3</sup> The floor prices exist because some people will have fixed at much lower prices some time ago, meaning their payments will already be below the level set by the EPG. Customers on fixed rate tariffs that were already below the floor unit rate remained on those rates but did not receive a further discount for the duration of their fixed term.

<sup>4</sup> HM Treasury (HMT), [Cost of living support Factsheet](#), GOV.UK, 21 November 2022

<sup>5</sup> The increase to the EPG limit was originally planned for 1 April 2023. It was delayed until 1 July 2023 in the [Spring Budget 2023](#) due to high energy costs throughout the spring.

<sup>6</sup> DESNZ, [Energy Price Guarantee](#), GOV.UK, updated 24 November 2023

<sup>7</sup> DESNZ, [Energy Price Guarantee](#), GOV.UK, updated 24 November 2023

cap is above the level of the EPG, the EPG will take effect again, such that a ‘typical’ domestic customer pays £3,000 per year for their energy over the period to 31 March 2024.

The government’s [Energy Price Guarantee](#) policy paper has more information, including details of the EPG rates paid in different regions and for customers in different circumstances. The following Library briefings discuss the EPG in detail:

- [Constituency casework: Government support for energy bills](#)
- [Gas and electricity prices under the Energy Price Guarantee and beyond](#)

## Customers on pre-payment meters

In the Spring 2023 statement, the Chancellor announced that the EPG would be used to bring charges for customers on pre-payment meters (PPMs) “into line with comparable direct debit customers until the EPG ends and saving them an average of £45 a year”.<sup>8</sup>

Between July to September 2023, PPM customers received a discount on unit rates to align PPM charges with direct debit customers. From 1 October 2023 there has been a change in how the discount is paid. Instead of being delivered via a discount to unit rates, it is now delivered via a discount to the standing charge.

- The maximum rates per region for the period October to December are available on the government’s website: [Energy Price Guarantee \(prepayment meters\): regional rates and standing charges, October to December 2023](#).
- The maximum rates per region for the period January to March 2024 are available on the government’s website: [Energy Price Guarantee \(prepayment meters\): regional rates and standing charges, January to March 2024](#).

The government’s website states:

The PPM standing charge discount will generally not bring PPM standing charges into direct alignment with standing charges for those paying by Direct Debit. Under Ofgem’s price cap, PPM customers often receive a lower unit rate cap than direct debit customers. The Energy Price Guarantee standing charge discount is calculated to bring overall costs into alignment for a typical PPM customer who will save around £40 per year. A

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<sup>8</sup> HMT, [Spring Budget 2023](#), GOV.UK, 21 March 2023

typical PPM customer's usage is calculated based on Ofgem's 'low' level of energy use ([see Ofgem's definition of 'low' energy users](#)).<sup>9</sup>

In April 2023, Ofgem consulted on options for levelling the cost of standing charges on PPMs "to make them more equal or equitable (but less cost-reflective)". Ofgem has stated that it will publish final proposals in Autumn 2023 followed by a decision in early 2024.<sup>10</sup>

## EPG in Northern Ireland

The [Energy Price Guarantee in Northern Ireland](#) is the equivalent scheme for households in Northern Ireland. The EPG NI applies a discount to gas and electricity unit prices for all customers. This is different to the EPG in Great Britain, which caps unit prices for customers on a standard variable tariff and provides a discount on unit prices for all other customers.

From the 1 July 2023, households in Northern Ireland no longer receive the EPG discount on their bills, due to falling energy prices. The government's webpage on the EPG states that for Northern Ireland as well as GB "the Energy Price Guarantee will remain in place as a safety net until March 2024 should energy prices increase significantly during this period."<sup>11</sup>

For further information, see the [government's EPG policy paper](#) and section 2.3 of the Library briefing [Constituency casework: Government support for energy bills](#).

## Can households without a domestic electricity and/or gas contract benefit from the EPG or the price cap?

Households who are not on standard domestic electricity and/or gas supply contracts will not receive the EPG directly and may not be protected by the price cap. However, the government said that they will receive "equivalent support" to the EPG:<sup>12</sup>

- Some households pay an intermediary (such as a landlord, heat network or park site owner) for their energy:
  - If the intermediary has a domestic electricity and/or gas supply they may benefit from the EPG or price cap;
  - If the intermediary has a non-domestic electricity and/or gas supply they may benefit from the Energy Bill Discount Scheme (EBDS). For more information see section 1.4.

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<sup>9</sup> DESNZ, [Energy Price Guarantee \(prepayment meters\): regional rates and standing charges, October to December 2023](#), GOV.UK, 24 November 2023

<sup>10</sup> Ofgem, [Levelling the cost of standing charges on prepayment meters](#), 23 September 2023

<sup>11</sup> DESNZ, [Energy Price Guarantee Policy Paper](#), GOV.UK, updated 24 November 2023

<sup>12</sup> DESNZ, [Energy bills support factsheet](#), GOV.UK, updated 24 November 2023

- The [pass-through regulations](#) require intermediaries to pass on benefits received under the EPG and EBDS to end users in a “just and reasonable” way. For more information see section 1.5.

## 1.3 Energy Bills Discount Scheme (EBDS)

The [Energy Bills Discount Scheme](#) (EBDS) provides a discount on the gas and electricity unit prices paid by customers with a non-domestic energy supply contract across the UK. The actual cost of a customer’s bill will depend on the amount of electricity and gas they use.

The EBDS applies from 1 April 2023 to 31 March 2024, replacing the [Energy Bill Relief Scheme](#) (EBRS) which ended on 31 March 2023.

The EBDS is similar to the EBRS but provides a lower level of support. Announcing the EBDS on 9 January 2023, the government said that the EBRS had been “designed as a temporary six-month measure” and that it had “been clear that such levels of support were time-limited and intended as a bridge to allow businesses to adapt”.<sup>13</sup> It said the new EBDS “strikes a balance between supporting businesses over the next 12 months and limiting taxpayer’s exposure to volatile energy markets, with a cap set at £5.5 billion based on estimated volumes”.<sup>14</sup> A [press release](#) gave more information.

### EBDS eligibility criteria

The baseline discount under the EBDS is available to everyone on a non-domestic energy supply contract with a licensed energy supplier including:

- businesses
- voluntary sector organisations, such as charities
- public sector organisations such as schools, hospitals and care homes

who are:

- on existing fixed price contracts that were agreed on or after 1 December 2021
- signing new fixed price contracts
- on deemed/out of contract or variable tariffs, or
- on flexible purchase (or similar) contracts

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<sup>13</sup> HMT, [Energy Bills Discount Scheme](#), GOV.UK, updated 24 July 2023

<sup>14</sup> HMT, [Energy Bills Discount Scheme](#), GOV.UK, updated 24 July 2023

- on variable ‘Day Ahead Index’ (DAI) tariffs (Northern Ireland scheme only)

The government’s [guidance on the Energy Bills Discount Scheme](#) has more information on eligibility.

## How does the EBDS reduce energy costs?

The EBDS provides a discount on the wholesale portion of gas and electricity unit prices. Wholesale prices are what energy suppliers pay to purchase the energy. They are not retail prices, which is what end-users pay. Retail prices include wider costs, such as network charges and operating costs.<sup>15</sup>

The EBDS is calculated by comparing the wholesale portion of the customer’s existing unit price with a threshold price.

Under the EBDS most eligible non-domestic customers will receive:

- a unit discount of up to £6.97 per megawatt-hour (MWh) for gas, payable when wholesale gas prices rise above a threshold of £107 per MWh;
- a unit discount of up to £19.61 per MWh for electricity, payable when wholesale electricity prices rise above a threshold of £302 per MWh.<sup>16</sup>

Customers in [Energy and Trade Intensive Industries \(ETIIs\)](#) [PDF] are considered to be particularly vulnerable to higher energy prices, and so will receive a higher level of support under the EBDS:

- a unit discount of up to £40 per MWh for gas, payable when wholesale gas prices rise above a threshold of £99 per MWh;
- a unit discount of up to £89 per MWh for electricity, payable when wholesale electricity prices rise above a threshold of £185 per MWh.<sup>17</sup>
  - These discounts will apply only to 70% of their energy volumes and the lower, baseline discount will apply to the remaining 30%.<sup>18</sup>
  - The government has published a [list of sectors available for this higher level of support](#) [PDF].

Energy suppliers will automatically apply the standard EBDS reduction to the bills of eligible non-domestic customers. Customers do not need to apply for the discount.

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<sup>15</sup> The Library briefing [Domestic energy prices](#) has more information on the components of energy prices.

<sup>16</sup> HMT, [Energy Bills Discount Scheme](#), GOV.UK, updated 24 July 2023

<sup>17</sup> HMT, [Energy Bills Discount Scheme](#), GOV.UK, updated 24 July 2023

<sup>18</sup> HMT, [Energy Bills Discount factsheet – 9th January 2023](#), GOV.UK, updated 16 November 2023

Customers eligible for the higher level of ETII support will have to apply for this. The government website [Apply for the Energy Bills Discount Scheme support for Energy and Trade Intensive Industries \(ETIIs\)](#) provides guidance on how to apply.

The government's [guidance on the Energy Bills Discount Scheme](#) provides more information about how customers in different circumstances can benefit from the EBDS, including illustrative examples.

## **Will customers without a contract with a licensed energy supplier receive the EBDS?**

### **Customers who pay an intermediary for their energy, where the intermediary has a non-domestic contract with a licensed energy supplier**

The government requires all intermediaries to pass on any support received in a “just and reasonable way”.<sup>19</sup> This extends to intermediaries receiving support from the EBDS. Section 1.4 provides further information.

### **Customers who take their energy from the public electricity/gas grid, but who do not pay a licensed energy supplier**

The government has said “those receiving gas or electricity delivered over public networks from non-licensed providers will also benefit from comparable support under the further schemes if necessary”.<sup>20</sup> As with the standard EBDS, the EBDS for non-standard cases runs from 1 April 2023 to 31 March 2024. The government provides guidance on the [Energy Bills Discount Scheme: non-standard cases](#).

### **Customers who receive their energy from a heat network supplier**

Heat network suppliers receive the EBDS and have specific requirements. They are obligated to pass on the benefit to their customers in a “just and reasonable way”<sup>21</sup>. See page 17 for further detail.

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<sup>19</sup> DESNZ, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, updated 29 September 2023

<sup>20</sup> HMT, [The government unveils new “Energy Bills Discount Scheme” for businesses](#), GOV.UK, 9 January 2023

<sup>21</sup> DESNZ, [Guidance on the Energy Bills Discount Scheme pass-through requirements for heat networks in the UK](#), GOV.UK, 18 July 2023

## 1.4

## Pass-through requirements

The government has introduced pass-through regulations covering the whole of the UK.<sup>22</sup> These require “relevant intermediaries” (such as landlords) to pass on benefits received under the Energy Price Guarantee and Energy Bills Discount Scheme to end users (such as tenants). Intermediaries must also pass on any benefits received before the regulations came into force.<sup>23</sup>

“Relevant intermediaries” are any individual or organisation that holds an electricity and/or gas contract and passes on the costs of the energy supplied under this contract to an end user. This covers intermediaries supplying products and services where contractually a component of the price relates directly to the cost of electricity and/or gas. For example, this may include heating, cooling and hot water.

End users can include domestic and non-domestic customers (such as businesses, charities and public sector organisations), as well as park home or marina residents and motorists using electric vehicle charging facilities.<sup>24</sup>

There are specific requirements for heat networks. For more information, see page 17.

### How will benefits be passed through to end users?

The [guidance on the pass through requirements](#) explains that intermediaries are required to pass on the discounts “as soon as reasonably practicable” and in a “just and reasonable” way:

Intermediaries must pass on the discount irrespective of how the end user pays for their energy use. They can adjust the amount they pass on based on their charges to end users and must demonstrate to end users that this amount is just and reasonable.

Intermediaries can take into account the extent to which they have increased their charges to end users as a result of the energy crisis. For example, if the intermediary has shielded its end users from the impact of increased energy prices it may be just and reasonable for it to retain some or all of the scheme benefit.<sup>25</sup>

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<sup>22</sup> The “pass through regulations” refers to a package of regulations setting out pass through requirements for government provided energy price support. The list of regulations can be found on DESNZ’s webpage [Guidance on the pass-through requirements for energy price support provided to intermediaries](#) (updated 29 September 2023)

<sup>23</sup> There are some exemptions to this rule. For more information see [Guidance on the pass-through requirements for energy price support provided to intermediaries](#).

<sup>24</sup> DESNZ, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 29 September 2023

<sup>25</sup> DESNZ, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 29 September 2023

If the intermediary charges an “all inclusive” rent incorporating a fixed charge for energy use, the intermediary must pass the discount in a just and reasonable way.

[...]

Where a relevant intermediary uses energy to provide common services, they are entitled to include the costs of this within the calculation of what is just and reasonable to pass through to the extent that the cost of such energy is or will not be borne by the end user.<sup>26</sup>

If the intermediary charges end users based on the proportion of the total energy bill they use (for example by usage or a fixed split between multiple tenants) then the ‘just and reasonable’ test requires them to allocate energy bills discounts in the same way.<sup>27</sup> In other cases the intermediary should use the best available information to calculate a fair way of passing on the benefits to end users.

The intermediary must share information with end users on how much of the benefit will be passed through, including their justification for this. This information must be provided within 30 days of the intermediary receiving the benefit.

The [Guidance on the pass-through requirements for energy price support provided to intermediaries](#) has more information, including exemptions, ways that benefits can be passed to customers, and illustrative examples of how the pass-through requirement is calculated for customers in different circumstances.

### Maximum resale price rules

Intermediaries must continue to comply with the existing maximum resale price rules. These say that if an intermediary resells electricity or gas to a domestic end user based on their usage, then the intermediary must not charge more than they paid. The pass-through guidance confirms that the amount paid by the intermediary includes any discounts received through the government’s energy support schemes.

These rules only apply if the cost of energy is a specified charge on the end user’s bill. For example, they would not normally apply to “all-inclusive” rents, where the tenant pays a single charge for rent and bills.

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<sup>26</sup> DESNZ, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 29 September 2023

<sup>27</sup> DESNZ, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 29 September 2023



For more information about the maximum resale price rules, see [Ofgem](#) (for England, Wales and Scotland) and the [Utility Regulator](#) (for Northern Ireland).<sup>28</sup>

## What can end users do if benefits are not passed through?

If an end user believes they have not been passed through a benefit (or enough benefit), or if reasonable steps were not taken to inform them of their eligibility to benefit, they should raise this with the intermediary in the first instance.<sup>29</sup>

If the intermediary fails to pass on the payment or to provide necessary information to the end user, the end user may bring civil proceedings and seek to recover the sums due as a civil debt.

The [Guidance on the pass-through requirements for energy price support provided to intermediaries](#) has more information, including a [template letter to help end users to communicate with intermediaries](#).

Government guidance on how to [make a court claim for money](#) has more information on making money claims of £10,000 or less. The government's [Money Claim Online \(MCO1\) user guide](#) details how to claim for sums between £10,001 and £100,000. The Library briefing [Legal help: where to go and how to pay](#) also provides information on getting legal advice.

## Pass-through requirements for heat networks

The government has published specific [guidance on the pass-through requirements for heat networks](#).<sup>30</sup> These are generally similar to those for other intermediaries. Key differences include:

- A heat supplier must pass on benefits “as soon as reasonably practicable” after the supplier has received the benefit, and no later than the next time it bills the customer.
- All [heat suppliers in Great Britain are required to join the Energy Ombudsman’s consumer redress scheme](#).
- If an end user believes they are not being passed through (enough) benefit, or if reasonable steps were not taken to inform them of their

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<sup>28</sup> Ofgem, [The resale of gas and electricity: Guidance on maximum resale price \(updated October 2005\)](#), 13 October 2005; Utility Regulator, [Direction and Public Notice concerning the maximum resale price for electricity and gas](#), 7 June 2007

<sup>29</sup> DESNZ, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 29 September 2023

<sup>30</sup> DESNZ, [Guidance on the Energy Bill Discount Scheme pass-through requirements for heat networks in the UK](#), GOV.UK, updated 18 July 2023

eligibility to benefit, they should raise this with the heat supplier in the first instance.

- If the end user is unable to reach an agreement with the heat supplier, they can complain to the [Energy Ombudsman](#) (for customers in Great Britain) or the [Consumer Council](#) (for customers in Northern Ireland).
- If the Energy Ombudsman makes a decision that involves the customer receiving a remedy (such as compensation) and the supplier does not comply with this, or, if a complaint made to the Consumer Council does not lead to a resolution, then the consumer can commence civil proceedings to recover the EBDS benefit from the heat supplier.<sup>31</sup>

The [guidance on the pass-through requirements for heat networks](#) has more information. There is also accompanying legal guidance for heat networks that use Combined Heat and Power (CHP).<sup>32</sup>

The government’s website [Help with your energy bills: If you get your heating and hot water from a heat network](#) provides further information.

### Future regulation of heat networks under the Energy Act 2022-23

The [Energy Act 2022-23](#) provides the Secretary of State with powers to introduce various forms of price regulation, including a price cap, for heat networks “should it be necessary to protect consumers whilst growing and decarbonising the market”.<sup>33</sup> According to the government’s [Energy Security Bill factsheet: Heat networks regulation and zoning \(updated 1 September 2023\)](#), the government expects heat networks regulations to come into force in 2024.

Regulations made under the Act could also “provide Ofgem with powers to investigate and intervene where consumer prices appear to be disproportionate compared with heat networks with similar characteristics, or if prices are significantly higher than those consumers would expect to pay if they were served by an alternative and comparable heating system” (see [Energy Security Bill factsheet: Heat networks regulation and zoning](#)). Ofgem is the GB energy regulator and is already responsible for setting [the energy price cap](#) for gas and electricity on standard variable tariffs (see section 1.1).

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<sup>31</sup> There is an exemption to this if the supplier receives the EBDS benefit and bills the customer within 30 days of the regulation coming into force.

<sup>32</sup> DESNZ, Chapter 5.2: Arrangements for Customer to deliver electricity to the grid (Great Britain and NI Schemes) in [Energy Bills Discount Scheme: Guidance for Licensed Energy Suppliers](#) [PDF], GOV.UK, 22 September 2023

<sup>33</sup> DESNZ, [Energy Security Bill factsheet: Heat networks regulation and zoning](#)) GOV.UK, updated 1 September 2023

Section 1 of the Library briefing, [Energy Bill \[HL\] 2022-23, parts 7-10: heat networks, smart appliances, load control and energy performance of buildings](#) (May 2023), provides further information on these provisions.

## 1.5

# Consumer protection from April 2024

In the [2022 autumn statement in November 2022](#), the government announced that it would take a “new approach to consumer protection from April 2024” with regards to energy. It said it will “work with consumer groups and industry to consider the best approach, including options such as social tariffs, as part of wider retail market reforms”. The government have not yet published this consultation.

A Library debate pack prepared for a [Debate on energy social tariffs](#) (October 2023) provides further information.

## Rising direct debit charges

Following reports that some energy suppliers have increased customers’ direct debit charges, despite customers reducing their energy use, [Grant Shapps wrote to energy suppliers](#) [PDF] on 26 November 2022. He said he was keen that “all suppliers find a way to make their systems more responsive to these positive changes in consumer behaviour [to reduce energy consumption]”, and that he had asked Ofgem to report on how this can be achieved.<sup>34</sup>

Ofgem’s initial review found “no evidence that energy suppliers were deliberately inflating Direct Debit levels” but “did identify a range of improvements that most suppliers could make to ensure better consumer outcomes”.<sup>35</sup> Examples included improving mechanisms to ensure that consumers are paying the correct amount for their energy usage, improving the timescales and creating formal policies for refunds, and improved communication with customers. Ofgem required that 12 suppliers submit remedial action plans to address their concerns and said that 95% of concerns have now been satisfactorily resolved.<sup>36</sup>

Ofgem’s [Direct Debit Market Compliance Review: Progress Update](#) stated that a total of £117,580 compensation has been awarded to affected consumers as a result of the review.

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<sup>34</sup> BEIS and the Rt Hon Grant Shapps MP, [Letter to Domestic Energy Suppliers in GB](#) [PDF], GOV.UK, 26 November 2022

<sup>35</sup> Ofgem [Direct Debit Market Compliance Review: Progress Update](#) 2 February 2023

<sup>36</sup> Ofgem [Direct Debit Market Compliance Review: Progress Update](#) 2 February 2023

## Inquiry into the fairness of customer energy bills

Following an inquiry into the UK's preparedness for winter 2023-24, the Energy Security and Net Zero committee concluded [that the current structure of energy bills was 'unfair and regressive'](#).

On 24 November 2023, the Committee launched a new inquiry into [the fairness of customer energy bills](#), which will examine “whether the rules on charging for energy are fair for all”.<sup>37</sup>

## 1.6

## Support schemes in 2022-23

The government introduced several universal support schemes in 2022 and 2023 to help households and businesses with rising energy prices, as part of its wider support with the rising cost of living.

For information on energy bill support schemes introduced during 2022, see the [Library briefing Constituency casework: Government support for energy bills](#). The briefing covers the following schemes:

- Energy Price Guarantee (EPG): a discount on domestic electricity and gas prices over the period 1 October 2022 to 31 March 2024
- Energy Bills Discount Scheme (EBDS): a discount on non-domestic electricity and gas prices over the period 1 April 2023 to 31 March 2024
- Energy Bills Support Scheme (EBSS), including the EBSS Alternative Fund: a one-off £400 payment to households to help with bills over winter 2022-23. This is not in place for 2023-24.
- Energy Bill Relief Scheme (EBRS), including the EBRS for non-standard customers: a discount on non-domestic electricity and gas prices over the period 1 October 2022 to 31 March 2023. This is not in place for 2023-24.
- Alternative Fuel Payments (AFP), including the AFP Alternative Fund and the Non-Domestic AFP: a one-off payment for households (£200) and non-domestic customers (at least £150) who are not on the mains gas grid and use an alternative fuel (such as heating oil) for heating. This is not in place for 2023-24.

Only the EPG and EBDS schemes are currently operating and will remain in place until 31 March 2024. As the energy price cap is currently below the EPG, the EPG is superseded by the energy price cap.

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<sup>37</sup> ESNZ Committee, [Energy bills for domestic customers](#), UK Parliament, accessed 27 November 2023

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## 2 Targeted support schemes

### 2.1 Winter Fuel Payments

The [Winter Fuel Payment](#) is a tax-free annual payment from the Department for Work and Pensions (or [Department for Communities](#) in Northern Ireland) to help older people meet the cost of their winter fuel bills.

To [qualify for the Winter Fuel Payment](#), a person must have reached State Pension age by the end of the September qualifying week. For winter 2023/2024, this was the week beginning 18 September 2023.

The usual Winter Fuel Payment rates are £200 per eligible household where the oldest person is under 80, and £300 for households containing a person aged 80 or over. For winters 2022/2023 and 2023/2024, an additional Pensioner Cost of Living Payment worth £300 to most households is being paid as an increase to, and at the same time as, the Winter Fuel Payment (see section 2.3 below). [Winter Fuel Payment: How much you'll get](#) on GOV.UK sets out how much people in different circumstances will receive from the combined Winter Fuel Payment/Pensioner Cost of Living Payment.

Most payments are made in November or December, into the same account the person receives their State Pension or other benefits. Most people eligible for the Winter Fuel Payment receive it automatically, but some people will need to make a claim – see [Check if you need to claim](#) on GOV.UK.

Over 8 million pensioner households received the combined Winter Fuel Payment/Pensioner Cost of Living Payment for winter 2022/2023.<sup>38</sup>

### 2.2 Cold Weather Payments

[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 during periods of very cold weather. Cold Weather Payments used to be available across the United Kingdom, but starting from winter 2022/23 the Scottish Government introduced a new benefit – the [Winter Heating Payment](#) – to replace the Cold

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<sup>38</sup> HM Treasury, [Millions of most vulnerable households will receive £1,200 of help with cost of living](#), 26 May 2022

Weather Payment in Scotland (see below). The scheme now only exists in England, Wales, and Northern Ireland.

Cold Weather Payments are a fixed amount for each week of cold weather. For many years this was set at £8.50 a week but the Labour Government increased the rate to £25 a week as a temporary measure for winters 2008/09 and 2009/10. The 2011-2015 Conservative and Liberal Democrat Coalition Government made the £25 rate permanent.

The Cold Weather Payments scheme links postcode districts to weather stations that submit daily reports to the Met Office. The allocation of postcodes to weather stations takes account of topography, the extent of built-up areas, and the distance from available weather stations. Each postcode district is assigned to a weather station with the most similar climate in terms of average winter temperatures recorded between 1981 and 2010. In England and Wales, 72 weather stations will be used in winter 2022/23.<sup>39</sup>

The scheme runs from 1 November to 31 March each winter. To ‘trigger’ Cold Weather Payments for claimants living in postcodes linked to a weather station, the average temperature at that weather station must be recorded as, or forecast to be, 0°C or below for seven consecutive days. People in England and Wales can check whether payments have been triggered where they live using a [postcode checker](#) on GOV.UK (there is a separate [Cold Weather Payment checker](#) for Northern Ireland). The DWP also publishes regular updates on the number of payments made each winter.<sup>40</sup>

Cold Weather Payments are made automatically to those entitled to them. People should not need to make a claim, but those in England and Wales who think they may be entitled but do not receive a payment should [contact the Department for Work and Pensions](#) (and those in Northern Ireland should contact the [Department for Communities](#)).

## Scotland

The Scotland Act 2016 transferred new social security powers to the Scottish Government and Parliament, including responsibility for benefits assisting with expenses for heating in cold weather. A new benefit – the [Winter Heating Payment](#) – replaced the Cold Weather Payment in Scotland from winter 2022/23. The DWP no longer makes Cold Weather Payments to claimants in Scotland.

The Winter Heating Payment is payable to households getting the same qualifying benefits and meeting the same qualifying conditions in relation to age and disability as for Cold Weather Payments, but there are key differences:

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<sup>39</sup> DWP, [Weather stations and postcodes: Cold Weather Payment scheme 2023 to 2024](#)

<sup>40</sup> DWP, [Cold Weather Payment estimates: 2023 to 2024](#)

- Unlike the Cold Weather Payment, eligibility does not depend on a period of cold weather where the household lives.
- Households will qualify for the payment if they were getting a qualifying benefit and met the other conditions on any day of the qualifying week, which is the week running from the first Monday in November (for winter 2023/24, this was 6-12 November 2023).
- A single, annual payment of £55.05 will be made to all eligible households for winter 2023/24.

Payments should be made automatically. Payments for winter 2023/2024 will begin from the middle of December. Social Security Scotland expects to pay the majority of eligible people by the end of January 2024.

In addition to the Winter Heating Payment, the Scottish Government introduced Child Winter Heating Assistance in 2020. Now called the [Child Winter Heating Payment](#), this is an annual payment to help disabled children and young people and their families with increased heating costs over winter. Children and young people under 19 qualify for the Child Winter Heating Payment if they were entitled to one of the following qualifying benefits on at least one day during a qualifying week, which is the week beginning on the third Monday in September (in 2023, this was 18-24 September):

- the highest rate care component of Disability Living Allowance or its replacement devolved benefit in Scotland, Child Disability Payment
- the enhanced rate daily living component of Personal Independence Payment or its replacement devolved benefit in Scotland, Adult Disability Payment

The payment for winter 2023/24 will be £235.70. Payments are usually made automatically, starting in November.

## 2.3

### Cost of Living Payments

On 26 May 2022, the then Chancellor of the Exchequer, Rishi Sunak, announced a package of support to help households across the UK with the rising cost of living.<sup>41</sup> In addition to £400 of support towards households' energy costs through the Energy Bills Support Scheme, the package included one-off payments to recipients of certain benefits or tax credits throughout the UK:

- a £650 Cost of Living Payment, payable in two instalments, to recipients of certain means-tested benefits including Universal Credit, most of the

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<sup>41</sup> HM Treasury, [Millions of most vulnerable households will receive £1,200 of help with cost of living](#), 26 May 2022

legacy benefits and tax credits it is replacing (except Housing Benefit), and Pension Credit.

- a £150 Disability Cost of Living Payment for recipients of certain non-means-tested disability benefits, including Personal Independence Payment (PIP), Disability Living Allowance (DLA), Attendance Allowance (AA), and corresponding devolved Scottish disability benefits.
- a £300 Pensioner Cost of Living Payment, paid as an addition to the Winter Fuel Payment, to households entitled to a Winter Fuel Payment for winter 2022/23.

Households could qualify for more than one payment, and potentially all three. Payments were made automatically, without the need to make a claim.

In his Autumn Statement on 17 November 2022, the Chancellor, Jeremy Hunt, announced that further Cost of Living Payments would be made in 2023/24. The payments are being made to recipients of the same benefits as the 2022/23 Cost of Living Payments, a key difference being that payments for means-tested benefit recipients will total £900 per household, rather than £650. The £900 is payable in three instalments.

More detailed information is given in Commons Library research briefing CBP-9616, [Cost of Living Payments: Overview and FAQs](#). [Guidance on Cost of Living Payments 2023 to 2024](#) is also available on GOV.UK. This gives details of the qualifying dates announced so far for the 2023/24 payments.

## Household Support Fund

In addition to the three Cost of Living Payments, the support packages announced for 2022/23 and 2023/24 also included additional funding to extend the [Household Support Fund](#), which allows local authorities in England to make discretionary payments to people most in need to help towards the rising cost of food, energy and water bills.

The amount allocated to English local authorities for the period covering October 2022 to March 2023 was £421 million. The devolved governments received a further £79 million through the Barnett formula<sup>42</sup> to use as they saw fit, bringing the total additional funding across the UK to £500 million. For 2023/24, the total additional funding for the Household Support Fund (including Barnett 'consequential' funding for the devolved administrations) is £1 billion. Of this, £842 million has been allocated to local authorities in England, with the remainder transferred to Scotland, Wales, and Northern Ireland, again to use as they see fit.

As in 2022/23, guidance for local authorities in England states that they are expected to use the Household Support Fund in 2023/24 to support households in greatest need, particularly those who may not be eligible for

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<sup>42</sup> Approximately £41 million for Scotland, £25 million for Wales, and £14 million for Northern Ireland



other help the government has made available, including Cost of Living Payments and energy support. For the Cost of Living payments this could include, for example, people eligible for but not claiming qualifying benefits, people claiming Housing Benefit only, those who only become eligible for benefits after the qualifying date(s), and those in receipt of benefits who happen to have a nil award in a qualifying period. However, the guidance acknowledges that some groups may still be vulnerable to rising costs even after having received government support with the cost of living.<sup>43</sup>

The guidance states that energy bills may be of particular concern to people on low incomes and that local authorities should prioritise supporting households with the cost of energy. This includes not only help with bills but also measures that can have a “quick but sustainable impact on energy costs” such as insulating hot water tanks, fitting draft excluders to doors, and replacing inefficient lightbulbs or white goods.<sup>44</sup>

For information on how people can apply to the Household Support Fund see [Get help with the cost of living from your local council](#) on GOV.UK.

## 2.4 Warm Home Discount (WHD)

The [Warm Home Discount Scheme](#) (WHD) is a set rebate for the electricity bills of eligible customers.<sup>45</sup> Energy suppliers with more than 1,000 domestic customers, plus other suppliers who elect to take part, offer the discount, and recoup the costs from the energy bills of all their customers.<sup>46</sup>

The WHD provides a discount of £150 off electricity bills between October 2023 and 31 March 2024.

The discount may be available on gas bills instead for eligible customers whose suppliers provide both gas and electricity.

Customers usually get the discount automatically if they are eligible; however those [on a low income in Scotland](#) need to apply (see WHD in Scotland below).

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<sup>43</sup> DWP, [April 2023 to 31 March 2024: Household Support Fund guidance for county councils and unitary authorities in England](#), updated 13 September 2023, paras 3,37

<sup>44</sup> As above, para 4

<sup>45</sup> WHD was introduced as a statutory scheme with a £120 discount in April 2011 to replace previous voluntary agreements with energy suppliers. For further information on the scheme (including discounts and eligibility) see the Library Briefing paper on [Warm Home Discount Scheme](#) (2016).

<sup>46</sup> The domestic customer threshold was originally 250,000: see [Warm Home Discount Scheme](#) (2016). For 2022/23 it was 50,000: see Ofgem, [Warm Home Discount \(WHD\)](#).

## Eligible customers

The government guidance [Warm Home Discount Scheme](#) sets out how customers qualify in England and Wales and Scotland.

In **England and Wales** customers qualify if they either:

- get the [Guarantee Credit element of Pension Credit](#) (core group 1);
- or [are on a low income](#) and have high energy costs (core group 2).

Customers are eligible as part of core group 2 if on 13 August 2023 all of the following applied:

- their [energy supplier is part of the scheme](#);
- they (or their partner) get certain means-tested benefits or tax credits;
- their property has a high energy cost score based on its characteristics;
- their name (or their partner's) is on the bill.
- There is a web tool to check eligibility for the WHD in England and Wales, and Scotland: [Check if you're eligible for the discount online](#).

## WHD Contact and help

Eligible customers should get a letter confirming eligibility, or requiring information to check eligibility, by early January 2024.

Customers are advised to contact the [Warm Home Discount Scheme](#) if they do not get the letter but think they are eligible, before 29 February 2024.

The Warm Home Discount Scheme helpline is 0800 030 9322.

## New high energy cost criteria and property characteristics

The scheme for 2022/23 introduced high-energy-cost eligibility criteria setting a high-cost threshold to determine whether a domestic property is considered as having high energy costs, according to its modelled energy cost score.<sup>47</sup> The score is calculated based on a property's type, age and floor area.

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<sup>47</sup> BEIS and DESNZ, Statutory guidance [Warm Home Discount: eligibility statement \(England and Wales\)](#), 4 November 2022

For 2023/24 (and until any further revisions are made) the criteria and guidance have been revised<sup>48</sup> and are set out in the [Warm Home Discount: eligibility statement \(England and Wales\), 2023 to 2024 scheme year onward](#).

The principal revisions were:

- Adjusting the high energy cost threshold: Lowering the threshold for a property considered as having high energy costs, so that more households will ultimately turn out to be eligible.
- High-energy-cost carry over: The scenarios in which a household's high-energy-cost status from a previous scheme year can be carried over into scheme year 13 and future scheme years, provided the high-energy-cost threshold is not raised.<sup>49</sup>

## WHD in Scotland

In **Scotland** customers qualify if they either:

- get the [Guarantee Credit element of Pension Credit](#) (core group); or
- [are on a low income in Scotland](#) and meet their energy supplier's criteria for the scheme (broader group)

Those in the core group do not need to apply and will automatically get a letter telling them about the discount.

Customers in the broad group need to apply directly to their energy supplier. These customers may be eligible if all of the following apply:

- their [energy supplier is part of the scheme](#)
- they (or their partner) get certain means-tested benefits or tax credits
- their name (or their partner's) is on the electricity bill

Electricity suppliers may have extra eligibility criteria.

## Northern Ireland

The Warm Home Discount scheme **is not available in Northern Ireland**.

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<sup>48</sup> DESNZ, Statutory guidance [Warm Home Discount: eligibility statement \(England and Wales\), 2023 to 2024 scheme year onward](#), 12 September 2023

<sup>49</sup> DESNZ, [Warm Home Discount: Eligibility Statement England and Wales from 2023/24](#), September 2023, p6 [PDF]

## Meter users and park home residents

Those on pre-pay or pay-as-you-go meters can qualify for the discount (for example through vouchers) and should contact their electricity supplier.

Park home residents may apply a different way:

[Apply for the Park Homes Warm Home Discount.](#)

## Further information

For background information on the scheme, see the Library Briefing paper on the [Warm Home Discount Scheme](#) (2016).

More on the qualifying age for pension credit is available in the Library Briefing paper on [Pension Credit – current issues](#) (Aug 2020).

## 2.5

## Scotland: Home Heating Support Fund

The Scottish Government's [Home Heating Support Fund](#) offers financial support to people who are struggling with energy bills and self-rationing energy to get by.

It is open until March 2024 or until funds have been exhausted.

### Eligibility

Anyone who is struggling to meet their fuel costs can [apply](#) to the fund if they have had money or energy advice from an accredited agency.

[Moneyadvice.scot](#) can offer money advice and support with debt. Support can also be offered by the scheme's [referral partners](#), including local authorities and 3rd sector partners who are providing energy advice and/or approved money advice.

Individual circumstances are taken into consideration when making a decision about funding, including:

- Level of fuel poverty
- Whether a location is remote, rural or off-grid and the impact on energy bills
- Age and situation

Further eligibility criteria are set out at [Help Centre Individual – homeheatingadvice.scot](#).

Help with energy bills

Support with applications is available at this number: 0808 196 8646 (Monday to Friday, 9am-5pm).

## 3 Practical steps

### 3.1 Switching tariff or energy supplier

Customers may be able to get cheaper energy by changing their contract with a supplier or changing their supplier. Customers remaining on the most expensive (standard variable) tariffs have been encouraged to look at other energy tariffs and suppliers in recent years.<sup>50</sup>

However, following the rapid increase in wholesale prices from mid-2021 onwards, suppliers removed cheaper deals from the market and more households moved on to standard variable tariffs (covered by the price cap, which was introduced across all payment types in January 2019). When their existing fixed deals ended, the number of customers switching suppliers fell dramatically but began rising in 2023.<sup>51</sup>

Some of the points to consider before switching are:

- Will there be a fee for leaving a contract early?
  - This will not apply to standard variable tariff customers.
- While it may help with budgeting, will a fixed tariff still be competitive - for example if wholesale energy prices or the price cap change?
- Will a debt on the account need to be settled first?
- Will a first-generation smart meter operate in smart mode with a new supplier?
  - Suppliers should advise customers on this and the government has stated that all first-generation meters should be operating in smart mode by the end of 2023.<sup>52</sup>

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<sup>50</sup> In 2014, Ofgem referred the Energy Market to the Competition and Markets Authority (CMA) due to concerns the market was not working effectively for consumers: Ofgem, [Ofgem refers the energy market for a full competition investigation](#), 26 June 2014. The CMA estimated in 2016 that 70% of customers were on expensive default Standard Variable Tariffs (SVTs), and UK consumers were unnecessarily over-paying up to £1.4 billion a year: CMA, [Energy market investigation – Summary of final report](#), 24 June 2016

<sup>51</sup> For more information on prices and caps, and links to data on switching, see the Library briefing [Gas and electricity prices under the Energy Price Guarantee and beyond](#) (13 November 2023)

<sup>52</sup> 11 Sep 2023, PQ 198278 [Energy: Meters](#)

More information on these points and switching in general is available at:

- Ofgem, [Switch supplier or energy tariff](#). This includes a list of Ofgem-accredited price comparison website.
- Citizens Advice, [Switch energy supplier](#) webpages.<sup>53</sup>
- Energy Saving Trust, [Switching your energy supplier](#).

## Automatic switching schemes

Some companies offer services that will continually and automatically switch customers to the best value tariffs. However, there can be an annual fee for these services and, as some providers and commentators have observed, there has recently been no effective price competition.<sup>54,55</sup>

In 2021 the government [consulted](#) on:

- creating the framework to introduce an opt-in switching scheme, where households on the most expensive tariffs are offered a simple method of switching to a cheaper tariff;
- testing opt-out switching, where, unless they choose not to be, consumers who haven't switched for a while are switched to a competitive new contract. This will be part of considering how default arrangements might be reformed to enable greater competition.<sup>56</sup>

However, the government said it was, “pausing policy development on the consultation,” in December 2021, “as part of a wider refresh of the current Energy Retail Market Strategy.”<sup>57</sup>

## 3.2

## Collective purchasing and switching schemes

In 2012 the government published, “practical advice for energy consumers looking to get a better deal on their gas and electricity deals through ‘collective switching’, and guidance for organisations wanting to launch their own collective energy purchasing schemes.”<sup>58</sup>

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<sup>53</sup> There are pages for England, Wales and Scotland but not Northern Ireland [as of 23 Nov 2023]

<sup>54</sup> The consumer organisation Which? provided advice, [Is energy auto-switching right for you?](#) in March 2020

<sup>55</sup> For example MoneySavingExpert.com: [MSF launches energy market game-changer – the UK's first free, full auto-compare-and-switch service](#) (21 September 2020); and [Cheap Energy Club at MoneySavingExpert.com](#), [accessed 24 November 2023]

<sup>56</sup> BEIS, [Energy retail: opt-in and testing opt-out switching](#). This consultation ran from 23 July 2021 to 15 October 2021

<sup>57</sup> [BEIS Update](#) 15 Dec 2021 | Written statements | House of Commons | HCWS497

<sup>58</sup> Gov.uk, [Davey: Next steps on collective purchasing for a better energy deal](#), 23 May 2012

It also published [guidance on collective purchasing and switching in 2013](#).<sup>59</sup> Collective switching services allow organisations to negotiate a deal for a large group of consumers, theoretically resulting in a better deal.

Ofgem trialled [collective switching](#) in 2018 when a group of disengaged customers were offered an exclusive tariff negotiated for them by Ofgem. The final results were published in 2019. The trials indicated that customers were far more likely to switch with this kind of intervention.<sup>60</sup>

### 3.3 Priority Services Registers

Ofgem requires all suppliers to provide a free Priority Services Register service for vulnerable consumers offering a range of services on safety, access and communication.<sup>61</sup>

Customers can ask to be added to their supplier's [Priority Services Register](#) (PSR). Each energy supplier is obliged to provide certain free services to people who are;

- are of pensionable age
- are disabled or chronically sick
- have a long-term medical condition
- have a hearing or visual impairment or additional communication needs
- are in a vulnerable situation.

More information on the register is available from [Ofgem](#).

The PSR does not have a specific provision relating to money off bills, but it offers other free services. These include regular personal meter readings which may help stop large 'backlog' bills building up, advanced warnings of power cuts, priority support in an emergency, and accessible information.

Suppliers are also prohibited from disconnecting a premises occupied by a customer eligible for the Priority Service Register (PSR) during the winter months (1 October - 31 March).

In addition to this, many suppliers have signed up to the [Vulnerability Commitment](#), a voluntary set of principles and commitments from energy

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<sup>59</sup> Gov.uk, [Collective switching and purchasing](#), 22 January 2013

<sup>60</sup> Ofgem, [Overview of our 'collective switch' trial: February 2018](#), 12 February 2018. See also [Ofgem's Collective Switch trials](#), 27 September 2019. This report outlines the methodology and results of Ofgem's five Collective Switch Trials conducted in 2018 and 2019. See Fig. 11 for average savings achieved in trials before and after the introduction of the price cap.

<sup>61</sup> [Energy: Meters, Written question- 3663, 23 May 2022](#)



suppliers to support customers in vulnerable circumstances in addition to existing industry regulations.<sup>62</sup>

This includes commitments to:

Never knowingly disconnect a vulnerable customer at any time of year, where the household has children under the age of 6 (or under the age of 16 during the Winter Moratorium) or where for reasons of age, health, disability, or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.<sup>63</sup>

## 3.4

### Complaints

Ofgem is the energy regulator for Great Britain but it does not deal with consumers directly. It does, however, have [web pages on how to complain or raise issues](#).

The [Energy Ombudsman](#) will handle individual complaints from constituents but only after an energy company's route of complaint has been exhausted.

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<sup>62</sup> Fourteen suppliers which in total supply energy to around 90% of UK homes were signed up to the Vulnerability Commitment as of September 2023.

<sup>63</sup> Energy UK, [The Vulnerability Commitment](#) [PDF]

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## 4 Further sources of information and advice

### 4.1 GOV.UK

The government has summarised support for heating, energy and general living costs (including some of the schemes above) at:

- [Help with your energy bills](#)
- [Find energy grants for your home \(Help to Heat\)](#)
- [Benefits and financial support if you're on a low income](#)

### 4.2 Benefits checks

There are several online [benefits calculators](#) which allow people to find out, by inputting their details, what benefits they may be entitled to. Alternatively, people may be able to get a 'benefits check' by contacting a free advice agency or local welfare rights group. For further information and links see the Commons Library constituency casework page [What benefits might people claim?](#)

### 4.3 Ofgem

The energy regulator, Ofgem, sets out the rules that suppliers must follow and provides various [Energy advice for households](#). For example:

- [Are you owed money on your energy bill?](#) explains how to get credit refunded.
- [Prepayment meters consumer guidance](#) includes the rules for suppliers on involuntary installation, and advice on debt and switching suppliers.
- [Reduce your bills - schemes and grants](#) sets out sources of funding from government, energy suppliers and charities.
- [Environmental and social schemes](#) sets out funding schemes to help install insulation and heating systems.

## 4.4 Energy Saving Trust

The Energy Savings Trust offers free and impartial advice on energy. Their [Energy at home](#) website has information on efficient heating, insulation and renewable electricity generation.

## 4.5 Citizens Advice

[Citizens Advice](#) also provides advice on energy bills, meters, deals and supply issues (for example [Grants and benefits to help you pay your energy bills](#), [What your landlord can charge you for energy](#)). It is a useful source of information, often commissioning or carrying out its own research on issues.

## 4.6 Age, disability and poverty support groups

The following organisations have energy related advice (this is not an exhaustive list).

[Age UK](#) provides household energy advice on how to save money on energy, what support is available to help pay bills and how to complain.

The [Child Poverty Action Group \(CPAG\)](#) has a [Fuel Rights Handbook](#) that covers the rights of gas and electricity consumers in England, Wales and Scotland, including liability, dealing with arrears and preventing disconnection, complaints, and energy efficient schemes.

Scope provides [Disability Energy Support](#) in the form of free energy and water advice to households in England or Wales.

Mencap's [Cost of living crisis](#) website includes advice on energy costs and financial support, the Priority Services Register (PSR) and a Learning Disability Helpline.

The Royal National Institute of Blind People (RNIB) has [Energy saving advice for blind and partially sighted people](#).

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