



Department for
Business, Energy
& Industrial Strategy

RESEARCH INTO THE BEHAVIOURS AND ATTITUDES OF THE FUEL POOR IN ENGLAND

Executive Summary

November 2017

Overview

Background

This research into the behaviours of the fuel poor was commissioned to build on the existing evidence base and understanding of fuel poverty, in order to inform policies to tackle it. The results help to better understand who the fuel poor are, how their experiences might differ from those not in fuel poverty, and how this impacts on, or is impacted by, energy and heating use in their homes. The report also explores issues such as engagement with energy consumption and bills, relationships with energy providers and landlords, and where the fuel poor seek support and advice. This helps gauge levels of understanding of energy efficient initiatives and measures and highlights effective communication channels for interacting with this important population.

Methodology

This programme of research was based on a three-stage approach:

- **PHASE 1:** qualitative work to improve and validate the department's proxy measure for identifying the fuel poor when conducting research.
- **PHASE 2:** 50 in-depth interviews, gathering detailed qualitative insight into the behaviours, experience and attitudes of the fuel poor.
- **PHASE 3:** a survey of 2,531 households in areas with a high concentration of fuel poverty¹. The questionnaire enquires into energy usage behaviours, attitudes to energy use, and the significance of energy costs, comparing those that are more likely to be fuel poor with those that are less likely.

This report focusses on the findings from the Phase 3 quantitative survey, incorporating further findings and illustrative examples from the Phase 2 qualitative research.

Identification of fuel poor households

To assess whether a household is in fuel poverty requires detailed information on household income, household composition, building energy efficiency, energy type used and how it is paid for. Such detailed information can be difficult and costly to obtain. A key

aspect of this research project was to be able to identify those who were fuel poor in a pragmatic way 'on the doorstep'.

To assess the fuel poverty status of households, the department developed a fuel poverty algorithm to estimate the probability of a household being fuel poor based on the answers to a short set of questions. Based on the responses given, households in the quantitative survey were categorised as having either a *low, medium or high likelihood* of being fuel poor.

Throughout the report, comparisons are made between households that were categorised as having a *higher likelihood* of being in fuel poverty and those categorised as having a *low likelihood*. For brevity, the following terms are used to refer to each of these categories:

- **Higher likelihood households:** households categorised as having *either* a high or medium likelihood of being in fuel poverty.
- **Low likelihood households:** households categorised as having a low likelihood of being in fuel poverty.

Key findings

Heating the home

- Those that we determined to have a higher likelihood of being in fuel poverty differed in their heating behaviours and attitudes in a number of ways:
 - They had a lower prevalence of central heating (a finding corroborated by the fuel poverty National Statistics²).
 - They were less likely to have a comfortably heated home.
 - They were more likely to still be cold with the heating on, suggesting a compounding problem of the homes being lived in by fuel poor households being harder to heat. This was corroborated by a correlation between colder homes and those with heating system problems.
- There were a range of factors that determined whether households have their heating on in winter, but higher likelihood households were less likely to feel able to heat their home more if they wanted to. This suggests the choices of the fuel poor are governed more by cost not comfort, necessity not preference.
- Heating patterns and perceptions of being warm enough in winter varied across demographic groups:
 - Households with only retired people, owner-occupiers, and higher-income households were more likely to say their home was always warm enough.
 - In contrast, all-student households, private renters, low income households and younger households were more likely to say their home was not always warm enough because there was no heating on. Here under-heating may be more of an active choice.
 - Households in receipt of benefits, those who pre-pay for their energy, those with children, and those with a high likelihood of fuel poverty were more likely to say their home was not always warm even when the heating was on. This may be related to a combination of energy cost, dwelling inefficiency and in some cases, higher comfort expectations driven by the presence of children.
- Approaches to heating the home in terms of the balance between central and localised heating varied. Single room or portable heating was more likely in higher likelihood households and especially prevalent amongst the elderly.

² Available at: <https://www.gov.uk/government/collections/fuel-poverty-statistics>

- There was a difference in perception between what householders think uses most home energy and what in reality does so. Higher likelihood households were less likely to think of heating as the main user of energy (although most households correctly view heating as the biggest energy user).
- In general, there were no substantial differences in energy awareness between higher and low likelihood homes. This implies the fuel poor are not necessarily much worse at understanding energy, but their energy-related behaviour can be different – for instance their energy use is more informed by their budget (cost) than by changes in the weather (comfort).
- Circumstances such as the sophistication of a home heating system are important drivers of behaviour. The fuel poor are, for example, less likely to have “smarter” forms of heating control. Such systems might allow for careful monitoring of energy use without the additional cost of pre-payment.

Paying for energy and keeping up with bills

- Although pre-payment is not the cheapest way to pay for energy, some preferred it as it provides a greater opportunity for control and budgeting. This may present additional barriers to lowering energy costs for fuel poor households by, for example, seeking to promote direct debit tariffs.
- Households with a higher likelihood of fuel poverty were much more likely to say they were struggling with bills (not just energy bills) – this question showed one of the most significant differences (compared to those with a low likelihood of fuel poverty) across any of the questions in this study. This would suggest that not only are fuel poor homes facing generally higher energy costs, but also struggle more to meet those costs.
- Falling into fuel bill arrears was no more likely among higher likelihood households, but the ability to repay and do so in a timely manner varied significantly. Here a lack of resilience to debt may heighten the impact of the fuel poor falling into debt.
- Aversion to debt seemed prevalent among all households, although it should be noted that the research was carried out in areas with a higher than average concentration of fuel poverty and so may not be representative of the general population.

Accessing advice about energy bills or how to reduce them

- Higher likelihood households were much less likely to have switched energy supplier, and knew much less about the process of switching; indicating that engagement in the retail energy market is lower among the fuel poor. This may be linked to the fuel poor being disproportionately private renters, and renters feeling less empowered to make changes in the home.
- Owner-occupiers were much more likely than tenants to have switched energy supplier; this is particularly important since the fuel poor are disproportionately renters.
- Information about energy suppliers was more likely to come from friends and less likely to come from online sources, providing insight about the most effective ways of

reaching the fuel poor with messaging on energy. Friends and family were also the most trusted sources of advice about reducing energy bills, along with organisations like Citizen's Advice Bureau.

- There were no significant differences between sub-groups in terms of which organisations were considered to be trusted sources of advice.

Installing energy saving measures

- Higher likelihood households were less likely to be aware of what can be done to make their home more efficient. This may in part be because many were renters who saw this as their landlord's responsibility rather than their own.
- Furthermore:
 - Higher likelihood households were more likely to say they would like to make energy-saving improvements but can't afford to do so.
 - Those who said their homes were not always warm enough in winter were a lot more likely to be aware of improvements that can be made than those who said their homes were warm enough. This suggests perceiving their home to be cold is an important factor in how engaged households are in taking up energy efficiency improvements.
 - Those struggling with bills in general were the least likely to be able to make contribution towards improvements, highlighting the multiple challenges facing fuel poor households in making energy efficiency improvements even if they wanted to.
- There was a clear contrast between private and social tenants. Private tenants were more likely to have had faults repaired, but much less likely than social tenants to have had major energy-saving improvements made. This suggests private and social landlords have different priorities and constraints, and therefore potentially respond differently to energy policy incentives.
- The possibility of getting a loan would make very little difference to the likelihood of making energy-saving improvements – a grant covering all the cost would be necessary to have a real impact for most. Higher and lower likelihood households were equally likely to say a loan would make no difference.



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