

The hidden reality of fuel poverty in rural Wales: Financial support

This briefing summarises some of the main findings from a new Citizens Advice Cymru [report](#) which examines fuel poverty in Wales through a rural lens. Here we focus on the impact of fuel poverty and financial support. A second briefing is also available which examines awareness, usage and attitudes to retrofit schemes.

Approximately 340,000 households in Wales are in fuel poverty (25%)¹. This means that a quarter of the Welsh population risks needing to make impossible choices between heating and powering their homes and paying for other essentials.

Our research confirms that rural households in Wales are disproportionately affected by energy affordability issues. This is due to older housing stock, a higher cost of living, and less awareness and engagement with support services. Rural households are also less likely to be connected to the mains gas grid, making them vulnerable to price fluctuations in the alternative fuel market - as illustrated by the recent increase in domestic heating oil prices due to the latest Middle East crisis.

Impact of fuel poverty

Fuel Poverty is often interwoven with other cost of living issues. Many factors that affect energy unaffordability overlap with low incomes more generally - making it even more difficult to lead a healthy and comfortable life.

Rising energy costs are pushing more and more people into debt. In the past year, energy debt was the most prevalent type of debt issue our local Citizens Advice offices in Wales helped people with². People are also falling deeper into debt. Amongst our debt clients, the average size of energy debt has increased 113% in recent years, standing at nearly £1,600 in 2025.

Living in fuel poverty also has a negative impact on people's mental and physical health. During our research we heard how rising energy bills are increasing stress and anxiety,

¹ The Welsh Government defines fuel poverty as the need to spend over 10% of the household's income to afford maintaining a "satisfactory heating regime". For severe fuel poverty, this rises to 20%. Data tables are available [here](#) and relate to October 2024.

² Between 1 September 2025 and 31 August 2026, our offices in Wales helped 7,754 people with fuel debt, which is the most prevalent type of debt, followed by council tax arrears, water and credit card debts. The total number of people coming with debt issues in this period was almost 25,700.

and cold homes are worsening existing health conditions including arthritis and respiratory illnesses.

The impact of fuel poverty is often **more pronounced** in rural areas:

- Our survey respondents living rurally were, on average, **paying a higher percentage of their incomes on fuel**: 5.6% compared to 4.6% in urban areas³.
- **44%** of people in the open countryside said they have **high energy bills despite moderate heating use**, compared to **29%** of people in urban areas.
- **56%** of people on low incomes in rural areas **struggled with energy bills**, compared to **50%** of people in the same group in cities and towns
- **66%** of people living rurally who struggled with energy bills said it had a **negative impact on their mental health**, compared to **52%** in urban areas
- **53%** of people living rurally who struggled with energy bills said it had a **negative impact on their physical health**, compared to **37%** in urban areas.



I'm so cold to the point my hands and feet are turning purple. It's making me miserable. - Research Participant



Coping Mechanisms

Households in Wales are responding to rising energy costs through increasingly severe cutbacks. Many of the people we surveyed reported turning down or switching off heating, heating only one room, using hot water bottles and heated blankets, wearing extra layers and reducing hot water use. Others described cutting back on food and social activities. Some participants felt they had nothing left to cut back on, leaving them vulnerable to future increases in living costs.

Rural households more likely to reduce spending on essential items:

- **58%** of people living rurally who struggled with energy bills reported using less heating, compared to **46%** in urban areas
- **58%** of people living in the open countryside who struggled with bills reported cutting back on food spending - **in urban areas, this was 36%**
- **48%** of the rural population with affordability issues cut back on other essentials, compared to 33% in urban locations.

³ See main report for how these figures were calculated.

Beth's Story

Beth* lives alone in a council rented property in rural Wales. She has several long-term health conditions which affect her mobility and uses baths and hot water to relieve the pain in her legs.

Beth uses oil as a source of fuel, and occasionally heats the house by burning coal. Earlier this year, she was quoted around £1,000 for a 500 litre oil tank, up from £370 - although her monthly income only just exceeds this amount. She decided to only use coal until the price goes down, which means she might not be able to relieve the pain in her legs, as she cannot run baths without oil.

Beth does not have anything to cut back on - she doesn't socialise anymore, gave up TV subscriptions and swimming and regularly uses food banks. The sudden increase in oil prices, together with the cost of living generally, has had a grave impact on Beth's physical and mental health.

*All names have been changed

Financial Support

A number of financial support schemes are available for households in Wales who are struggling with their energy costs. This includes the Discretionary Assistance Fund Emergency Assistance Payments (DAF-EAP), fuel vouchers and the Fuel Bank Foundation (FBF) Heat Fund⁴. Crisis support schemes such as these are often vital for many households, particularly in recent years.



Without that support [DAF], I don't know what I would've done. I would've been really stuck. Possibly they would cut off my energy supply. It was really helpful. It helped me with basic essentials and topping up the gas and electric – Research participant



However, our research identified several **barriers** which prevent people from accessing these schemes. This includes:

- **Lack of awareness** - Many of the people in need of financial support are unaware of the existence of these schemes, particularly in rural areas. Only a third of people living rurally had heard about the DAF and fuel vouchers, compared to half in urban areas.

⁴ Further details about each of these schemes can be found in our main report.

- **Confusion over eligibility** - There is often confusion about who is eligible for financial support, with some people assuming that this type of support is only available to people claiming means-tested benefits.
- **Complicated application processes** - Our advisers told us that the application process for some of the schemes - such as the FBF Heat Fund - are unnecessarily complicated and intrusive. There are also concerns that some people who are in need of support - especially older people - have issues producing the required evidence or identification documents (such as Photo ID).
- **Digital exclusion** - Our research also highlighted that digitally excluded people living rurally experience the most acute barriers to accessing support schemes, with applications often requiring internet access and/or digital skills. Our advisers said they have many people coming for help with online forms and applications in person, but for people in remote locations, getting there is costly and timely,

To ensure people in need, including those living in rural areas, have access to the right financial support at the right time we have set out the following recommendations. Our full set of recommendations can be found in the main [report](#).

Recommendations:

1. The Welsh Government should protect future funding of the Discretionary Assistance Fund (DAF), and keep the value and frequency of emergency payments under review, to enable the Fund to respond to any increases in demand for emergency support as a consequence of world events.
2. We welcome a review of existing Welsh benefits including the DAF, and believe this provides an opportunity to incorporate a more preventative approach into the Fund's design through an adequately resourced integrated partner system. While some form of crisis fund will always be needed, this would help reduce people's future reliance on crisis support.
3. The Welsh Government, DAF delivery partners and the Fuel Bank Foundation should:
 - a. reintroduce the ability to make claims to the DAF by phone to improve access for digitally excluded applicants
 - b. take action to increase the awareness of financial support schemes amongst rural communities through targeted campaigns
 - c. simplify the application process for accessing the Heat Fund.

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