



Prepayment meters and fuel poverty: February 2024

Our latest research highlights how prepayment meter (PPM) users in Wales regularly go without essentials to stay connected to their energy supply.

During 2023, the number of PPM users in Wales who turned to Citizens Advice for help because they couldn't afford to top-up their PPM **increased 73%** compared to 2022.

The pressures faced by PPM users are confirmed by our new research. A third of PPM users in Wales have been **disconnected** from their energy supply in the past year because they couldn't afford to top up, with 1 in 8 (13%) of these **going without** essential energy for a week or more.¹

This leaves households unable to cook hot food, keep a home warm, stay connected to the internet, or even keep essential medical equipment going. This also has a significant impact on people's health. Of those users who have been disconnected, 72% said it had a negative impact on their mental health, and 43% said it had a negative impact on their physical health.

Whilst energy prices are expected to fall somewhat from April, they will still remain far higher than in Winter 2021/22. PPM users continue to be particularly vulnerable to the **dual challenges** of rising energy prices and other cost of living expenses. Prepaying for your energy also does not allow households to spread the cost of their energy over the year.

Our latest evidence shows:



14% of PPM users in Wales struggle to cover monthly essentials such as food, rent, mortgage payments, and other household bills.



1 in 7 of all PPM users were unable to top up their energy at **least once a month**



Two thirds (63%) of all PPM users are worried about keeping their PPM topped up until April, including **28% who are very worried**.



In 2023 we helped more than **8,000 people** in Wales access **fuel vouchers** and in January 2024 alone we have helped **1,690 people**

1. People struggling to top up are also going without other essentials:

Findings from our [National Red Index](#) tool showed that **250,000 people** in Wales **currently live on a negative budget**, with a further **436,000 only making ends meet by cutting back to unsafe levels**. Amongst PPM users, we found that **many have to cut back or go without to keep connected to their energy**:

- **33%** have **cut back spending on food** and **16%** have **skipped meals**
- **12%** have had **cold showers**
- **32%** **cut back on presents** and **celebrations** such as birthdays and **religious festivals**

2. Energy debts and fuel poverty in Wales:

The households we **help most** with energy debt advice are **single person households** and **social tenants**

- **1 in 9** (11%) people in Wales are in **debt** on their **energy bills**. Amongst our clients, the number of people we have helped with energy debt advice **increased** by **46.6%** from January 2023 to January 2024 .
- With forced PPM installations now resumed for 6 energy suppliers, **more people** are at **risk** of being **disconnected** as a result of energy debt.
- The consequences of going without heat or electricity can be **particularly dangerous for people with disabilities or long-term health conditions** yet it is this group we see the most with issues of not being able to top up their PPM. In 2023 we saw **86%** more people with a disability or long term health condition who struggled to pay their PPM than those without a disability or health condition.



Whilst the energy price cap will fall somewhat in April, wholesale prices remain volatile and some changes in the energy system are likely to put upward pressure on bills in the coming years. There is need for lasting solutions that break the cycle of winter crisis.

What we want the Welsh Government to ensure that:

- As the new demand-led element of the Warms Home Programme becomes operational from April, a **proactive awareness raising** campaign is undertaken targeting low income households most in need of support
- The programme **utilises all funding sources** to maximise benefit to eligible households, including leveraging support available under the **ECO Flex Scheme**
- Work being taken forward to develop a more coherent **'Welsh benefits'** system continues at pace over the coming year, in order that households facing continued financial pressure, debt and hardship are claiming all the support they are entitled to

Citizens Advice is now calling for the UK government to:

- Reform the Warm Home Discount to reach more people on low incomes and offer higher levels of financial support to those with the highest energy needs

If you have questions or would like more information on the content of this briefing, please contact: policy.cymru@citizensadvice.org.uk