Energy Saving Grants

FUEL POVERTY IN THE UK: THE REAL NUMBERS BEHIND THE ENERGY BILLS CRISIS

Fuel poverty has become a defining feature of the UK's cost-of-living crisis. Even though wholesale energy prices have eased from their peak, millions of households are still paying far more for gas and electricity than they did just a few years ago. Rising rents, mortgages and everyday essentials mean that energy bills are no longer just a budgeting challenge – for many people, they're a question of comfort, health and security.

When we talk about *"fuel poverty"*, we're talking about households that have to spend a very high share of their income just to keep their homes warm, safe and lit. It's not only about being on a low income; it's also about how energy efficient your home is, how much your gas and electricity cost, and whether you can afford to use as much energy as you actually need.

In this article, we break down the latest fuel poverty statistics to show who is most affected, where in the UK the problem is worst, and how official figures compare with estimates from charities and researchers. We also look at how things have changed since the energy crisis and what this means for households and decision-makers in the years ahead.

What is fuel poverty?

Fuel poverty describes a situation where a household cannot afford to heat their home to a safe, comfortable level without cutting back on other essentials. It's not just about feeling a bit cold in winter – it's about people facing impossible choices between paying for energy, food, rent, medicines and other basic needs. Fuel poverty is driven both by how much money a household has and how much energy they need to use to stay warm and well.

Across the UK, there are different official ways of measuring this. In England, the Government uses the Low Income Low Energy Efficiency (LILEE) definition: a household is in fuel poverty if it is on a low income and lives in a home with a poor energy efficiency rating (bands D–G). Scotland, Wales and Northern Ireland use their own methods, which place greater emphasis on required energy costs and the share of income spent on fuel. Alongside these official measures, charities and researchers often use a simpler "10% of income on energy" test to capture wider affordability pressures.

These differences matter because they can produce very different numbers and trends. A household that struggles badly with bills might not be counted as "fuel poor" under England's LILEE metric if their home is reasonably efficient, even if a large chunk of their income goes on energy. In Scotland, where the definition is more sensitive to price changes, the measured fuel poverty rate rose more sharply during the recent energy crisis. When comparing statistics, it's important to understand which definition is being used, what it leaves out, and whether it reflects both the extent of fuel poverty (how many households) and the depth (how severe the hardship is).

Key components of fuel poverty include:

- **Income** – how much money a household has left after housing costs
- **Energy prices** – the cost of gas and electricity, including standing charges
- **Energy efficiency** – how well insulated and efficient the home and heating system are
- **Heating and energy needs** – how much energy a household must use given its size, occupants and local climate

Understanding the definitions is the first step; the next is seeing what they mean in real life. Each nation in the UK measures fuel poverty slightly differently, so the headline rates and the stories behind them do not all look the same. In the next section, we look at the latest figures for England, Scotland, Wales and Northern Ireland, and how policies, housing and energy costs shape the picture in each nation.

Latest fuel poverty statistics by nation

Looking across the UK, the headline fuel poverty rates differ sharply – and so does how up to date the data is. England and Scotland have recent estimates that capture the impact of the energy crisis, while Wales and Northern Ireland still rely on figures from before the steepest price rises. Because each nation uses its own definition and method, the percentages below are not directly comparable, but they do show where fuel poverty is most widespread.

Fuel poverty in England

In England, the official Low Income Low Energy Efficiency (LILEE) measure estimates that 11.0% of households, around 2.73 million homes, were in fuel poverty in 2024, down slightly from 11.4% in 2023. But when you look at affordability more broadly, the picture is much tougher: 36.3% of households in England, about 8.99 million, would need to spend more than 10% of their income (after housing costs) on energy in 2024, and government modelling suggests around 9.0 million households could be classed as fuel poor on this 10% basis, almost double the level in 2021.

This helps explain why estimates from charities are higher than the official figures. National Energy Action (NEA) estimates that 4.5 million households were in fuel poverty across the UK in October 2025, using a 10% of income test, which is around two-thirds higher than the official LILEE estimate for England alone. Different definitions measure different things, highlighting different aspects of the fuel poverty problem.

Fuel poverty in Scotland

Scotland's latest official figures, from the Scottish House Condition Survey, show that around 34% of households are in fuel poverty under the Scottish definition. This represents a substantial increase compared with 2019, driven largely by higher fuel prices and the way Scotland's method directly reflects required energy costs.

Because Scotland's definition is more sensitive to changes in fuel prices, its measured fuel poverty rate rose sharply during the energy crisis. This stands in contrast to England, where the LILEE metric showed little change over 2021–2022 and only modest falls in 2023 and 2024.

Fuel poverty in Wales

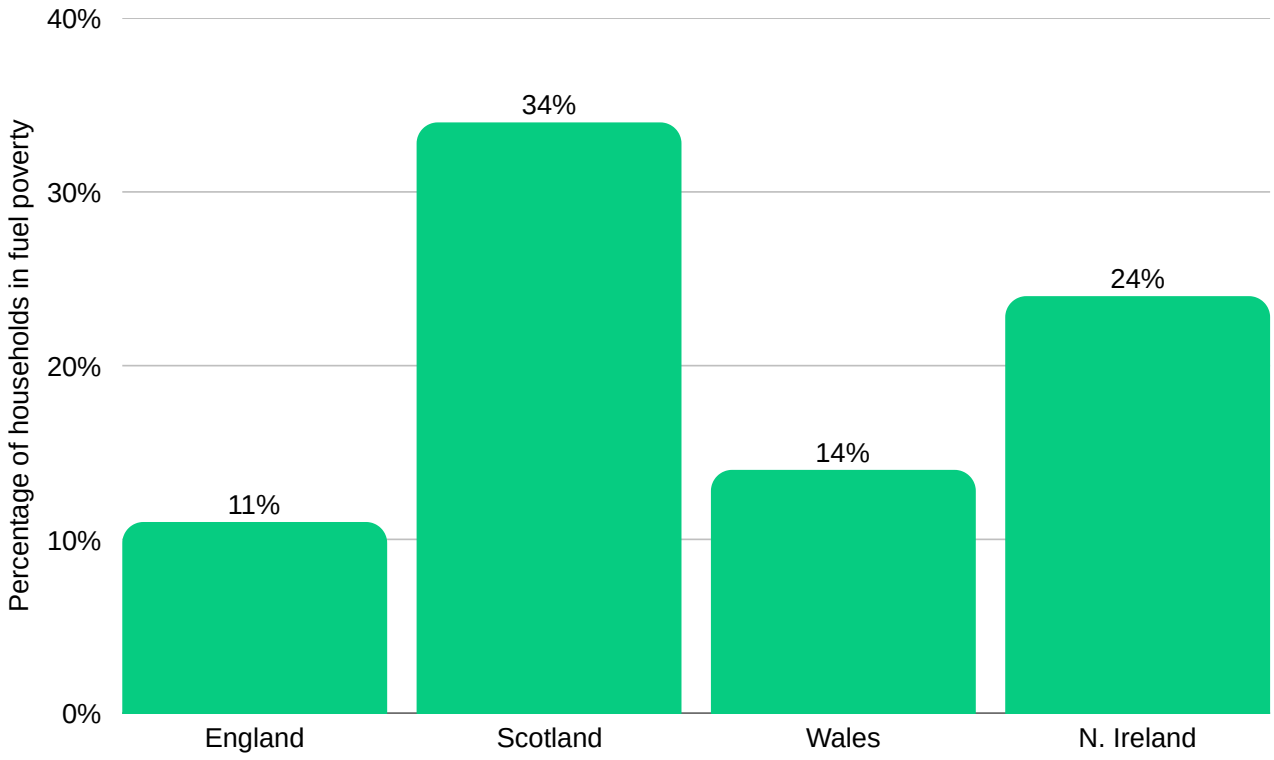
In Wales, the most recent official estimates come from modelled data as at October 2021. These suggest that around 14% of Welsh households are in fuel poverty, using a national definition that takes into account income, required energy use and energy prices at that time.

These figures pre-date the steepest energy price rises in late 2021 and 2022, so they are unlikely to reflect the full scale of current fuel poverty in Wales. Before the crisis, fuel poverty rates appeared relatively stable, but without updated post-2021 estimates, it is difficult to track exactly how conditions have changed.

Fuel poverty in Northern Ireland

Northern Ireland's latest official fuel poverty statistics are based on estimates for 2019. These show that around 24% of households were in fuel poverty, using a 10% of income threshold and a "full income" measure that includes a wide range of resources and costs.

As with Wales, these figures come from before the main energy crisis. While they indicate that fuel poverty was already higher in Northern Ireland than in the other UK nations, more recent price rises and wider cost-of-living pressures are likely to have pushed rates higher than the 2019 baseline, even though updated official data is not yet available.



Each nation uses its own official definition and methodology, so these figures are not directly comparable, but they give a high-level view of where fuel poverty is most prevalent.

Before we dive into policies and solutions, it's worth looking more closely at who is actually living with fuel poverty day to day. The national averages hide big differences between income groups, family types and the kinds of homes people live in.

Who is most affected?

In Wales, the most recent official estimates come from modelled data as at October 2021. These suggest that around 14% of Welsh households are in fuel poverty, using a national definition that takes into account income, required energy use and energy prices at that time.

These figures pre-date the steepest energy price rises in late 2021 and 2022, so they are unlikely to reflect the full scale of current fuel poverty in Wales. Before the crisis, fuel poverty rates appeared relatively stable, but without updated post-2021 estimates, it is difficult to track exactly how conditions have changed.

By income & employment

Fuel poverty is closely linked to income and work. Households on the lowest incomes are far more likely to be fuel poor than those in the middle, even when they live in similar homes. Employment makes a big difference, too.

- Households in the bottom income deciles are heavily over-represented among the fuel poor, under both official and “10% of income on energy” measures.
- Unemployed households have some of the highest fuel poverty rates, reflecting very low incomes and, often, poorer quality housing.
- The working poor on low-paid or insecure jobs, and those relying on means-tested or disability benefits, are much more likely to be in fuel poverty than higher-income households.

By household type

Some household types are much more exposed than others. Single parents, families with children and many pensioner households face higher energy needs on incomes that are often fixed or limited.

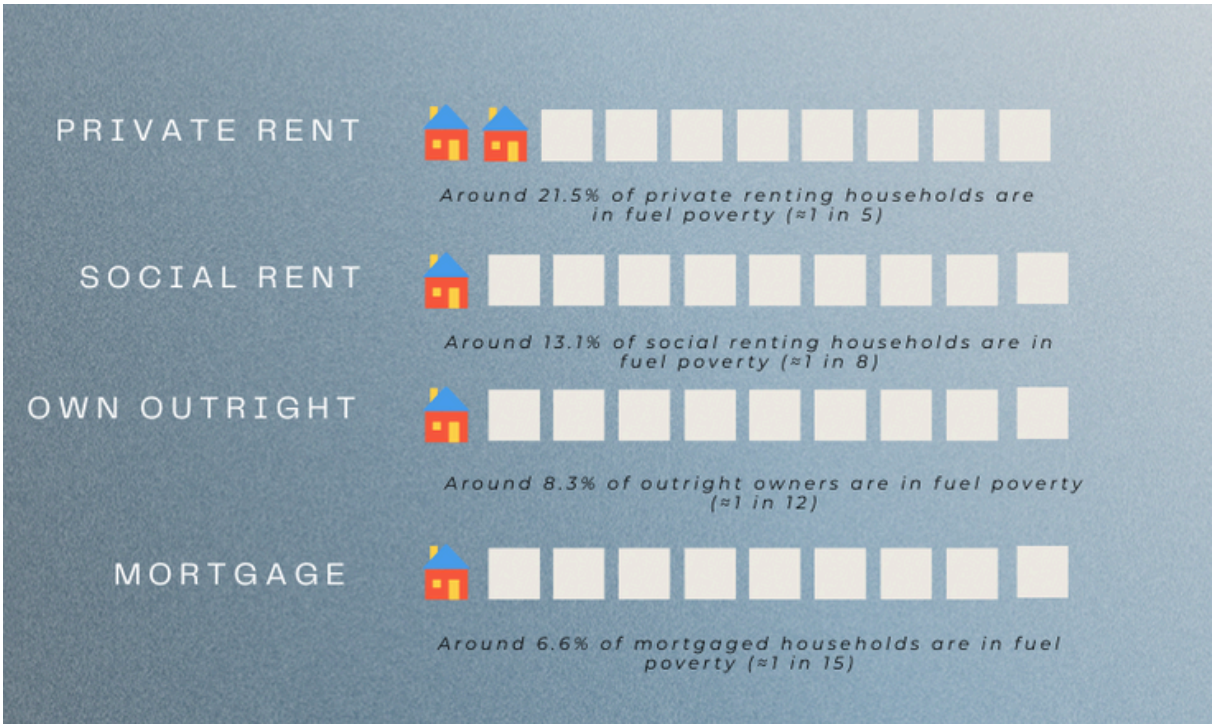
- Single-parent households have some of the highest fuel poverty rates, often juggling higher energy use for children on a single income.
- Families with dependent children are strongly over-represented; many fuel-poor households include at least one child.
- Pensioner households and lone older people are a major group in fuel poverty, with a significant share in deep fuel poverty and are more likely to self-ration heating to save money.
- Households with disabled or long-term ill members often need to use more energy, increasing their risk even at similar income levels.

By housing tenure & property type

The kind of home you live in, and who owns it, is just as important as your income. Fuel poverty is more common in poorly insulated properties, in the private rented sector and in older, harder-to-treat homes.

- Private renters have the highest fuel poverty rates, with less control over improvements and some of the least efficient housing stock.
- Social housing tenants still face a higher risk because of low incomes, but better average energy standards reduce the rate compared with what it would otherwise be.
- Owner-occupiers have lower average rates, but many low-income owners in older, inefficient or off-grid homes still face very high fuel costs.
- Older properties (especially pre-1919 solid wall homes) and converted flats or small, inefficient homes show much higher fuel poverty rates and larger gaps than newer, well-insulated homes.
- Across all tenures, households in energy performance bands D–G are far more likely to be fuel poor than those in band C or better, underlining the central role of energy efficiency.

The chart below gives a simple visual snapshot of this, comparing fuel poverty rates by housing tenure. It highlights how private renters are most likely to be in fuel poverty, while social renters and owner occupiers still face risks that depend heavily on their income and how efficient their homes are.



= households in fuel poverty = households not in fuel poverty

The data shows that fuel poverty is most likely when low incomes collide with leaky, inefficient homes and higher-than-average energy needs. It is not a niche problem but something that cuts across age, family type and tenure, with some groups carrying a much heavier burden than others.

Who is most affected?

Broadly, fuel poverty is higher in Northern Ireland, Scotland and parts of the Midlands and North of England than in much of the South and East. Rural areas and off-grid homes also see bigger fuel poverty gaps because properties tend to be older, larger and more expensive to heat.

Key takeaways:

- Northern regions and the West Midlands tend to have higher fuel poverty than southern and eastern regions, reflecting lower average incomes and less efficient housing.
- Rural and off-grid households face slightly higher rates but much larger gaps, as they often rely on more expensive fuels and live in bigger, leakier homes.
- Even in lower-rate regions, large numbers of households still struggle once you use the “10% of income on energy” measure.

Local hotspots

Using the broader “more than 10% of income on energy” test, several clear hotspots emerge across the UK:

- **Northern Ireland** – around 59% of households are estimated to spend more than 10% of their income on energy in 2025, with about 28% spending more than 20%.
- **West Midlands (England)** – roughly 51% of households are above the 10% threshold and around 22% above 20%, making it one of England’s worst-affected regions.
- **Scotland** – around 44% of households exceed the 10% line and 18% the 20% mark, consistent with its high official fuel poverty rate.
- **North East, Yorkshire and the Humber, North West & Merseyside** – each has around 44–46% of households above 10% and about 17–18% above 20%, highlighting widespread pressure across northern England.
- **Wales and the South West** – Wales sees just over 42% of households above 10%; the South West has slightly lower proportions but some of the highest average fuel poverty gaps because many homes are older, rural and harder to heat.

The University of York modelling shows clear regional patterns when we look at how much of their income households spend on energy. The table below highlights where both fuel poverty and deep fuel poverty are most concentrated.

Region	% of households of demographic spending more than 10% of income on energy 2022/23	% of households of demographic spending more than 10% of income on energy 2025	% of households of demographic spending more than 20% of income on energy 2022/23	% of households of demographic spending more than 20% of income on energy 2025
Northern Ireland	60.2	**59.3**	28.8	**27.9**
West Midlands	51.9	**51.2**	23.6	**22.3**
Scotland	47	**44.3**	18.9	**18.1**
North East	48.5	**44.5**	17.7	**17.7**
Yorkshire and the Humber	46.5	**45.4**	17.1	**17.1**
London	31.8	**31.1**	16.8	**16.8**
North West and Merseyside	47.3	**45.5**	16.7	**16.7**
East Midlands	43.5	**40.9**	15	**14.3**
South East	38.6	**36.2**	15.5	**14.1**
East of England	40.8	**39.6**	14.1	**13.9**
South West	39.6	**38.4**	13	**12.2**
Wales	42.7	**42.2**	12.1	**12.1**

Figure: Regional breakdown table sorted by the % of the area paying more than 20% of household income on energy in 2025.

Key drivers of fuel poverty

The patterns in the statistics aren't random – they reflect a handful of underlying pressures that push some households over the edge. Fuel poverty tends to appear where high energy costs collide with low incomes, inefficient homes and higher-than-average heating needs, all shaped by where people live and the kind of housing they occupy.

- **High energy prices** – Even after recent falls from the peak of the energy crisis, gas and electricity are still much more expensive than in 2020/21. Standing charges and unit rates together mean many households are paying far more just to keep usage at the same level.
- **Low household incomes** – When wages, pensions or benefits don't keep pace with prices, energy takes up a bigger share of the budget. Households at the bottom of the income distribution, those out of work or in insecure, low-paid jobs are far more likely to cross any fuel poverty threshold.
- **Poor energy efficiency** – Older boilers, thin loft insulation, draughty windows and uninsulated walls mean heat literally leaks out of the home. People in properties rated D–G on energy performance have to buy more energy to stay warm, so any price rise hurts them harder than someone in a well-insulated, modern home.
- **Housing type and tenure** – Private renters are more likely to live in inefficient or hard-to-heat homes and have limited power to improve them. Social renters benefit from higher minimum standards but often have very low incomes, while some low-income owner-occupiers are stuck in older properties they cannot afford to upgrade.
- **Health conditions and disability** – Households with disabled members or long-term health conditions often need to keep their homes warmer, use medical equipment or spend more time at home. That pushes up necessary energy use, so even "average" prices can be unaffordable on a low income.
- **Rural vs urban factors** – Rural homes are often larger, older and off the gas grid, relying on more expensive fuels like oil, LPG or direct electric heating. Combined with limited access to services and higher transport costs, this means rural households can face slightly higher fuel poverty rates but much deeper financial gaps once they fall into fuel poverty.

Impacts of fuel poverty

Fuel poverty isn't just about feeling a bit colder at home; it has serious health consequences. Living in a cold, damp property increases the risk of respiratory illnesses, cardiovascular problems and poor mental health. Children in cold homes are more likely to develop asthma and other breathing issues, while older people are particularly vulnerable to hypothermia and heart attacks. These factors contribute to excess winter deaths, many of which are considered preventable with warm, dry housing.

The financial and psychological strain is just as real. Households in fuel poverty are more likely to fall into energy debt, cut back on other essentials or juggle multiple credit commitments simply to keep the heating on. For many, it becomes a constant trade-off between "heating and eating", leading to chronic stress, anxiety and a sense of shame or failure. People may self-ration energy to avoid arrears, sitting in one heated room or avoiding using lights and appliances even when it affects their comfort and wellbeing.

There are wider social and community impacts too. Children who live in cold, overcrowded homes may find it harder to concentrate on schoolwork or sleep properly, affecting their education and long-term opportunities. Adults in fuel poverty may see their productivity fall or struggle to maintain stable employment if poor health and stress keep knocking them back. Over time, fuel poverty reinforces existing inequalities between regions, income groups and housing types, concentrating disadvantage in particular communities and making it harder to break the cycle.

Case study: A typical fuel poor household

Sarah is a single parent living in a privately rented, poorly insulated flat with two young children. Her part-time income covers rent and basics, but when energy prices rise, she starts skipping meals so she can afford to heat one room in the evenings. The flat's damp triggers her son's asthma, she builds up energy arrears over winter, and the constant worry about bills leaves her exhausted and anxious long after the cold weather has passed.

Day to day, fuel poverty shows up in cold homes, mounting debts and real strain on people's health. It's also something governments are trying to tackle, with a mix of long-term efficiency targets and shorter-term help with bills.

What is the government doing about fuel poverty?

Governments across the UK recognise that fuel poverty is closely tied to both climate policy and the wider cost-of-living crisis. In England especially, the current policy focus is on improving the energy efficiency of low-income homes, while using bill support and price protections to stop the worst hardship. The statistics you've seen earlier – on energy efficiency bands, fuel poverty rates and fuel poverty gaps – are directly shaped by these programmes.

National targets & strategies

In England, the Government's statutory target is that, as far as reasonably practicable, all fuel-poor households should reach at least energy efficiency band C by 2030, with interim milestones for band E by 2020 and band D by 2025. The fuel poverty strategy is tied closely to net zero and energy efficiency policy, with progress tracked through the Fuel Poverty Energy Efficiency Rating (FPEER) and metrics like the fuel poverty gap.

Scotland, Wales and Northern Ireland set their own fuel poverty strategies and targets. Scotland has a statutory target to reduce fuel poverty and extreme fuel poverty to specific levels by 2040, with a strong focus on remote, rural and island communities. Wales and Northern Ireland have their own strategies centred on improving home energy efficiency, supporting low-income and vulnerable households, and tackling rural and off-grid disadvantage.

Key schemes

- **Warm Home Discount** – A rebate on electricity bills for eligible low-income and vulnerable households, which also features in the official fuel poverty metrics as a form of bill support.
- **Winter Fuel Payment** – A tax-free payment to most pensioner households to help with heating costs over winter.
- **Cold Weather Payments (being replaced in some nations)** – Payments triggered when temperatures fall below a set level for several days, aimed at people on certain means-tested benefits.
- **Energy Price Cap** – A regulated cap on the unit price and standing charges for standard variable tariffs, designed to protect consumers from excessive pricing in the retail market.
- **Home Upgrade Grant & Social Housing Decarbonisation Fund (England)** – Capital programmes to improve insulation, heating systems and renewables in off-gas-grid and social homes, targeting the least efficient properties.

- **Boiler Upgrade Scheme** – Grants to help households in England and Wales switch from fossil fuel boilers to low-carbon heating systems such as heat pumps.
- **Cost of Living Payments (2022–24)** – Time-limited payments to low-income and disabled households and pensioners, which temporarily reduced fuel poverty for some but have now largely ended.

How these schemes affect the numbers

Energy efficiency programmes and bill support schemes directly shape the statistics on fuel poverty. Upgrades funded through ECO, the Home Upgrade Grant and social housing programmes have helped move more low-income households into band C or better, removing them from fuel poverty under England's LILEE definition and reducing the aggregate fuel poverty gap. Likewise, schemes like Warm Home Discount and past cost-of-living payments lower required energy costs in the short term and show up in the affordability metrics as fewer households needing to spend a very high share of their income on energy.

However, there are clear limitations and gaps. Many of the income-based supports are temporary and do not fix the underlying problem of leaky, inefficient homes or volatile wholesale gas prices. Eligibility rules mean some struggling households fall through the cracks, especially in the private rented sector and among low-income owner-occupiers who are "just above" the benefit thresholds. And while progress towards energy efficiency targets is real, millions of low-income homes still sit in bands D–G, particularly in rural areas and older housing stock, leaving a substantial group exposed whenever prices rise again.

Recent trends and outlook

In England, the official fuel poverty rate has edged down over the past decade, from around 17% of households in 2014 to about 11% in 2024. But the fuel poverty gap and affordability measures tell a harsher story: the total gap grew sharply during the energy crisis and only started to ease slightly in 2024, while the share of households needing to spend more than 10% of their income on energy has continued to rise.

The biggest shifts have come from energy price spikes and temporary policy fixes. Rapid increases in gas and electricity prices in 2021–22 pushed many households into fuel poverty or deeper into it, even after one-off bill rebates and cost of living payments. As those schemes have ended and prices remain far above 2020/21 levels, more households are feeling the full impact of high ongoing costs, despite energy efficiency upgrades helping some people on lower incomes.

Looking ahead, most analysts expect prices to stay elevated compared with the pre-crisis norm, so the outlook for fuel poverty will largely depend on what happens to wages, benefits and home energy efficiency. If incomes don't keep up and upgrades stall, fuel poverty risks staying stubbornly high, especially in already hard-hit regions. But sustained investment in warmer homes and cheaper, cleaner power could bring bills down over time and make future price shocks much less damaging.

The table below summarises how fuel poverty in England has changed over time, showing both the share of households affected and the size of the fuel poverty gap from 2014 to the latest projections for 2025.

Year	Households in fuel poverty (m)	% of households in fuel poverty	Aggregate gap (£bn, 2024 prices)	Average gap per household (£, 2024 prices)
2014	3.91	17.3%	1,412	362
2022	3.18	13.1%	1,129	355
2023	2.80	11.4%	1,192	426
2024	2.73	11.0%	1,113	407
2025	2.78	11.2%	-	370

Overall, the figure shows that while the share of households in fuel poverty has fallen since 2014, the intensity of hardship spiked during the energy crisis and is now easing only slowly, leaving millions still exposed to high energy costs.

What can households do?

Fuel poverty is driven by big structural issues like prices, incomes and housing quality, but there are still practical steps households can take to reduce bills and improve comfort. The most useful actions focus on long-term changes to how your home uses and loses energy, rather than quick fixes.

Check what grants you are eligible for
Use the Grant Checker on the Energy Saving Grants website to see which government-funded schemes you might qualify for, based on your home, income and current heating system.

Prioritise insulation first
Loft, cavity wall, internal or external wall insulation can cut heat loss more than most other measures, especially in older homes with solid walls or very little loft insulation.

Consider upgrading your heating system
If your boiler or storage heaters are old and inefficient, replacing them with a modern condensing boiler, high heat retention storage heaters or an air source heat pump can reduce running costs and improve comfort.

Deal with the coldest rooms and damp spots
Focus improvements on rooms that are always cold or damp, such as loft rooms or front rooms with bare solid walls, because these spaces often carry the highest health risks and waste the most heat.

Use your heating controls effectively
Check that thermostats, programmers and radiator valves work properly and are set sensibly so you only heat the rooms you use, at times that match your routine.

Choose efficient lighting and appliances when you replace them
When bulbs or appliances need changing, opt for energy-efficient versions, since savings on lighting, fridges and washing machines build up over time, especially in homes that already have better insulation.

Monitor your energy use and bills
Regularly reading your meter and checking your bills can help you spot sudden changes in use, possible billing errors or problems such as faulty heating controls that are quietly increasing your costs.

Get free, independent money and debt advice if needed
If you are already behind on bills or juggling debts, talking to a recognised free advice charity can help you prioritise essentials, understand your rights and reduce stress.

Raise issues with your landlord if you rent
If your rented home is cold, damp or has obvious problems like no insulation or broken heating, put your concerns in writing and refer to health and safety expectations for homes that are fit to live in.

Plan improvements in stages if money is tight
If you cannot do everything at once, start with lower-cost, high-impact steps such as draught proofing and basic insulation, then build towards larger upgrades as support, savings or grant funding allow.

These steps will not solve the wider fuel poverty crisis on their own, but they can make individual homes warmer, safer and cheaper to run. The most important thing is to explore any grants you might be eligible for and to focus on improvements that permanently reduce how much energy your home needs in the first place.

In summary

Fuel poverty affects millions of people in the UK, especially those on low incomes, in older or poorly insulated homes, and in the private rented sector. It matters because it leads to cold homes, worse health and extra money worries for already stretched households. While some help and schemes are available, many people are still struggling, so the most important next step is to check what support you could get and start making your home easier and cheaper to heat.

How Energy Saving Grants can help you

If you are not sure where to start or which improvements make the most sense for your home, Energy Saving Grants can help you make sense of the options. Our free Grant Checker lets you enter a few details about your property and circumstances to quickly see which government-funded schemes you may be eligible for, saving you time and avoiding guesswork.

Once you know what you might qualify for, our team can guide you through the next steps, from survey to installation, so you are not trying to navigate the process on your own. To get started, input your details into the Grant Checker on our website for instant eligibility guidance, or contact us directly if you would like more tailored support.