



Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

25th October 2023

Dear Chancellor,

We write to you as organisations at the frontline of supporting and representing customers struggling with their energy bills. With Ofgem's announcement that energy debt has reached a record level of £2.6 billion, we **urge you to introduce a temporary 'Help to Repay' scheme for people struggling with energy debt at the Autumn Statement**, alongside progressing longer-term work on a social tariff.

Government support on energy bills has been welcome. However, for many low-income and disabled households it has not been enough to keep them out of debt. New research by National Debtline finds that ongoing high prices and severely stretched budgets mean **one in four people in energy debt (24%) cannot afford to repay**.ⁱ

Many people are facing significant difficulties resolving their situation, with a fifth (21%) of people in energy arrears having been **threatened with enforcement action by their supplier** even though they had told them they were struggling to pay. One in four (24%) say they are **regularly losing sleep worrying about their energy debt**.

Ofgem's proposal to increase the debt-related costs allowance within the price cap will push up bills even further. It will not bring down overall debt levels, and does nothing to help struggling households.

We urgently need you to act to provide direct support to families who are struggling to repay energy arrears. As we have previously raised with the Department for Energy Security and Net Zero, a **government-funded, temporary 'Help to Repay' scheme would offer a lifeline** by providing eligible households with help to reduce what they owe through debt relief and repayment matching - for example, by matching each pound repaid with an equivalent amount of debt relief.

Such a scheme would attract **strong public support**:

- **Almost three quarters of UK adults (73%) think people who have fallen into energy debt due to high prices should be given help to reduce what they owe.**ⁱⁱ

- Ofgem consumer research showed strong support for writing off energy debt, funded by taxation rather than higher consumer bills – with this being **raised spontaneously by consumers in focus groups**.ⁱⁱⁱ

By focusing on bringing arrears down, the scheme would provide highly targeted support to financially vulnerable households in a way that contributes to reduced bills for all customers, and could be delivered using existing infrastructure. Similar repayment schemes in the water sector have found **90% of people go on to maintain regular bill payments**.^{iv}

The costs of such a scheme could be flexible, depending on the targeting of support, and the scheme could be piloted this winter ahead of a full roll-out next year. Funding would not need to cover all of the debt in the market, as not all will be held by people struggling to repay.

We enclose a copy our Autumn Statement submission and would welcome the opportunity to discuss this further with your officials. The best contact for them is Grace Brownfield on grace.brownfield@moneyadvicetrust.org.

Alongside immediate support for people in arrears, action is also needed to tackle the root cause of energy debt and we urge the Government to move forward with consultation on a proposed energy social tariff as soon as possible.

We look forward to hearing from you.

Yours sincerely,

National Debtline

National Energy Action

End Fuel Poverty Coalition

Scope

StepChange Debt Charity

Energy Action Scotland

Fair By Design

Debt Justice

Christians Against Poverty

Groundwork

Independent Age

**University of Bristol Personal Finance
Research Centre**

Community Money Advice

Enclosed: Autumn Statement submission on a Help to Repay scheme

Copied: Amanda Solloway MP, Minister for Energy Consumers and Affordability

ⁱ National Debtline commissioned nationally-representative research from Opinium, based on a sample of 2,000 UK adults. Fieldwork was conducted 17-20 October 2023. Unless otherwise stated, statistics are taken from this research. 24% of people in energy arrears said they were currently unable to afford to make payments towards their energy debt.

ⁱⁱ Research of 2,000 UK adults, weighted to be nationally representative, conducted by Opinium on behalf of the Money Advice Trust, 25th – 28th April 2023.

ⁱⁱⁱ Ofgem - Consumer attitudes to involuntary prepayment meter installation rule changes, April 2023

^{iv} Money and Pensions Service, [Working collaboratively with debt advice agencies: A strategic toolkit for creditors](#).