

Tackling the cost of living crisis for older people: What the Government must do

July 2023



What we want to see

We need urgent action so the essentials are affordable for older people, and to make sure they can weather the storm of another difficult winter.

Age UK is calling on the Government to:

- Urgently introduce a discount energy deal, or social tariff, by April 2024 at the latest, for disabled people, unpaid carers and those on lower incomes.
- This must be Government funded and provide support to those in or at risk of fuel poverty and not just those on means tested benefits to prevent people struggling missing out twice.
- Expand the eligibility criteria for the Government's cost of living payments so that older people on Housing Benefit and receiving Council Tax Reduction receive them too.
- Provide more funding and easier access to the Household Support Fund.
- Be prepared to deliver wider support payments such as an improved Energy Bills Support Scheme and a more generous Energy Price Guarantee to ensure those struggling financially but still missing out on welfare benefits are adequately supported this winter.



Spent savings

The astronomical energy costs of last winter and the ongoing cost of living crisis have devastated older people's finances – leaving them in a perilous state heading into another difficult autumn and winter. Almost half of those who answered the survey told us that they have already spent a significant amount of their savings.

For many their pension simply hasn't been enough to cover everyday essentials such as energy and

food bills and they've had to dip into their savings. For others, health conditions or disability forced them to keep the heating on over the winter, despite the terrifying financial impact.

Now, older people tell us they are struggling with nothing left to cut back on and their savings are dwindling away. The result is that many are scared about affording any unexpected costs. And they are dreading this coming winter.

"I have to cut down on so many things including food shopping and electricity; I have a gas prepayment meter. No Christmas presents for family members including my grandchildren. It will not be a good winter at all."
Anonymous, 72

"I've worked very hard through my life in the haulage... only retiring at 70 to save a little to support my pension, only to have it snatched away prematurely. I'm worried that if I live much longer, I will go into debt. Is there any way for us older ones to finish the later part of our lives when I worked from 15 to over 70?"
Paul, 73

"My wife and I are in our 80s and have a choice to either heat or eat. We cannot afford anything else."
Christine, 80

Debt

Those who have been getting by on a tight budget for many years are finding it will not stretch any further. As bills and prices continue to rise across the board, many older people who abhor the idea of going into debt are finding that's no longer avoidable.

A worrying number of older people have told us that they've had to turn to credit cards to make ends meet. With many on a fixed income, it is more difficult to pay off these debts and the interest rates can quickly spiral. Many simply can't see a way out.

"Being disabled and unable to work, I've used my savings. That's all gone. I've had to use credit cards to pay for things ... which added to my problems."
Anonymous

"We have used all our savings and had to take a loan out to pay our debt"
Anonymous

"I'm having to use a credit card to top up my gas and electric getting into debt I really can't afford"
Laura

"My energy bill has doubled, and I am now in debt as well having to cut back on food. At 77 years old I feel the cold but am afraid to turn the heating on. Life at the moment is hard"
Angela

"I am £1,500 in debt with my energy bills, and I cannot see a way out of it. My arthritis and polymyalgia are getting worse, plus mental health has deteriorated as I am worried constantly how I'm going to pay my bills. We have reached the point where we don't have enough money left for food."
Jean, 63

"I'm juggling with all my outgoings and high energy bills are exacerbating this. My credit card is maxed out every month so in effect I'm very much in debt and incurring interest charges because of it."
Christine, 71

"Energy debt is getting bigger and bigger despite trying to cut back on usage as much as possible."
Anonymous

**1 in 5
(3.4 million)**

people aged 50 to 69 and

1 in 12

of over 70s in Great Britain have had to borrow more money or use more credit than usual in the last month, compared to a year ago ¹

**1.3m of
those over 50**

in Great Britain had had a direct debit, standing order, or bill they have not been able to pay in the past month ¹

No retirement

With depleted or spent savings, debt and other problems, many told us they have been forced to go back to work or delay their retirement, despite reaching state pension age. It is shocking that people who have worked hard and saved to enjoy their later life now feel robbed of their retirement.

For those with caring responsibilities or health concerns, it's even harder. But people still feel they have no choice.

No one in their 70s or 80s should be forced to go back to work because their pension isn't enough to cover the essentials.

"Every month, it seems my energy bill is going up. I am having to give up a voluntary role that I love, to return to part time paid employment. I may find that I have to increase my hours, but as I have long term health issues, I don't think I would be able to do this."

Anonymous

"Both my husband, who is now 75, and me at 71 are having to work. We cannot afford to retire."

Anonymous

"I am 81 I have started doing odd jobs to help. It makes it harder as my wife is wheelchair bound"

Ken

"It's a constant worry. My husband has had a stroke, has diabetes, heart failure and lung fibrosis so he needs to keep warm. I'm 73 and need to work 3 days a week to survive."

June, 73

"I have ... had to go back to part time work to be able to afford food."

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Paying rent or a mortgage

These problems are even worse for those who are renting, especially privately, or paying a mortgage. We heard from older people doing all they can to cover their increasing rent while dealing with other growing costs. 6.8% of households with an older person (aged 60+) living in are privately rented⁴. People are terrified of being evicted, going without heat or having to come out of retirement to look for work.

The current system is placing private renters in an incredibly precarious position, and the state pension is not keeping pace with soaring rental costs. More urgently needs to be done to support the growing number of older renters, most of whom have only a meagre retirement income to live on, so they are in



Conclusions and recommendations

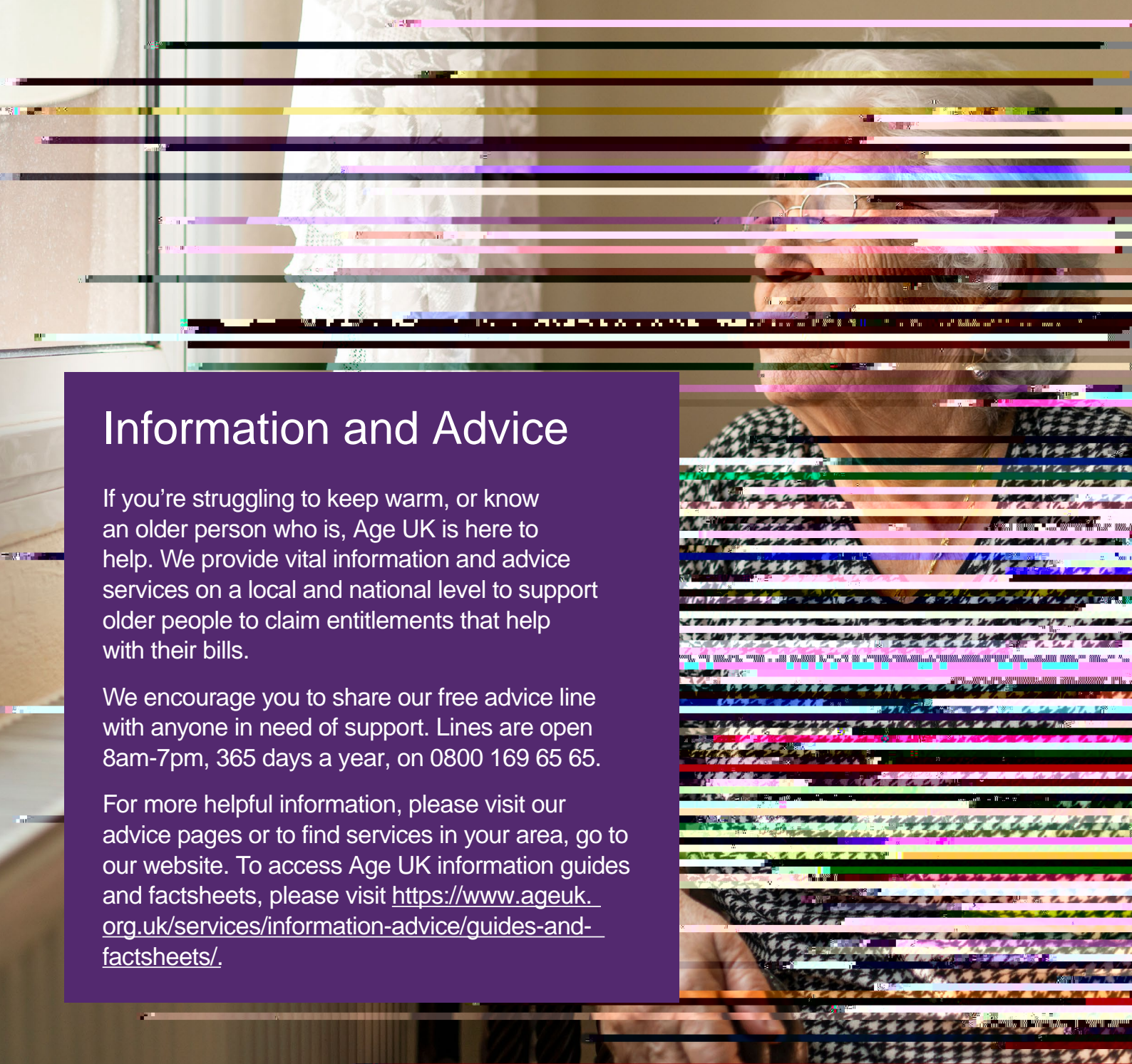
Over a million older households are staring down the barrel of another long, difficult year. Too many living on low and even modest incomes are being pushed into debt and being denied their retirements. And many who have retired are facing difficult financial situations with dwindling savings, leaving them little if anything to fund a comfortable standard of living later on. It's not the way any of us would want our loved one or ourselves to live our later life.

At Age UK we often hear from older people who are struggling financially but whose income is just too high to qualify them for extra cost of living payments. In addition, we know that millions are not claiming the Pension Credit which would raise their incomes and also entitle them to these invaluable extra payments. Meanwhile, many disabled or chronically sick people have higher energy and other costs which put their finances under more strain than others with similar income.

If the Government does not provide urgent financial support to help all these people, we have no doubt that many will face incredible hardship in the months to come, which should be unacceptable in twenty first century Britain.

What's more, this is not just a short-term winter issue; the energy bill crisis has not been solved. We need a permanent solution, one that gives everyone struggling to pay their energy bills the reassurance that they will never face a 'heat or eat' dilemma again.

A Government funded energy social tariff that supports not just those on means tested benefits but everyone in or at risk of fuel poverty would make a huge difference to those missing out on financial support at the moment. This discounted energy deal would provide relief to older people, like those in this report, and stop many being forced back to work or pushed into debt. **too high to quali no doubt oulunins**



Information and Advice

If you're struggling to keep warm, or know an older person who is, Age UK is here to help. We provide vital information and advice services on a local and national level to support older people to claim entitlements that help with their bills.

We encourage you to share our free advice line with anyone in need of support. Lines are open 8am-7pm, 365 days a year, on 0800 169 65 65.

For more helpful information, please visit our advice pages or to find services in your area, go to our website. To access Age UK information guides and factsheets, please visit <https://www.ageuk.org.uk/services/information-advice/guides-and-factsheets/>.

References

Office for National Statistics. 2nd June 2023.

About Age UK

Age UK is the country's largest charity dedicated to helping everyone make the most of later life. Our vision is to make the UK a great place to grow older. Our ambition is that all 11.8 million older people across the UK can:

- Have enough money to live without the fear of poverty in later life
- Enjoy life and feel well
- Receive high quality health and care
- Be comfortable and secure at home
- Feel valued and able to participate

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Contact us

For more information, or to meet with us, please contact our External Affairs team:

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