

# The Cost of Keeping Warm:

## Lived Experience of Energy and Vulnerability in Scotland Pilot

Research from Citizens Advice Scotland

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# Contents

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|  |           |
|--|-----------|
| <b>Executive summary</b>                                       | <b>3</b>  |
| Key Findings   | 3         |
| Policy recommendations   | 4         |
| <b>Background</b>  | <b>5</b>  |
| Socioeconomic context  | 5         |
| Project aims   | 6         |
| <b>Methodology</b>   | <b>7</b>  |
| <b>Defining and identifying fuel poverty and vulnerability</b> | <b>9</b>  |
| Fuel Poverty   | 9         |
| Vulnerability  | 12        |
| Demographics   | 13        |
| Income and affordability                                       | 15        |
| Heat or eat? It's neither                                      | 15        |
| Government support   | 17        |
| <b>Urban and rural</b>   | <b>19</b> |
| 1. Higher cost of living                                       | 20        |
| 2. Gas grid  | 20        |
| 3. Accessibility of services                                   | 21        |
| <b>Housing and energy efficiency</b>                           | <b>24</b> |
| 1. Building type and poor housing quality                      | 24        |
| 2. Retrofit responsibility and landlord behaviour              | 25        |
| 3. Affordability of energy efficiency measures                 | 25        |
| Housing-specific drivers of fuel poverty                       | 27        |
| Prepayment meters  | 28        |
| <b>Just Transition to Net Zero</b>                             | <b>32</b> |
| Barriers to net zero   | 32        |
| Impact on fuel poverty   | 33        |
| Energy scams   | 33        |
| Inadequacy of current measures                                 | 34        |
| <b>Conclusion and policy recommendations</b>                   | <b>35</b> |
| <b>Appendix A – Pilot Data</b>                                 | <b>38</b> |
| <b>Appendix B – Advice Code Data</b>                           | <b>39</b> |

# Executive summary

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Citizens Advice Scotland (CAS) was provided with funding from SGN to provide policy insight and expertise on vulnerability, in the context of fuel poverty and the just transition to net zero, and advocate for consumers in Scotland.

This research and policy analysis of Citizens Advice Bureau (CAB) client's lived experiences of fuel poverty aims to provide necessary and sought after evidence of consumer detriment and factors that drive fuel poverty and cause or exacerbate vulnerability in Scotland.

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## Key Findings

- > The dual cost of living and energy crises have pushed increasing numbers of people into poverty, and for many, the decision to choose between heating or eating has been taken out of their hands; they can't afford either.
- > Fuel poverty cannot be effectively addressed in isolation from other aspects and drivers of vulnerability. To understand fuel poverty, it's imperative to take a dynamic, holistic view that recognises multiple drivers of the fuel poverty condition.
- > The installation of low-carbon technology is not a priority for those focused on immediate financial support in the face of the energy crisis and this extends to wider views on the transition to net zero.
- > Advisers agreed upon eight drivers of fuel poverty in Scotland: vulnerability, housing, supplier challenges, energy set-up, financial support, regulation, move to net zero, and affordability.
- > Lack of supplier customer support is a primary hurdle to financial relief and drives fuel poverty.
- > Vulnerability encapsulates temporary or permanent circumstances that have the potential to inhibit a person's right to represent or protect their own interests in a way that could lead to detriment or increase a person's chances of experiencing detriment.
- > 'Fabric-first' approaches to eradicating fuel poverty (improving a home's energy efficiency) do not adequately meet the needs of low-income, fuel poor consumers, wherever this does not address broader, intersecting issues relating to an individual's ability to heat their home.
- > Rural consumers in Scotland pay a 'rural premium', are more exposed to fuel poverty and more susceptible to falling into a vulnerable situation, particularly in the Highlands & Islands.
- > The variance in Scotland's housing stock and complexity of need requires an individualised, holistic approach when assessing energy efficiency upgrades; a 'one size fits all' approach can lead to further detriment.
- > Many of the same issues behind the lack of infrastructure in place needed to aid a smooth and effective just transition to net zero, such as adequate housing, are also the main drivers of fuel poverty.

# Introduction

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## Policy recommendations

- > The introduction of a social tariff in the UK energy market
- > Reinstatement of the Home Heating Support Fund or similar alternative
- > A mass debt write-off scheme for people experiencing inescapable energy debt
- > Move to net zero to prioritise the reduction of harm on fuel poor households
- > Strengthen effective regulation of the energy market through enforcing tighter controls of energy suppliers
- > Close scrutiny of companies advertising green measures in the retrofitting market
- > A targeted funding approach for Scotland that is calculated using fuel poverty levels



# Background

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## Socioeconomic context

At the tail end of 2021 and in the wake of Covid-19, global wholesale energy prices soared. Domestic energy bills reached record levels following Russia's invasion of Ukraine in early 2022 and the decision to suspend gas deliveries to certain areas of Europe. The enduring energy crisis, coupled with the ongoing cost-of-living crisis and economic aftershock of the Covid-19 pandemic, has had a devastating detrimental impact on individual households.

In 2022, 31% of Scotland was estimated to be in fuel poverty, of which 18.5% were in extreme fuel poverty; higher than the estimation in 2019 that 24.6% of Scottish households were fuel poor, with 12.4% in extreme fuel poverty. The median fuel poverty gap for fuel poor households in 2022 of £1,240 is 65% higher than the 2019 gap of £750. Fuel poverty rates for rural (35%) households was higher than the fuel poverty rate for urban (30%) households. Additionally, the rate of fuel poverty for remote rural households (47%) is higher than for all other areas.<sup>1</sup>

In December 2022, for the first time on record, gas and electricity advice overtook Universal Credit as the single largest type of advice given by the Citizens Advice network in Scotland. In 2023/24, Citizens Advice Bureaux (CABs) provided 101,070 pieces of energy advice. Demand for fuel advice and fuel debt advice continues to be a major concern for the network, evidencing the harsh reality of the dual energy and cost of living crises and the exacerbation of vulnerability in Scotland.

In 2023/24, the average amount of energy-related debt that was brought to Scotland's CAB network was around £2,300. The figure is significantly higher in remote and rural areas, where the average was £3,047. Comparatively, Citizens Advice England and Wales<sup>2</sup> reported the average energy debt owed by clients was £1,835 by the end of 2023; the energy debt for a rural household in Scotland is just less than double the average across England and Wales. In England alone, there were an estimated 13% of households in fuel poverty in 2023, as according to the Low Income Low Energy Efficiency metric<sup>3</sup>. The total amount of debt in the UK energy market currently stands at £3.1 billion. The cost of living remains high, and the ensuing legacy of debt becomes more pertinent.

The Scottish Government has targets to eradicate fuel poverty by ensuring no more than 5% of Scottish households are in fuel poverty, and no more than 1% in extreme fuel poverty, by 2040.<sup>4</sup> In England, the government target is for all fuel poor households to reach an EPC rating of C by 2030.

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<sup>1</sup> [Scottish Household Condition Survey](#), 2022.

<sup>2</sup> Citizens Advice England & Wales, [Shock Proof: breaking the cycle of energy crises](#), January 2024

<sup>3</sup> Department for Energy Security and Net Zero, [Annual Fuel Poverty Statistics in England](#), 2024

<sup>4</sup> Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019

# Background

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## Project aims

The project is funded by SGN through the Vulnerability and Carbon Monoxide Allowance (VCMA) apportioned to Scotland based on consumer base which supports the Safe and Warm and outreach programmes providing direct support to fuel poor households across Scotland. This report supports with locating the greatest need, building an understanding of the challenges of keeping warm, and helping organisations support consumers and address fuel poverty.

- > Support SGN with highlighting the gap in understanding the experience of consumer vulnerability with Ofgem and other stakeholders.
- > Set out how the policy context in Scotland is distinct to the rest of the UK and therefore requires specific insight and expertise.
- > Offer further policy insight into the lived experience of energy consumers in Scotland.



# Methodology

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The Citizens Advice network in Scotland gathers demographic data on those who contact their local Citizens Advice Bureau (CAB) for support as well as information on the types of issues on which people seek advice.

The research consisted of both quantitative and qualitative data gathering using information logged by CAB advisers in our case-recording system where cases are categorised by ‘advice code’; additional data gathered for the purposes of this research through the formation of a CAB adviser focus group; interviews with four CAB clients through the launch of the Lived Experience of Vulnerability pilot. We have called these clients Kate, Patrick, Laila and Eilidh (not their real names). Their stories reflect experiences unique to their individual situations, however, these experiences are not isolated and speak to common themes and trends across society. The Citizens Advice network report incidents and stories of social policy significance through the Social Policy Feedback (SPF) system. Alongside our quantitative data, CAS routinely collate the thousands of client stories and examine patterns of consumer detriment, offering unique insight and constituting valuable background desktop research. The numerous SPF cases studied highlight the same thematic areas of detriment experienced across Scotland and are explored in more acute detail in the client cases of Kate, Patrick, Laila and Eilidh.

The focus group consisted of eight participants based in Citizens Advice Bureaux across Scotland: Renfrewshire, Dumfries and Galloway, Stirling, Grangemouth, Argyll and Bute, and Glasgow Easterhouse. The four clients interviewed as part of the pilot are from Stirling, Airdrie, and Hamilton.

Information gathered on fuel-related advice is recorded under ‘regulated fuels’ or ‘non-regulated fuels’ in CASTLE. The regulated fuels advice code encompasses both gas and electricity and cannot be disaggregated, except in relation to energy debt, as this is recorded separately.

The scope of the research was broken down into three components:

## 1. The Scottish Landscape

We carried out desk-based research and analysis of the landscape in Scotland compared to the rest of the UK and how variances lead to specific implications for consumers in Scotland that may cause and exacerbate vulnerability. We gathered data on client demographics, circumstances contextualising fuel poverty, geographical and social variations in urban and rural areas.

## 2. The launch of a Lived Experience of Vulnerability pilot

We gathered evidence of the lived experience of fuel poverty and vulnerability in Scotland through the launch of a pilot, conducting interviews with CAB energy clients. This helped us develop an understanding of the barriers people face when accessing financial support and energy efficiency measures.

## 3. Exploration of client experiences and understanding of the pathway to net zero

We analysed the impact of available energy efficiency measures on low income households and clients in vulnerable circumstances in Scotland. We then assessed the impact of net zero measures on consumers in vulnerable circumstances and the risk of any delay in administering mitigations through the transition to net zero.

# Methodology

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## Focus Areas

The research report has been divided into five categories:

- > Defining and identifying fuel poverty and vulnerability
- > Income and affordability
- > Urban and rural
- > Housing and energy efficiency
- > Just transition to net zero.





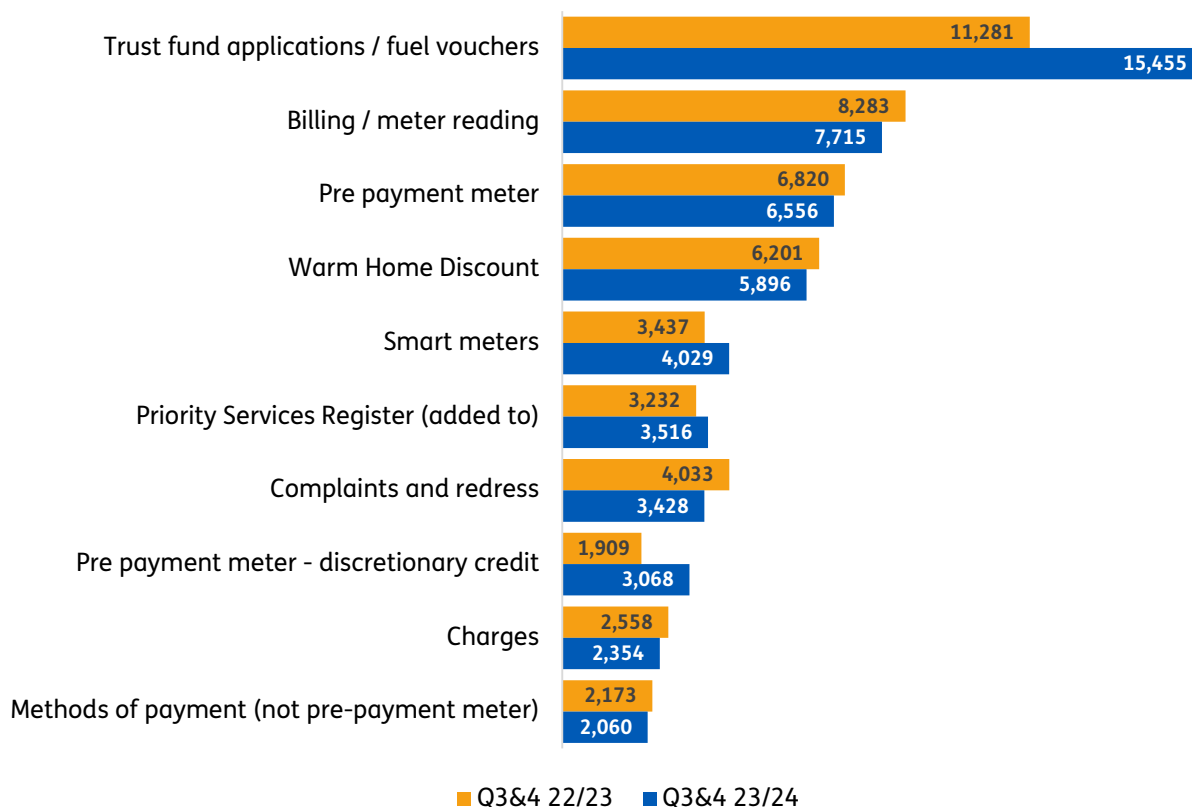
# Defining and identifying fuel poverty and vulnerability

## Fuel Poverty

Fuel poverty, as set out in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019, exists when fuel costs necessary to heat a home are more than 10% (20% for extreme fuel poverty) of the household's adjusted net income after housing costs; and where the remaining net income after deducting fuel costs, social security received for a care need or disability and childcare costs, is insufficient to maintain an acceptable standard living (at least 90% of the Minimum Income Standard, with an additional amount added for households in remote rural, remote small town and island areas). Fuel poverty is measured and defined differently across the UK due to variances in metrics and legislative interpretation across the four nations.<sup>5</sup>

In Q3&4 2023/24, the CAB network gave 62,583 pieces of advice on regulated fuel, and 5,462 pieces of advice on fuel debts. Fuel advice areas of notable increase on the previous year include pre-payment meter discretionary credit (a 55% increase), fuel vouchers (32%) and smart meters (13%).

Top 10 Regulated Fuel Advice Areas



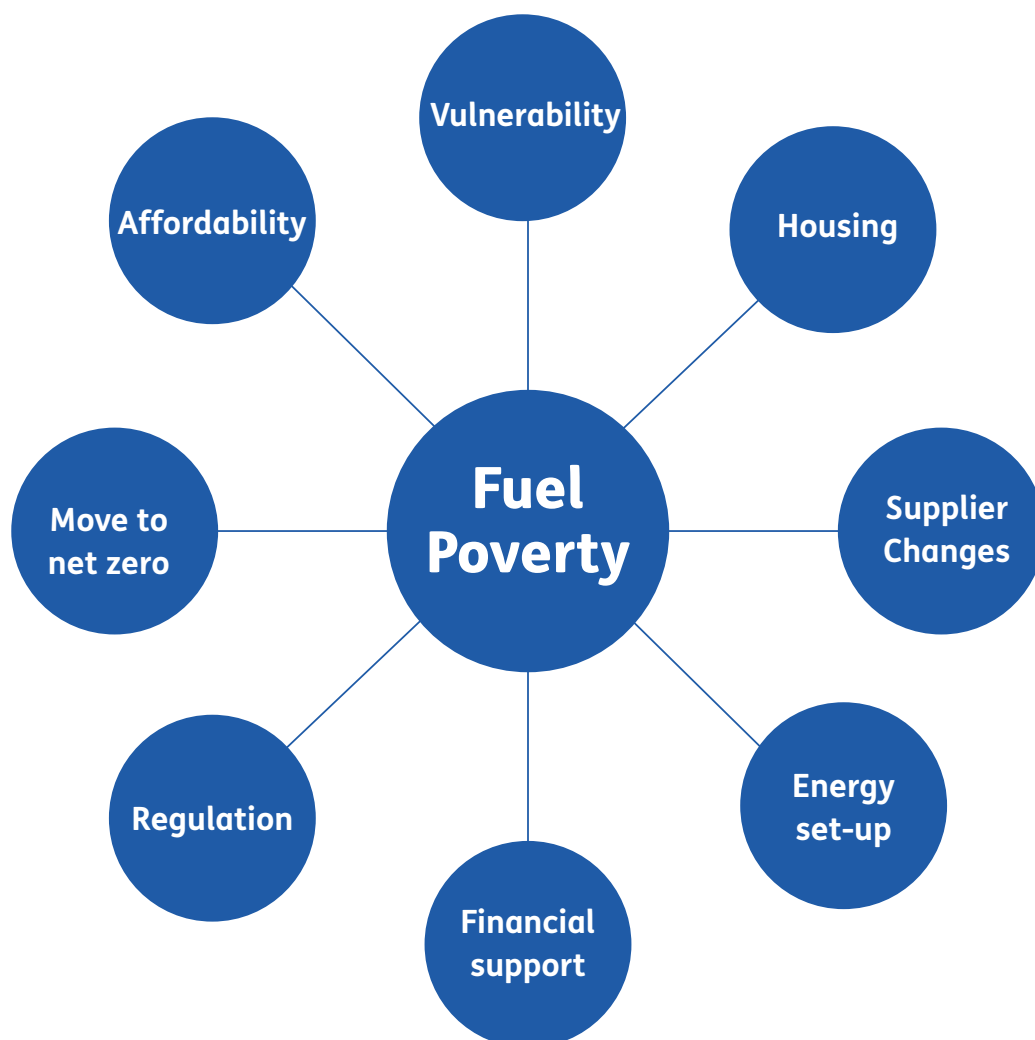
<sup>5</sup> [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#), section 3.

## Defining and identifying fuel poverty and vulnerability

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Advice code data for Q3&4 23/24 finds trust fund applications / fuel vouchers is the most common area of advice with a significant increase in demand on the previous year, reflecting a 32% increase as a proportion of all regulated fuels advice.

Over the course of the focus group sessions, advisers were asked to reflect on their understanding of the drivers of fuel poverty. One adviser articulated this through a graphic, and in the final focus group session, we revisited this as a group and co-produced a final summary of the drivers of fuel poverty, as reflected below:



## Defining and identifying fuel poverty and vulnerability

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The drivers listed here reflect and build upon the succinctly framed drivers of fuel poverty accepted by Scottish Government: poor energy efficiency of the home, high energy costs, low household income, and how energy is used in the home. The insertion of additional drivers aimed to draw out and highlight the key elements of certain issues and provide a foundation to adviser's positioning on the fuel poverty condition.

When discussing the drivers behind fuel poverty, advisers viewed fuel poverty as a circumstantial state or condition, and one that is a logical consequence of the combination of multiple drivers. This allows for a more accurate understanding of fuel poverty that reflects the reality and lived experience of this condition.

“Fuel poverty is a holistic issue impacting people’s mental, physical, and financial health... It’s despicable that 21st century Britain could have that happening.” [CAB adviser]

Advisers reflected on the dynamic nature of fuel poverty where multiple factors intersect with and worsen consumer experiences, with one of those factors being a ‘broken energy market’:

”The broken energy market has increased fuel poverty. Suppliers seem to work in chaos; the customer is not considered above revenue or profit.” [CAB adviser]

Advisers repeatedly highlighted the excessive detriment caused by supplier customer service issues and argued that it is of such high significance and consequence that they consider it to be one of the drivers of fuel poverty.

“Poor supplier practice results in vulnerability for all.” [CAB adviser]

“The treatment of people who are struggling is the most upsetting and most common theme that I have with my clients.” [CAB adviser]

One client considered this a starting point and priority within a discussion around desired support from the state.

”For a start it should be easier to contact energy companies, you can’t get through to some of them. You’ll be waiting in a queue then cut off... Feels like a waste of time and money phoning.” [Eilidh]

# Defining and identifying fuel poverty and vulnerability

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## Vulnerability

When examining the concept of vulnerability and the determinants of what makes a person vulnerable, we can look to a myriad of definitions and parameters in existing academic literature and public body positions. Depending on the angle taken or the sector operated in, an understanding of vulnerability can vary drastically from one catch-all term to an understanding that labels specific persons of a certain demographic or circumstance and excludes others.

In the same way that it's important policymakers have a clear conception of fuel poverty, it's important to have a clear and concise understanding of what constitutes vulnerability as policy choices depend upon this. Advisers co-produced a working understanding of vulnerability: Vulnerability encapsulates temporary or permanent circumstances that have the potential to inhibit a person's right to represent or protect their own interests in a way that could lead to detriment or increase a person's chances of experiencing detriment.

Advisers discussed vulnerability as a state created by circumstances that people find themselves in and which may often be transient. They concluded that vulnerability ought to be understood in terms of circumstances, as opposed to solely limited to any individual attribute.

"Vulnerability is something that is shifting and dynamic - anyone who cannot afford to top up their meter and is off supply is vulnerable at that moment." [CAB adviser]

Such circumstances, or consequences of external factors, may include the sudden loss of or low income, inhibited access to local community support due to living in a rural or remote area, or choosing to self-disconnect heating due to high energy bills. Accordingly, this understanding widens the scope beyond a basic or prescribed understanding of vulnerability based on eligibility to social security alone. Rather, it reflects a spectrum of vulnerable situations.

As recognised in Ofgem's consumer vulnerability strategy 2025, 'vulnerability can affect anyone at any time and for many different reasons. It may be permanent or long-term, but equally it can be transitory following a bereavement or relationship breakdown'. Good practice in defining vulnerability also exists in other spheres, for example, FCA (Financial Conduct Authority) guidance states that 'vulnerability is a spectrum of risk. All consumers are at risk of becoming vulnerable, but this risk is increased by having characteristics of vulnerability.'<sup>5</sup>

Recognising this broad understanding of vulnerability and understanding that any person can find themselves in a vulnerable circumstance at any point, is the first step to identifying and supporting persons in vulnerable circumstances.

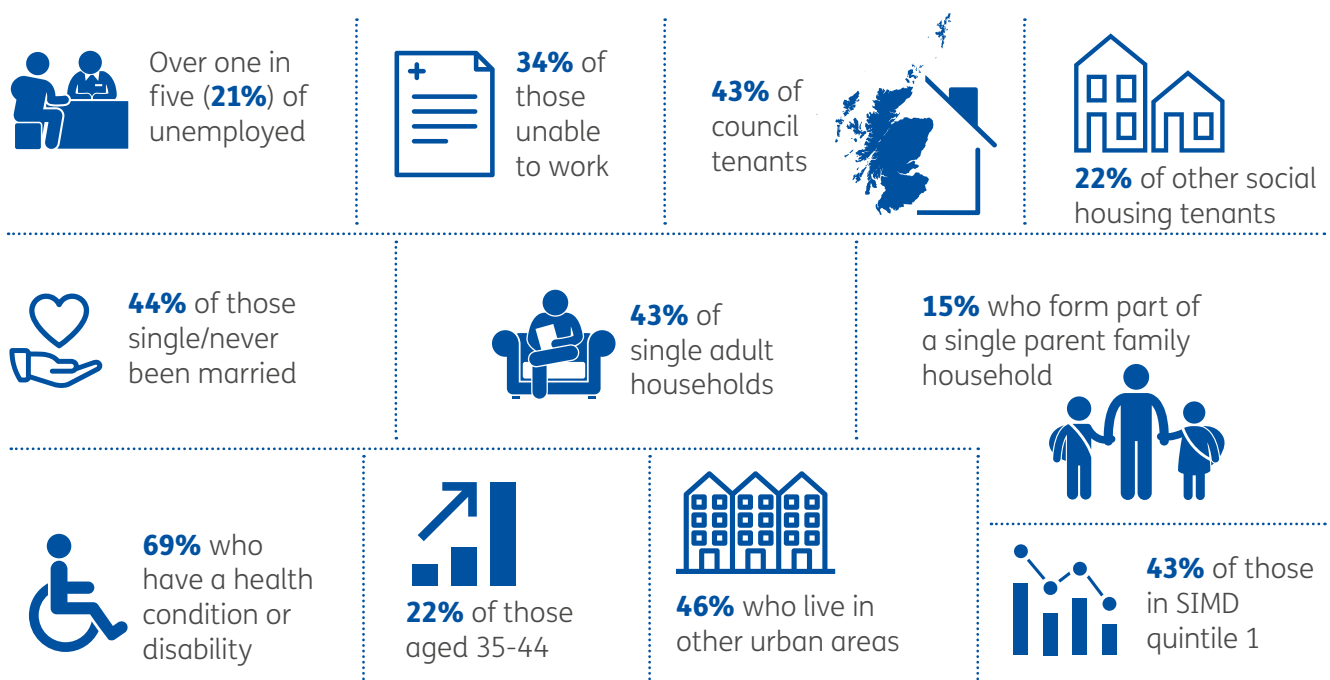
CAS recognises strong indicators of vulnerability include eligibility for additional support such as the Warm Home Discount or entitlement to the Priority Services Register. However, we take the view that the criteria for such services ought to expand to take a more holistic, person-centred approach, based on lived experience.

In embedding this holistic approach when designing and implementing policies that target and support clients in vulnerable circumstances, it is possible to create policy that will genuinely support people lead to better outcomes and alleviate the experiences of the fuel poverty condition.

# Defining and identifying fuel poverty and vulnerability

## Demographics

Where demographic information is available, during Q3&4 of 2023/24 certain groups were more likely to receive regulated fuels advice than other types of advice. This was true for those who are unemployed or unable to work, a council or registered social landlord (RSL) tenant, single/never been married, part of a single adult household or single parent family household, have a health condition or disability, aged 35-44, in SIMD quintile 1, and living in other urban areas. The percentage of profiled clients per demographic area who received energy advice is reflected below:



Clients from the most economically deprived areas (SIMD 1) were 43% more likely to seek energy advice than any other type of advice. This figure remains the same for council tenants, and single adult households.

Clients with a health condition or disability were 69% more likely to receive energy advice than advice more generally.

"The link between disability and fuel poverty is not just about low income but also the fact people are home more often having to use energy more." [CAB adviser]

Patrick described a causal link between his economic status as a student to worry about being able to afford his energy bill and therefore reducing use of his central heating, leading to the development of a respiratory infection and significant detrimental impact on his long-term physical health:

"I'm a student, I was reluctant to use the heating... my immune system is not as good as it was before I'd moved in." [Patrick]

## Defining and identifying fuel poverty and vulnerability

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### Client case study: Patrick

Patrick from Hamilton received a large bill from his energy supplier after moving out of his private rented flat. He was told he needed to pay a bill of around £700 in the next two weeks. Knowing he could not make this payment; he contacted his local CAB to figure out how this debt had built up.

As a student aged under 24, he said his income was limited and he couldn't afford such an extortionate energy bill. In fact, Patrick admitted that the main reason he decided to leave his rented flat and move in with his parents was due to being unable to afford rising energy bills: "I was lucky when I moved into the flat as I was on a fixed-rate tariff, but I knew this was coming to an end and I was worried about getting by". Before moving out, Patrick said he had been just about managing his monthly payments, but he was concerned about upcoming price rises.

The CAB supported him in contacting his previous energy supplier to inquire into the debt and found this couldn't get particularly far: "no one could explain why I had to pay". The CAB supported him make a successful Home Heating Support Fund application and this covered the debt owed. Patrick was extremely grateful to the CAB for the support given and the grant completely alleviated the issue.

When asked about how often he'd put his gas heating on over the past winter, he said: "I'm a student, I was reluctant to use the heating... I put it on twice a week at most, whenever I got too cold... I'd put an extra hoody on rather than use it".

Asked about the conditions of his flat, he said there was mould in his bedroom which made him ill and he developed a respiratory infection. A month after he'd moved out of the flat, the illness went away, indicating a direct link between the mould in his home and his physical ill health. He said that even now, "my immune system is not as good as it was before I'd moved in".

He hadn't thought about any energy saving methods because that would be up to the landlord, not him. Asked if he'd heard about carbon-saving energy measures to support households move towards net zero targets, such as heat pumps, he said this was his first time hearing about it.

When asked about what kind of government or supplier support would be effective for people in similar circumstances to his own, he said he "hadn't really considered it", but recognised the value of cash grants like the Warm Home Discount as the grant he'd received had completely resolved his energy debt issue for him.

# Income and affordability

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In 2022, it was reported that 21% of working-age adults in Scotland were living in relative poverty, a jump from 19% in 2010-13.<sup>6</sup>

The CAB network is seeing an increase in people in debt. For gas-related debt, there has been an 11% increase in total debt and a 9% increase in average debt per client from Q3&4 22/23 to Q3&4 23/24.

The number of clients with a deficit budget, i.e. their essential expenditure exceeds their income, grew from 42% in 2019/20 to 48% in 2021/22. As an increasing number of people spend more than they earn or receive in social security, the likelihood of falling into debt increases. The number of people taking between 5-to-30-years to clear off their debts increased by 65% over the same period. In Q3 2022/23, food insecurity advice increased 41% compared to the year previously and more than one in five (21%) of people seeking food insecurity advice needed help with energy bills.

Moreover, people are increasingly turning to credit card loans to afford the basics. YouGov polling commissioned by CAS found that, in March 2024, over 270,000 (6%) people have used commercial credit to pay energy bills this year, and over 730,000 (16%) used commercial credit to pay for food. Welfare support is being supplemented by loan dependence, making debt highly predictable without structural change.

Clients described the shortcomings of social security:

“[Universal Credit] is not enough to keep anybody going.” [Laila]

Advisers reflected on the level of fuel poverty seen across the network, and Laila, said “nearly 50%” of her income is spent on fuel:

“95% of my clients live in fuel poverty.” [CAB adviser]

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## Heat or eat? It's neither

For many, the cost-of-living crisis no longer demands a decision be made between heating or eating. The decision has been taken out of their hands; both are out of reach.

“The phrase ‘heat or eat’ has become trite; some people aren’t able to choose either. It’s not a case of tightening belts, the belts can’t be tightened anymore as there’s nothing left to cut.” [CAB adviser]

Kate talked about what it was like not being able to afford the basics when transitioning to state pension. She had to miss a rent payment and was offered a fuel voucher:

“It’s a joke to suggest you can live off that... I wouldn’t have anything to eat until the end of December.” [Kate]

For all clients who received regulated fuels advice as well as another area of advice, on one in five (19%) of occasions this included advice on debt. This shows that for many people in the current climate, debt is a predictable consequence of inadequate income.

Advisers raised a common issue whereby clients max out their entitlement to emergency fuel vouchers in any given month. In many unfortunate cases, they remain disconnected from energy supply.

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<sup>6</sup> Scottish Government, [Poverty and Income Inequality in Scotland 2020-23](#), March 2024

## Income and affordability

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“Heat or eat is the common phrase, but people aren’t really doing either. A lot of my clients who rely on foodbanks so they can afford heating, don’t get enough food. They also can’t afford to top up their energy meters and run out of fuel vouchers if they need more than 3 in 6 months. They don’t have the facilities to eat properly as they’re worried about using electricity for their fridge/freezer.” [CAB adviser]

As portrayed in this quote, a lack of income is a key driver of fuel poverty for many clients. There is the inevitability of continued insecurity wherever the root issue of a deficit budget exists and is not appropriately remedied.

In some cases, people are going as far as giving up their home because they cannot afford their energy bills. Patrick moved out of his home and back in with his parents.

“I was on a fixed-rate tariff, but I knew this was coming to an end and I was worried about getting by.” [Patrick]

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## Stigma

Advisers raised the issue of stigma as an additional barrier many clients face and one that perpetuates fuel poverty. Discussing the need for clients to go to local stores to ask for a voucher to be applied to their prepayment meter (PPM) key if they don’t have a smart meter, one adviser suggested this accessibility requirement disincentivised many people from using fuel vouchers:

”There’s a perception that, as they’re on benefits, they must be scamming the system. People are constantly judged to the point that they are turning down fuel vouchers if they don’t have a smart meter.” [CAB adviser]

Kate was adamant she didn’t want to continue receiving housing benefit even after her CAB adviser and local council explained that she was entitled to it, and had expressed wanting to hide the fact she’d used a fuel voucher from her sons:

“Someone else can have that money... I’ve never asked for anything. I don’t tell my sons about anything regarding payments.” [Kate]

The issue of stigma is further entrenched in rural and remote areas, where smaller population sizes means people may be recognised in their local community when using a local shop to top up their meter or redeem a fuel voucher, and this can be off-putting for those who are apprehensive about accessing support.



# Income and affordability

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## Government support

Advisers described the Home Heating Support Fund as a critical component of support available to clients.

“I’m heartbroken the Home Heating Support Fund has stopped as it was such a lifeline.” [CAB adviser]

However, such schemes were criticised for not tackling the root cause of fuel poverty:

“The support around energy prices over the last couple years hasn’t really tackled the root cause. Government intervention – the Home Heating Fund, fuel vouchers, the Energy Support Scheme – has only really subsidised energy companies. It’s not tackled any form of inequality or poverty caused by the fuel crisis. The social tariff or some kind of public energy company needs to be the priority because the root cause of this is that energy prices are artificially too high, and they don’t need to be.” [CAB adviser]

In addition to government support schemes, the advisers repeatedly called for a social tariff in the energy market, similar to the social tariff introduced in the telecoms sector, this would be a targeted discounted energy deal for qualifying low-income households. Advisers strongly felt that a social tariff could be used as a measure to alleviate fuel poverty at the root and contribute to a just transition to net zero.

“If there was a public owned energy company that ran the social tariff, most people would join that. Overheads could then be pumped back into retrofitting homes and making us greener, rather than into profit-maker’s pockets.” [CAB adviser]

Laila recognised the benefit that a social tariff could bring and contacted her energy supplier directly to ask about it, to no response.

“I asked about a social tariff or having my standing charge frozen... emailed three times and they’ve ignored me.” [Laila]



## Income and affordability

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### Client case study: Kate

Kate from Stirling is a divorced pensioner who recently retired and was in a transitional stage with her state pension. She lives alone in a private let two bed ground floor flat and relies solely on electricity to heat her home using a smart prepayment meter.

At the time of visiting the CAB Kate was over a month away from receiving her pension, and was concerned about her finances after her disability and housing benefit stopped when she reached pension age. She missed one month of rent and “had no money and was struggling to pay rent and electricity bill”. Kate has been unable to leave her home for nine months. She has an underactive thyroid and is too cold most of the time and too hot at other times, so she’s constantly turning the heating on and off.

The CAB supported her in requesting a fuel voucher and applying for the Home Heating Support Fund, helping her receive around £350 to put towards her electricity bills.

When she asked the council why her housing benefit had stopped, they offered her a fuel voucher but no additional support to cover her rent and heating: “It’s a joke to suggest you can live off that, I pay £80 a week for electricity, I wouldn’t have anything to eat until the end of December. You realise you can live off of tins of soup for a long time”.

Kate was adamant she didn’t want to continue claiming housing benefit after receiving her pension, saying she didn’t need it. The council wouldn’t listen to her and turned up to her home to offer support which she didn’t want and said was sneaky. “Someone else can have that money”. Whereas “Citizens Advice were brilliant because they listen to you”.

“I’ve never asked for anything; I don’t tell my sons about anything regarding payments.” She said that when her son found out she was going to the shop to top up her electric using a voucher, he was upset that she needed the extra support, and he didn’t know. He helped her switch to a different supplier and set up a direct debit from his account on a cheaper plan.

When discussing any plans to make her home more energy efficient, Kate said she’d “never heard of net zero”. However, when asked about what she would like to see in terms of further government support, she said it’d be beneficial if suppliers take a certain percentage from direct debit payments to put to the side so that “if something happens then that money would be there to pay for the bill, that would be like a lifesaver”.

# Urban and rural

The Scottish Government defines ‘rural’ areas as settlements with less than 3,000 people; ‘remote rural’ meaning it requires a 30 minute journey to reach a settlement of over 10,000 people, and ‘accessible rural’ requiring a journey of less than 30 minutes.<sup>7</sup>

Looking at Q3&4 2023/24 data, 11,544 clients who received regulated fuels advice were recorded as living in large and other urban areas, and 2,482 clients from accessible/ remote rural areas.

Clients in accessible/remote rural areas are more likely than those in large/other urban areas to receive advice in relation to billing/meter reading, charges, and complaints/redress. However, they are less likely to receive advice in relation to prepayment meters, prepayment meter discretionary credit, and trust fund applications/fuel vouchers.

| Fuel advice              | % of clients in rural areas | % of clients in urban areas |
|--------------------------|-----------------------------|-----------------------------|
| Billing/meter reading    | 39%                         | 25%                         |
| Charges                  | 16%                         | 8%                          |
| Complaints/Redress       | 18%                         | 10%                         |
| Pre-payment meters       | 23%                         | 28%                         |
| PPM discretionary credit | 7%                          | 15%                         |
| Trust fund/fuel vouchers | 41%                         | 55%                         |

In 2023/24, the average amount of energy-related debt in remote and rural areas was £3,047, higher than the national average brought to the CAB network of around £2,300.

In Q3&4 2023/24 there was a 22% increase in clients from accessible and remote small towns seeking advice on fuel vouchers, and a 19% increase in clients from accessible and remote rural areas receiving support on the Warm Home Discount on the previous year.

Advisers summarised the common issues particular to rural clients as 1) higher cost of living 2) increased likelihood to fall outwith the gas grid and 3) accessibility of services.

Other issues highlighted included old inefficient heating systems common for rural clients, restricted opportunities for income, and lack of support networks for older clients.

Comparing Scotland to the rest of the UK in terms of rural and urban issues, advisers reflected there is some commonality. However:

“The real difference is how remote some locations are, for people in the islands in particular the number of challenges are multiples of households in remote English towns.” [CAB adviser]

Other comparing factors included: the impact of weather, housing build making many modern options for energy efficiency unsuitable, travel time especially across the islands, less access to mains gas, and higher rates of daily standing charges. The close proximity of oil and gas fields to rural and remote homes who cannot afford fuel and, in many instances, are subject to higher standing charges due to heavier reliance on electricity, adds to a sense of greater rural injustice. One adviser based in a rural area stated:

“We have a large number of households who are not on the gas network and therefore have to pay much higher electricity costs.” [CAB adviser]

<sup>7</sup> [The Scottish Government Urban Rural Classification, 2020](#)

# Urban and rural

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## 1. Higher cost of living

The impact of the cost of living crisis is ‘more acute’ in rural, more remote areas, as depicted in a Scottish Government report in 2021 which estimated that the minimum cost of living in remote rural Scotland was between 15% to 30% higher than urban parts of the UK, described as a “rural premium”<sup>8</sup>. People living in rural areas pay the rural premium on day to day living costs including travel, groceries, alternative fuel options.

“Buses are every two hours. If you drive, it’s £150 per month travelling in and out every day – that, or, £76 a week!” [i.e. her total expected Universal Credit weekly payment amount]. [Laila]

These areas are often non-reliant on the gas grid and must turn to alternative, more expensive heating sources like heating oil or electricity.

People in rural areas rely more heavily on travel. Not all villages have pay point or post offices to top up non-smart meter prepayment meters. This means clients will incur further transport costs to top up their PPM. For many areas, there are no viable public transport options.

“People in rural areas are paying a higher price so the fuel poverty is being exacerbated by the length of time they wait on anything which seems ludicrous and hypocritical. Dumfries and Galloway is covered by wind turbines and yet we pay the highest standing charge... utterly ridiculous.” [CAB adviser]

## 2. Gas grid

Many homes in Scotland are ‘off-grid’, i.e. they are not connected to a gas distribution pipe. This tends to be more common in rural areas.

Approximately 18% of homes in Scotland are off-gas and 82% are within the gas grid coverage. The majority of urban dwellings (91%) are within the coverage of the gas grid, whereas almost two-thirds (65%) of those in rural areas are not.<sup>9</sup>

“The main problem is so many aren’t on the gas network. Alternative fuel sources are astronomical in price. It’s penalising to be forced onto more expensive fuel, on top of other issues exaggerated by being rural as you tend to pay higher costs.” [CAB adviser]

Laila is an example of someone who may otherwise benefit from gas central heating but is not connected to the pipe network.

“They planned to put in gas pipes, but they ran out of money... The only people who have managed to continue with that are those who have paid for it privately, but not everybody can afford to do that.” [Laila]

Access to the gas grid, as currently one of the cheapest forms of commercial fuel, is financially beneficial, particularly for low-income households. Therefore, lack of access to this financially viable option is a determinant of vulnerability.

As such, given these factors above, we can infer that rural households are more susceptible to vulnerability.

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<sup>8</sup> The Scottish Government, [The cost of remoteness: Reflecting higher living costs in remote rural Scotland when measuring fuel poverty](#), 2021

<sup>9</sup> [Scottish House Conditions Survey](#), 2022

## Urban and rural

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### 3. Accessibility of services

Advisers discussed the severity of issues relating to accessibility of services, particularly for clients living in rural areas:

“There’s a misconception that fuel poverty is less in rural areas. Dumfries and Galloway have similar fuel poverty statistics to Glasgow city centre, but we don’t get the same access and help.” [CAB adviser]

“It’s not just about the cost to make homes energy efficient, it’s also about finding a supplier who can do it. I’m worried there’s not the expertise even in the cities, let alone in the rural areas, to implement solutions that work for the long-term. Customers have to favour the cheaper solutions, and that pushes the greater bill down the road.” [CAB adviser]

However, the issue of accessibility of services relates not only to energy provider’s customer services, but to other areas of service including access to fuel vouchers, digital infrastructure, and heat pump installation.

“It’s because you’re rural, they forget about you, but it’s not how it should work.” [Laila]

Clients who rely on pay point services or post offices to redeem fuel vouchers may experience difficulties in accessing services. This can be in relation to insufficient staff training. At other times, clients may experience technical barriers.

Remote and rural parts of Scotland experience higher levels of internet disconnection due to weaker digital infrastructure. This adds an additional layer of detriment to clients in receipt of social security where systems increasingly incorporate a ‘digital by default’ model requiring recipients to manage their communications and payments on a digital platform. Advisers reported increased risk of benefit sanctions in rural areas in particular, due to lack of internet access and poorer connectivity. This issue of digital exclusion intersects with affordability issues, whereby some clients are digitally excluded because they can’t afford to own a smart phone, computer, or Wi-Fi, and other accessibility issues if they lack the digital skill or literacy required to go online. Where social security increasingly relies on a ‘digital by default’ model, more clients are penalised as a result of digital exclusion, and this is compounded by rural connectivity.

Advisers cited issues in relation to heat pump installation due to the distance needed to travel to certain areas:

“There are no heat pump installers based in Dumfries and Galloway, and this is the issue as they are travelling from far away. Trying to get a company to travel 2.5 hours to do a small tweak on a heat pump is a challenge... A reassessment visit should be compulsory to ensure once a system has been put in, there’s a re-visit three weeks later to ensure it’s working, and the client understands.” [CAB adviser]

Not only is travel an issue when it comes to installation, but where homes are situated in conservation areas or built on unsuitable ground, installation of certain technologies including heat pumps is not possible:

“In Argyll, clients are often told their house isn’t suitable for heat pumps as the house sits on solid rock so it can’t be done. Lots of people are told they can’t have solar panels as it’s a conservation area. What’s the point of conserving the natural environment and look of a traditional town if all going to be washed away by natural disaster because of climate emergency? It’s a backwards policy not to allow pretty places to also be energy efficient and clean and help clients by reducing costs.” [CAB adviser]



### Client case study: Laila

Laila from Stirling met a CAB adviser working on outreach at a carer's centre. It was there she accessed free energy efficiency products, including draught excluders and energy saving light bulbs, and found out she may be entitled to government support to help out herself and her gran.

Laila works full-time, lives alone in a council flat in an accessible rural SIMD 3 area, and cares for an elderly relative. She had taken time off work due to ill health and was living off her final monthly wage packet. Expecting a Universal Credit review in a couple weeks' time, she was concerned about a drop in her income: "I don't know if it'll pay rent". When asked where she's feeling the pinch most in her daily living expenses, she said "everything", particularly "rent and heating". She said Universal Credit is "not enough to keep anybody going; £76 a week compared to £350 a week in wages". Asked if she might be spending around 10% or more of her income on heating, she said "definitely – it's nearly 50%". Recognising her financial situation as a barrier to efficiently heating her home, Laila got in touch with her energy supplier and "asked about a social tariff or having my standing charge frozen... emailed three times and they've ignored me".

Laila has been living in her ground floor flat for over 11 years. She described it as an old mill house built in the 1920s or '30s, rented from the council. She relies on coal fire to heat her home, and "when the coal runs out, I have to use electric fan heaters which costs an absolute fortune... electricity is £70 a fortnight. But this is the only other option I've got as I don't have gas. They planned to put in gas pipes, but they ran out of money... The only people who have managed to continue with that are those who have paid for it privately, but not everybody can afford to do that". Speaking about the plans to connect her house to the gas grid, Laila said "in order to do it they'd have to take the tank out and I didn't want all that dust and mess. I'm asthmatic and the last time they put insulation in my house I ended up in hospital with bronchitis as it was so dusty". Laila said she wasn't offered any other support: "I only got a letter about missed rent as I'd been in hospital".

Describing her home as energy inefficient, she said "it's frozen when there's no heating on. I had insulation put in seven or eight years ago and it's made no sufficient difference. The way the houses are built, the sun doesn't come in whatsoever, even in summer". She described mould in her bedroom and a vent in the walls to stop damp which has created a draught. With the couch in front of the vent, she has to "sit with feet up as the draught comes under". Living in a council property, Laila has no say over energy efficiency upgrades in her home: "can't do any of that as it's a council property; I can't touch it". She's asked the council "umpteenth times about getting a draught excluder round the door, keep getting told there's a report in for it, that was ten years ago. It's because you're rural, they forget about you, but it's not how it should work".



### Client case study: Laila (continued)

Talking about the challenges living in a rural area, she described the isolation and expensive travel: "Buses are every two hours. If you drive, it's £150 per month travelling in and out every day – that, or, £76 a week!" [i.e. her total expected Universal Credit weekly payment amount]; and isolation: "very isolated, the council doesn't come very often"; and potential challenges with digital exclusion: "out of the catchment area for fibre optic broadband".

Asked about how the issues described around heating her home may have impacted her in other ways, she said "It effects your mental health, of course it does. I don't want anyone to stay at my house. It's heat or eat – you have to make these decisions".

She talked about the lack of awareness of support available like the kind she'd experienced, and at worst, the lack of availability where elsewhere in the UK people are entitled to more: "You hear of people on Facebook down in England getting thermal flasks, air fryers, electric blankets through their energy company... it turned out they didn't have any electric blankets left when I contacted them. Why is it that you can get it in England and not here if it's the same company? It gives people hope and then it's taken away". Further, regarding a lack of awareness of support: "everyone thinks it's only people on the benefits side who are entitled to it and that's not how it works. My problem is I don't know where to start. If I hadn't been at the carer's centre I wouldn't have known about it". Asked how she'd like to be made aware of support, she said: "an advert on the tele or an email or even through the post".

Discussing the types of support Laila would like to see from government or energy suppliers, she prioritised cheaper electricity bills and emphasised the importance of the provision of "wee bits and bobs like light bulbs and draught excluders... simple things". Schemes like the Warm Home Discount are definitely effective, but the "long wait was an issue". The CAB helped her get £500 towards her electricity, describing them as "an absolute saviour".

# Housing and energy efficiency

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There are three elements to housing related drivers of fuel poverty that threaded throughout the focus group discussions: building type and poor housing quality, retrofit responsibility and landlord behaviour, affordability of energy efficiency measures.

## 1. Building type and poor housing quality

The building type of houses across Scotland lends itself to increased vulnerability to cold weather and energy inefficiency.

Many homes in Scotland are solid stone wall (non-cavity) constructions generally built before 1919.

“There’s old housing stock in Argyll and Bute: heavy stone walls that don’t do much good in winter. The cost of improving the energy efficiency of a building of that nature is unrealistic for the tenant, homeowner, or landlord; it’s beyond their means even with grant support towards it. Those homes are permanently at risk of being fuel poor.” [CAB adviser]

One issue specific to Scotland relates to the impact of the climate on housing conditions. With higher rainfall in Scotland, houses, particularly those lacking cavity walls, are subject to moisture build-up. With a higher concentration of humidity, homes are more likely to develop damp and mould. This worsens the quality of the home and makes it more difficult and more expensive to improve or maintain energy efficiency. This has a colossal impact on people’s energy bills, as well as physical health. We also heard from Patrick who developed a respiratory infection from damp and mould build-up in his home and he continues to suffer with long-term ill health after moving homes.

In addition to this, advisers reported trends in overcrowding of council or private rented properties causing issues with increased condensation leading to mould. Many clients present to the bureau with worries about their children’s physical health due to mould.

For many low-income households, insulating stone wall houses is unaffordable, resulting in poor energy efficiency, and in turn, higher fuel costs.

Further to this, advisers suggested many homes in Scotland don’t meet the repairing standard when it comes to being wind and watertight. Whenever a home doesn’t meet this standard, they are more likely to be energy inefficient.

The variances between types of homes and complex needs requires an individualised, holistic approach when assessing energy upgrades; a ‘one size fits all’ approach doesn’t apply:

“Everyone’s housing situation is different. We need knowledgeable people who know about green technology and will take a holistic assessment of an individual’s home and what they need.” [CAB adviser]



# Housing and energy efficiency

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## 2. Retrofit responsibility and landlord behaviour

Retrofit responsibility naturally sits with the owner of the property. For many low-income households who do not own their property, and may rent from a private or social landlord, they can fall victim to the failure of their landlord to retrofit their home.

13% of dwellings in Scotland are privately rented and 23% are social rented properties;<sup>10</sup> roughly 36% of households in Scotland do not own their home. Those households cannot make decisions about upgrading their homes to certain energy efficiency standards. There is also variance in the levels of fuel poverty by housing tenure: 48% of households renting from a local authority are fuel poor, as are 47% renting from a housing association, and 44% in the private rental sector, compared to 14% who have a mortgage.<sup>11</sup>

All four clients interviewed as part of this research did not own their home and therefore did not possess the ability or responsibility to upgrade energy efficiency through more long-term and permanent means:

“I don’t really take much notice of it because I thought it wouldn’t apply to us, it’s on the council to do it.” [Eilidh]

“...Can’t do any of that as it’s a council property. I can’t touch it”. [I’ve asked the council]”umpteen times about getting a draught excluder round the door, keep getting told there’s a report in for it, that was ten years ago.” [Laila]

Advisers cited landlord behaviour as one key issue within housing. They reported that often registered social landlords (RSL’s) are not quick enough to assist tenants. They also reported of a tendency to blame tenants for damp and mould and put it down to ‘lifestyle choice’, blaming the individual instead of recognising that the building type of many homes in Scotland are more at risk of developing mould.

## 3. Affordability of energy efficiency measures

There is an association between low rates of fuel poverty and higher energy efficiency standards. The Scottish House Conditions Survey 2022 reported 27% of households in homes rated EPC band C or better were fuel poor, compared to 41% living in bands F or G.<sup>12</sup>

Advisers raised concerns that targets for all rented properties to have an EPC rating of C by 2028 will put pressure on landlords.

“This will put a massive strain on the housing situation. We don’t have enough social housing, so we’ll get lots of landlords who don’t want to, can’t afford, and don’t know how to do that so they won’t, and then we’ll have tenants kicked out of houses so the housing issue will get worse.” [CAB adviser]

Clients described actions they’d taken to feel more comfortable in cold homes, such as using an artificial flame light to trick their mind into thinking it was warm.

“There’s no fireplace here as it’s a new build so I bought an electric fire with a bulb, I’ve never used the fire part, but it gives you the illusion of being warm.” [Eilidh]

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<sup>10</sup> Scottish Government, [Housing Statistics for Scotland, 2022-23](#).

<sup>11</sup> [Scottish House Conditions Survey, 2022](#)

<sup>12</sup> As above.

## Housing and energy efficiency

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Advisers detailed the challenge of high-cost energy efficiency measures that are unaffordable for many low-income households. This relates to more common technologies like heat pumps and extends to 'DIY energy efficiency' like insulation spray. In some cases, measures taken result in higher energy bills.

"A local housing association in Stirling came to someone's property, tore out her underfloor heating and put in storage heaters because they said the previous heating system wasn't working properly. As a result, her energy bills doubled." [CAB adviser]

Linking to previous analysis on low-income and inability to afford basic needs, energy efficiency upgrades, particularly where this is costly, is not a priority for people in vulnerable circumstances:

"Energy efficiency is at the bottom of the priority list for clients – and not through want but need." [CAB adviser]

Reflecting on the barriers to affordable, efficient ways to upgrade a home's energy efficiency for those experiencing fuel poverty, especially those in rural areas with stone-built houses, approaches to alleviating fuel poverty through energy efficiency upgrades alone will not adequately meet people's needs wherever this does not also address broader issues relating to a person's ability to heat their home. As such, 'person-first' over 'fabric-first' approaches to keep people warm in their homes is necessary, where there is focus on providing immediate sources of support as well as wider intervention to improve their financial situation, alongside long-term home energy efficiency upgrades. This focus will also allow for greater examination of a person's holistic experience of living in vulnerable circumstances and likely lead to holistic solutions.

When discussing the types of support Laila would like to see from government or energy suppliers, she raised the importance of example 'person-first' measures:

"...wee bits and bobs like light bulbs and draught excluders... simple things." [Laila]

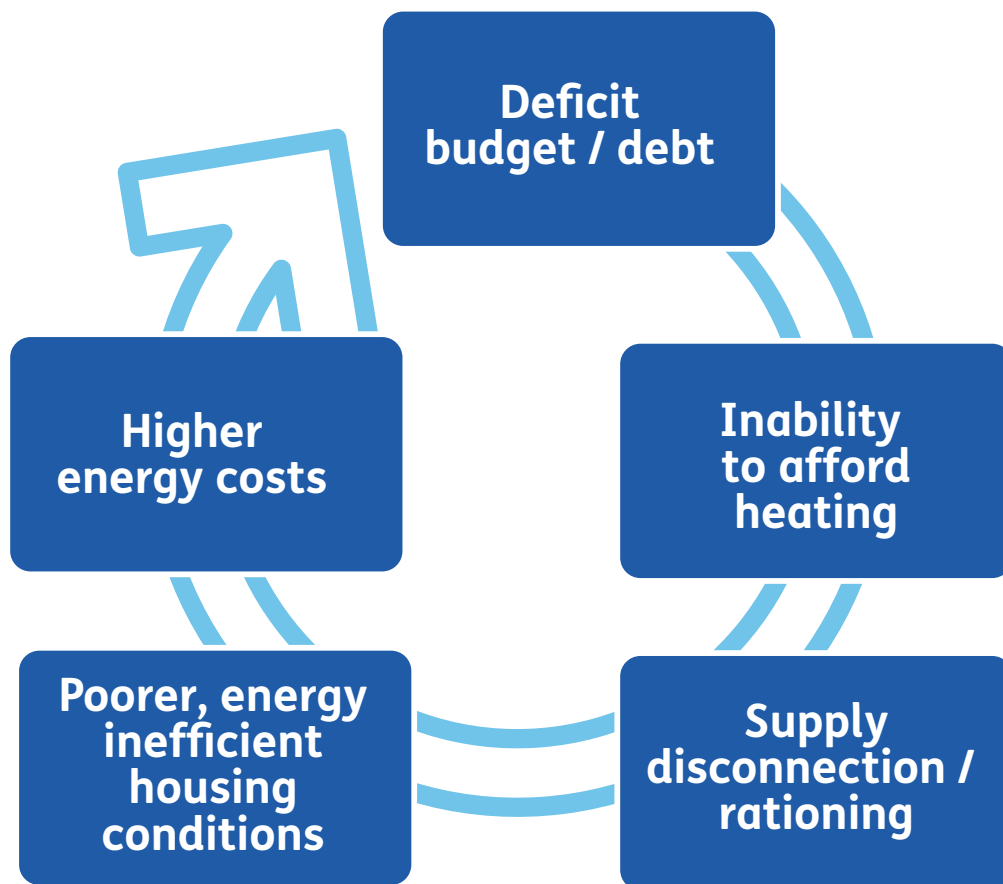


## Housing and energy efficiency

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### Housing-specific drivers of fuel poverty

As previously outlined, living with a deficit budget, or debt, often forms the starting point for many who experience fuel poverty. Summarising discussions amongst the focus group of the housing element of fuel poverty, advisers suggested there's a cycle of housing-driven problems that may push someone into fuel poverty:



This cycle represents a simplified experience common for many clients. There are often many additional elements that come into play and cause further detriment, pushing someone into deeper poverty or a more precarious vulnerable situation.

## Prepayment meters

We know those using prepayment meters (PPMs) commonly experience many issues inherent to the design and implementation of PPM usage. As part of the design, when a person runs out of fuel credit, they are cut-off from supply and are left without heating and electricity. This is commonly termed ‘self-disconnection’ – we recognise this infers a level of individual control in disconnection that unfairly disserves people’s experiences, however, this report refers to self-disconnection for consistency. A higher proportion of households with a PPM were in fuel poverty compared to those without a PPM; 47% compared to 28% respectively.<sup>13</sup> Typically, those using PPMs are low-income households, and many energy suppliers actively encourage, or in extreme cases used forced intervention, a switch to PPMs. In April 2024, CAS data found 12,000 people had been forced onto a prepayment meter for gas.

For clients in vulnerable circumstances, this exacerbates vulnerability when they are switched to a meter that increases the likelihood of energy cut-off. Due to the high likelihood of energy disconnection amongst low-income households wherever they rely on PPMs, a PPM in itself ought to be considered a cause of vulnerability. With this understanding, any household reliant on a PPM ought to be considered in a vulnerable situation at high risk of fuel poverty.

Accessing shops to top up a PPM presents its own challenges. Eilidh expressed concerns about being able to do this:

“My energy bill is unaffordable, but I can’t not pay it because then they might cut me off or put meters in or something and I don’t want that because where I live in a village has a hill you can’t avoid. I can’t manage going up it because it’s really steep so I can’t go to the shops to top up.” [Eilidh]

Advisers described the reality common for clients using PPMs who self-disconnect from supply, worsening the conditions of their home:

“Clients on PPMs often have poorer housing conditions as they are unable to have hot water or heating at all, often for months/years at a time due to going off supply.”[CAB adviser]

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<sup>13</sup> [Scottish House Conditions Survey, 2022](#)



## Housing and energy efficiency

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### Client case study: Laila

Eilidh from Airdrie sought CAB advice due to gas and electricity billing issues. After moving home, Eilidh expected her supplier to contact her with a final bill for her to pay and then she planned to switch to a different supplier. When no bill arrived, she started to worry about her pension. When she contacted her supplier to set up a direct debit, they could do so as she didn't have an account number. Six years later, this had still not been resolved.

"I'm getting letters sent, and they're picking numbers out the air. I'm getting letters addressed to me but with different people's addresses on it. I think they've just picked a number I need to pay and I'm still not really keen on it or want to pay it. They're going to expect me to pay £142.50 per month for gas and electricity. What they call debt, I don't call debt, because it's their fault."

Asked where she's feeling the pinch with her finances at the moment: "I'm on pension and I live alone. You used to be able to get small tins of things but now you can't. The prices have gone up something absolutely shocking. Council tax has went up, my internet, my phone, everything's went up. You're getting it out of one hand and putting it out the other. You manage don't you, you just manage. The power is going to cripple me".

Discussing affordability, she said: "I'm on pension and pension credit and it's definitely not enough to live on comfortably" Without rent included, Eilidh might be paying around 16% of her income on gas and electricity bills, putting her at risk of extreme fuel poverty: "I couldn't tell you how much of my income is spent on energy because they keep changing the amounts. I'm basing it on £150 per month, and my income is basic state pension plus pension credit coming to £222 a week".

"My energy bill is unaffordable, but I can't not pay it because then they might cut me off or put meters in or something and I don't want that because where I live in a village has a hill you can't avoid. I can't manage going up it because it's really steep so I can't go to the shops to top up. I don't want a meter."

Highlighting the emotional toll these billing issues caused, Eilidh said: "You get so worried about it. The worry weighs on your mind. I'm going to go to the ombudsman because I'm that fed up with it. It gets to the stage if you don't get it fixed out your heads going to explode because I'm so sick of it. [Energy supplier] has treated me and some of the others I know very unfairly. I've never had an answer yet why I've had all these letters".

Raising the issue of distrust in her supplier, Eilidh became despondent: "I've got to pay it, but I don't believe it. I think they're plucking the number out of the air. I've had two different amounts asked from me at one point. But I'm going to have to pay it because I can't go on like this much longer". For Eilidh, even though she had strong suspicions that she'd been billed incorrectly, she reached a crossroads in which she found she had no alternative but to pay in order to alleviate the great stress caused, but in doing so, knowing she'd be financially worse-off.

## Housing and energy efficiency

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### Client case study: Eilidh (continued)

Eilidh relies on gas central heating and "electric for everything else" in her home in a "new-build council estate". She has two smart meters in her home for gas and electricity but doesn't use them: "I don't look at them because they just frighten the life out of me. I put the first one I got in the drawer because you don't really need them anyway because they send the readings automatically".

Asked how often she uses her central heating, she said she uses it whenever she gets cold, but she's "always been conscious since the beginning that I've got to pay it, so I don't overuse it. I'll put an extra cardigan on if I'm cold. There's no fireplace here as it's a new build so I bought an electric fire with a bulb. I've never used the fire part, but it gives you the illusion of being warm".

Discussing the impact these issues may have had on her mental and physical health, she said: "The only thing that's affected my physical and mental health is [energy supplier]. I couldn't even describe the stress I've had these past two years".

Talking about the energy efficiency of her home, she said: "I've got solar panels but they're not working properly. I think those who built the houses here were all cowboys, there's so many faults. There's water coming in through the back door. It's a cottage type house. They didn't put insulation in some walls and I'm in an end house so there's no heat coming through. It's a lot colder than my old house which was built yonks ago. You just deal with it, don't you".

Eilidh said she wouldn't contact the council to ask for more support around energy efficiency because of her experiences with them failing to provide more basic housing support: "We've been told that you need permission for everything, you can't paint a door without permission. It took months to put a fence up, I had the postman and kids crossing in front of my window all the time and who wants that? The council refused a fence and put up a horrible barrier. I can't put a sky dish up because they are communal. They're really quite strict about things like that here. You can hardly get them out to do a repair here never mind anything else".

Eilidh had heard of measures like heat pumps to make homes more energy efficient through the news, but "didn't pay much attention to it. I don't really take much notice of it because I thought it wouldn't apply to us, it's on the council to do it". Asked if she'd like to keep using gas long-term, she said "long-term – yes. I've always had gas central heating".

In order to hear the voices of those who might be hardest hit by moves towards net zero, Eilidh said she "would want a petition or questionnaire online to ask people's views. Like what it's about, will it cost more, is it efficient?".

# Housing and energy efficiency



## Client case study: Eilidh (continued)

Asked what kind of support she'd like to see from government or energy companies, she said "For a start it should be easier to contact energy companies, you can't get through to some of them...If they say they'll phone back, they should, and it should be the same person so as not to have to repeat everything. Feels a waste of time and money phoning". Asked if schemes like the Warm Home Discount are a good idea, Eilidh said she "was getting it before I moved and now I can't claim it as don't have an account number. Actually had 5 different account numbers at one point". The issues with her energy supplier have created a barrier in accessing entitled financial support for a number of years.

"[Adviser] from Airdrie CAB has been absolutely brilliant. I appreciate CAB and I appreciate the work that [Adviser's] done."



# Just Transition to Net Zero

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The key feature of a just transition, as according to advisers, involved the protection of consumers in vulnerable circumstances and the avoidance of deeper fuel poverty. Advisers and clients were asked a number of questions in relation to existing barriers to achieving net zero; the relationship between fuel poverty, vulnerability, and the route to net zero; and what a just transition should look like.

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## Barriers to net zero

Advisers raised several factors as barriers to reaching net zero, many of which repeated discussions outlined elsewhere in this report, and the main elements raised within the focused discussion include: high cost of low-carbon technologies, net zero as a long-term issue where emergency short-term support is of higher priority, understanding of low-carbon and complex technologies, and access to suppliers who can install low carbon heating systems.

When asked how often low income is a barrier to accessing low carbon technologies, advisers highlighted this as an ever-present issue at the baseline of client's energy experiences.

“Money is always the issue just on varying levels. Those with savings would rather send their kid to college or help them learn to drive. Those without savings are just getting by.” [CAB adviser]

Two of the clients involved in the pilot had not heard of net zero or heat pumps prior to the interview. The other two clients knew about ways to make their homes more energy efficient using low-carbon means, but the responsibility to carry this out lay with their council or landlord.

Advisers reflected that the pathway to net zero is far down the priority list when it comes to client needs. For many clients seeking CAB support, their focus is about escaping the crisis in the quickest way possible. They need emergency support to better their financial situation; inputting low-carbon technologies in the home to achieve long-term goals is simply not on their list of immediate needs.

“Most people would love to do the best thing for the planet, but right now they need to just do the basics for their family and get by.” [CAB adviser]

This is especially true when the cost of inputting low-carbon measures may require short-term higher costs, or large-scale home redevelopment, particularly if people have a health issue.

“They'd have to take the tank out and I didn't want all that dust and mess. I'm asthmatic and the last time they put insulation in my house I ended up in hospital with bronchitis as it was so dusty.” [Laila]

Advisers and clients alike expressed feelings of being far behind where we need to be in order to achieve net zero targets, with remarks that the basic infrastructure needed to build in zero-carbon and energy efficient heating systems isn't there due to a lack of adequate housing and unprepared energy suppliers and installers.

“Energy companies often don't even have the capacity to submit meter readings properly or issue correct bills – that's where we're at now – and we're expecting to have rolled out green technology to people's homes correctly and efficiently . This lacks a grasp of reality; we don't even have the basics in place. We're letting people live in damp and mould with windows that don't close properly. This is step 1 before we can look at making homes energy efficient.” [CAB adviser]

“You can hardly get them out to do a repair here never mind anything else.” [Eilidh]



## Just transition to net zero

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### Impact on fuel poverty

Advisers discussed the relationship between the transition to net zero and fuel poverty, whereby, in order to meet net zero targets there is a fair risk of deepening fuel poverty, at least at the outset.

“I don’t know if it’s an inherent tension as much as an incorrect appraisal of the current situation on the ground for people... they are starting further down the road than we currently are both in terms of housing quality, people’s living situation, people’s financial capacity, susceptibility to scams and misinformation.” [CAB adviser]

Discussing ways to elevate the voices of people who will be impacted most by moves to net zero, Eilidh suggested the need for public consultation:

”I’d want a petition or questionnaire online to ask people’s views. Like what it’s about, will it cost more, is it efficient?” [Eilidh]

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### Energy scams

Advisers cited the prevalence of energy scams, particularly ‘eco-scams’, as an emerging issue that may be expected to increase as we transition to net zero.

‘I hear cases of people finding builders on Facebook and we don’t know if they are legit or a scam. I find this very frightening especially for remote and vulnerable people here in Argyll. If they fell foul to newspaper flyering, they’d be so cut-off from support that it doesn’t bear thinking about. It’s a nightmare waiting to happen if we don’t get regulation in place to stop profit-seekers and scammers from hurting people.’ [CAB adviser]

When discussing measures needed to be taken to prevent the escalation of detriment caused by scammers, advisers said regulation is necessary:

“We need compulsory accreditation by a regulatory body for any kind of measure, whether its heat pumps or double-glazing, boilers to get up to EPC standard, etc. Anybody found to do the work without accreditation should face severe punishment. Otherwise, we’re going to be tying ourselves in knots and it will feel like three steps back as we’ll get further away from getting people’s homes up to where they should be in terms of meeting energy efficiency standards.” [CAB adviser]

## Just transition to net zero

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### Inadequacy of current measures

Advisers spoke of the rush to meet net zero targets which may have a detrimental impact on people:

“I feel like we’re shoving people down a narrow lane that’s very short-term and based on working faster and better than other countries, it’s more political rather than taking a step back and thinking about what’s best for people... Feels like we’re rushing it to tick a box.” [CAB adviser]

There was further discussion around the inadequacies of existing low-carbon technologies, with advisers raising concern over heat pumps:

“There’s so much focus on heat pumps meanwhile there are other technologies beginning to be developed. If they can’t afford to put a heat pump in now there’s a large chance, they won’t be able to replace it later when it needs replaced. Heat pumps don’t last forever. One client couple had a boiler that was 42 years old, there’s no heat pump on this planet that’s going to be efficient 42 years later.” [CAB adviser]

“People would far rather replace a white box in the corner of the room with new inventions like carbon neutral boilers, than have their house completely pulled apart... and the work around putting it back together again isn’t included in the original cost.” [CAB adviser]



# Conclusion and policy recommendations

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The Citizens Advice Network in Scotland is in a unique position in its ability to provide evidence of the extent and depth of fuel poverty and vulnerability in Scotland. The evidence-base produced by the network is unparalleled by measure of unique value; it allows for a birds-eye view of the real issues facing people across Scotland as well as a close-up analysis of the drivers behind these issues and the resulting harm experienced. The employment of lived experience research alongside our qualitative and quantitative data brings our findings and proposed solutions closer to people across Scotland, allowing us to better pinpoint areas of needed change with the aim to reduce detriment and bring about a just, equal society.

The research findings provide statistics and narrative around client experiences of the fuel poverty condition and vulnerable circumstances. It shows that fuel poverty cannot be effectively addressed in isolation from other aspects and drivers of vulnerability. Fuel poor households present multiple, holistic issues to CABs and therefore require multiple, dynamic solutions which address the root causes of fuel poverty.

Further, research findings show a myriad of cross-cutting issues around the drivers of fuel poverty specific to Scotland and distinct from the rest of the UK. The type of housing build common in many rural areas of Scotland acts as a barrier to improving energy efficiency of a home due to the age and energy inefficient material, putting people at constant risk of becoming fuel poor. With higher rainfall in Scotland, these types of homes cannot effectively regulate increased condensation and moisture build-up, leading to higher likelihood of the development of mould and damp. This results in in poor housing conditions, higher costs to heat, and a detrimental impact on people's physical health. A vast number of rural and remote communities in Scotland, nearly one in five across the whole of Scotland (18%), don't have access to mains gas and this necessitates greater reliance on alternative more expensive fuel types, compounding and entrenching a crisis of affordability.

This report set out to conceptualise vulnerability in a way that accurately reflects the experiences of clients in fuel poverty, as represented through the Lived Experience of Vulnerability Pilot and focus group. Therein, it found that vulnerability encapsulates temporary or permanent circumstances that have the potential to inhibit a person's right to represent or protect their own interests in a way that could lead to detriment or increase a person's chances of experiencing detriment.

For many clients experiencing fuel poverty, affording and inputting low-carbon technologies in the home to achieve long-term net zero goals is simply not on their list of immediate needs. Their priority is finding emergency support, bettering their financial situation, and pulling themselves out of crisis in the quickest way possible. It is of critical need that the transition to net zero is just: it ought to prioritise the reduction of harm on households in fuel poverty and vulnerable circumstances.

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## Policy recommendations

CAS recommend a number of policy changes in the energy sector, that if implemented, would contribute to the reduction of fuel poverty in Scotland and bring about long-term, sustained financial support to clients in vulnerable circumstances. The policy recommendations listed below are driven by the evidence gathered over the course of the focus group sessions and Lived Experience of Vulnerability pilot.

# Conclusion and policy recommendations

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## Introduce a social tariff

CAS support the introduction of a social tariff in the energy market as a tool to tackle the issue of affordability and alleviate fuel poverty. Research findings point to the need to address the root causes of poverty, and this will include incorporating the prioritisation of long-term financial support over short-term relief for fuel poor consumers. As a reserved matter, the implementation of such a wide-ranging measure will need to be adopted by the UK Government. CAS understand that Ofgem have expressed openness to implementing a social tariff across the sector and we encourage capitalising on the political opportunities available through the upcoming election of a new UK Government.

## Reinstate the Home Heating Support Fund

CAS recommend the reinstatement of the Home Heating Support Fund, or replacement with an alternative support scheme of similar design. Following the Scottish Government decision to scrap the Fuel Insecurity Fund in December 2023, the Home Heating Support Fund ceased in March 2024, with no replacement. Research findings evidence how invaluable the scheme was in supporting clients with little place else to turn. It's important that the UK-wide reduction of the energy price cap is not accepted as a blanket approach to supporting low-income households nor left as the sole policy solution to reduce fuel poverty. CAS encourage the prioritisation of the reinstatement of the Home Heating Support Fund in Scotland.

## Debt write-off

CAS support a mass debt write-off scheme for people experiencing inescapable energy debt. This would recognise the fact that high energy price rises occurred as a result of international crisis, not individual household finance management, and therefore more efforts ought to be made to remove the onus on individual households to shoulder this punishment, many of whom will never be able to repay such debts. This also recognises the reality that for many, repayment of long-term, large debt is simply not possible on insufficient incomes. CAS suggest Ofgem work with the UK Government and energy suppliers to implement a debt write-off scheme to address this issue and implement this alongside a social tariff in the energy market.

## Net zero prioritisation

CAS recommend that actions taken towards moving to net zero ought to prioritise the reduction of harm on fuel poor households. Energy-saving technologies ought to prioritise an assessment of affordability, impact on physical housing conditions, and ensure energy efficiency resulting in lower energy bills. New production and delivery of zero-carbon technologies should incorporate a service approach that risk assesses the impact on fuel poor consumers in vulnerable circumstances from the outset. This will minimise the supply of low-carbon technologies that cause further detriment to people in fuel poverty.

# Conclusion and policy recommendations

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## Effective energy regulation

CAS call for strengthening effective regulation of the energy market through enforcing tighter controls of energy suppliers and increased training on supporting customers in vulnerable circumstances. This can involve stricter enforcement of the rules required around supporting people on the Priority Services Register, easing the processes required to apply for grant funds, scrapping the policy to support customers only when they are disconnected from supply, and increased training for supplier staff to reduce administrative issues around metering and billing. This will require close coordination with Ofgem at the UK level to encourage and enforce closer monitoring and stricter enforcement of regulation.

## Target energy scams

CAS recommend close scrutiny of companies advertising green measures in the retrofitting market and penalisation of energy scammers in order to reduce harm on people in vulnerable circumstances. Scam artists tend to use social media platforms to target people and it's usually people in more vulnerable circumstances who fall victim to this. As we may expect an increase in the selling of green products as we transition to net zero, it's imperative that these services are carried out by accredited services approved by the regulatory body. Good regulatory practice exists in the financial market with the Financial Conduct Authority's guidance<sup>14</sup> on using social media to promote financial products, which states that unauthorised persons advertising financial services without FCA approval may be committing a criminal offence. Regulation in the energy market ought to tie in with and build on existing regulation in the financial market in order to reduce harm resulting from energy scams.

## Targeted VCMA funding

CAS support a targeted funding approach for Scotland that is calculated using consumer base as well as the level of fuel poverty per area, to maximise benefit for those who need it most. CAS take the view that the Vulnerability and Carbon Monoxide Allowance (VCMA) funding ought to be attributed using a measure that incorporates the level of the consumer base as well as, and with added significance on, the level of fuel poverty and vulnerability experienced per area. CAS recommends this approach as the Scotland Supplement, designed to target households in vulnerable circumstances in Scotland who are at risk of or experiencing fuel poverty.

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<sup>13</sup> Financial Conduct Authority, [Finalised guidance on financial promotions on social media](#), 2024

# Appendix A – Pilot Data

Client demographics:

| Name    | Bureau   | Age Range | Caring Responsibility          | Employment Status | Gender | Health Condition/ disability | Housing tenure                   | Household composition | SIMD Quintile | Urban Rural       |
|---------|----------|-----------|--------------------------------|-------------------|--------|------------------------------|----------------------------------|-----------------------|---------------|-------------------|
| Laila   | Stirling | 35-44     | Elderly person - no disability | Full time work    | Female | Unknown                      | Council rented                   | Single adult          | 3             | Accessible Rural  |
| Eilidh  | Airdrie  | 65-79     | None                           | Retired           | Female | Prefer not to answer         | Council rented                   | Single pensioner      | 4             | Other Urban Areas |
| Kate    | Stirling | 65-79     | None                           | Retired           | Female | No                           | Private landlord (rented)        | Single pensioner      | 2             | Accessible Rural  |
| Patrick | Hamilton | 18-24     | None                           | Student           | Male   | No                           | Staying with friends / relatives | Single adult          | 3             | Other Urban Areas |

Advice code areas:

| Name    | Energy efficiency advice | Billing / meter reading | Charges | Complaints and redress | Contract terms and conditions | Methods of payment (not pre-payment meter) | Pre payment meter | Smart meters | Trust fund applications / fuel vouchers | Warm Home Discount |
|---------|--------------------------|-------------------------|---------|------------------------|-------------------------------|--|-------------------|--------------|---|--------------------|
| Laila   | 1                        | 1                       |         |                        |                               | 1  |                   | 1            | 1                                       | 1                  |
| Eilidh  |                          | 1                       |         |                        | 1                             | 1  |                   |              | 1                                       | 1                  |
| Kate    |                          |                         |         |                        |                               |  | 1                 |              | 1                                       |                    |
| Patrick |                          | 1                       | 1       | 1                      |                               |  |                   |              | 1                                       |                    |

# Appendix B – Advice Code Data

Regulated Fuels Advice Areas: Urban and Rural differences:

| Fuel - regulated (gas, electricity)        | Accessible + remote rural |              | Large + other urban areas |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | 2022/23 Q3&4              | 2023/24 Q3&4 | 2022/23 Q3&4              | 2023/24 Q3&4 |
| Billing / meter reading                    | 38%                       | 39%          | 29%                       | 25%          |
| Change of tariff (with existing supplier)  | 5%                        | 8%           | 7%                        | 7%           |
| Charges                                    | 15%                       | 16%          | 10%                       | 8%           |
| Complaints and redress                     | 19%                       | 18%          | 13%                       | 10%          |
| Disconnection of supply                    | 2%                        | 2%           | 3%                        | 2%           |
| Methods of payment (not pre-payment meter) | 10%                       | 11%          | 10%                       | 8%           |
| Pre payment meter                          | 23%                       | 23%          | 29%                       | 28%          |
| Pre payment meter - discretionary credit   | 8%                        | 7%           | 7%                        | 15%          |
| Priority Services Register (added to)      | 17%                       | 21%          | 18%                       | 19%          |
| Smart meters                               | 15%                       | 21%          | 17%                       | 20%          |
| Switching supplier (including unwanted)    | 6%                        | 9%           | 9%                        | 10%          |
| Trust fund applications / fuel vouchers    | 35%                       | 41%          | 43%                       | 55%          |
| Warm Home Discount                         | 26%                       | 31%          | 33%                       | 30%          |



## Appendix B – Advice Code Data

Regulated Fuels Advice Areas: Urban and Rural differences:

| Regulated fuels advice areas                   | Q3&4 22/23 | Q3&4 23/24 |
|--|------------|------------|
| Trust fund applications / fuel vouchers        | 11,281     | 15,455     |
| Billing / meter reading                        | 8,283      | 7,715      |
| Pre payment meter                              | 6,820      | 6,556      |
| Warm Home Discount                             | 6,201      | 5,896      |
| Smart meters                                   | 3,437      | 4,029      |
| Priority Services Register (added to)          | 3,232      | 3,516      |
| Complaints and redress                         | 4,033      | 3,428      |
| Pre payment meter - discretionary credit       | 1,909      | 3,068      |
| Charges  | 2,558      | 2,354      |
| Methods of payment (not pre-payment meter)     | 2,173      | 2,060      |
| Switching supplier (including unwanted)        | 1,524      | 1,733      |
| Change of tariff (with existing supplier)      | 1,122      | 1,208      |
| Renewable and energy efficiency scams          | 222        | 479        |
| Disconnection of supply                        | 618        | 455        |
| Contract terms and conditions                  | 299        | 264        |
| Cancellation and withdrawal                    | 124        | 144        |
| Green Deal / Energy Company / Obligation       | 113        | 143        |
| Delays in supply / delivery                    | 190        | 121        |
| Emergency utility repair (e.g. heating, water) | 197        | 86         |
| Selling methods and techniques                 | 52         | 49         |
| Dangerous and unsafe goods / services          | 56         | 42         |

Debt figures: Q3&4 2022/23 and Q3&4 2023/24:

| Complex + simple debt | Q3&4 2022/23  |                      |                  | Q3&4 2023/24  |                      |                  |
|-----------------------|---------------|----------------------|------------------|---------------|----------------------|------------------|
|                       | No of clients | Debt amount          | Average          | No of clients | Debt amount          | Average          |
| Electricity           | 1,043         | £2,137,968.79        | £2,049.83        | 1,233         | £2,683,361.20        | £2,176.29        |
| Gas                   | 596           | £800,278.10          | £1,342.75        | 608           | £890,114.85          | £1,464.00        |
| <b>Total</b>          | <b>1,639</b>  | <b>£2,938,246.89</b> | <b>£1,792.71</b> | <b>1,841</b>  | <b>£3,573,476.06</b> | <b>£1,941.05</b> |



# Who we are

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Citizens Advice Scotland (CAS), our 59 member Citizen Advice Bureaux (CAB) and the Extra Help Unit, form Scotland's largest independent advice network. Scotland's Citizens Advice Network is an essential community service that empowers people through our local bureaux and national services by providing free, confidential and independent advice. We use people's real-life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help and we change lives for the better.

During 2022-23, the entire Citizens Advice network provided advice and assistance to over 187,000 individuals; this equates to one in every 26 adults living in Scotland. The network put almost £142 million back into people's pockets during this time, with every £1 invested in core advice funding returning £14 in gains for people. Our extensive footprint is important in helping us understand how issues impact locally and nationally across the country and the different impacts that policies can have in different areas.

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