

Parliamentary Briefing: How is the cost of living affecting older people in 2026?

April 2026

Overview

New research by Age UK has found that millions of pensioners are still struggling with the cost of living and unable to afford the most basic essentials – even before prices started rising again due to conflict in the Middle East.

Energy remains the dominant source of financial pressure, leading to many cutting back on heating their home. Reduced spending on other essentials like food, as well as social activities and transport, is commonplace, with potentially damaging knock-on effects on people's health and wellbeing.

Too many pensioners on low or modest incomes aren't getting the support they need, with low levels of awareness of support schemes and practical barriers to applying holding many back.

What Age UK would like to see:

The cost of living remains a major concern for many pensioners and requires a comprehensive set of policy solutions that target key sources of financial pressure. **The Government should take targeted action to boost benefit take-up, widen access to energy bill support and ease the housing costs of pensioners on low and modest incomes.**

With energy costs due to rise as a result of conflict in the Middle East, **the Government must consider how any targeted support will reach those on low incomes, not only those receiving means-tested benefits.** The Government should be prepared to use other routes including the Crisis and Resilience Fund to reach older people in need.

Key research findings

Age UK's new report, *Fragile finances, difficult choices*, sets out findings from nationally representative polling about how the cost of living is affecting pensioners across Great Britain in January 2026 – *before* energy and other prices started rising again.

The research found that over one in four pensioners (28%) – equivalent to 3.4 million people – are financially struggling. Nearly half of these (47% - equivalent to 1.6 million people) have been struggling for three years or longer, indicating persistent hardship among a significant number of pensioners.

The proportion of those struggling is greater among women (33%), people who live alone (32%), people with a disability (35%), social renters (48%), private renters (51%) and people on means-tested benefits (49%).

Energy remains the biggest cost of living pressure, despite the positive announcement of a £150 reduction in energy bills from April 2026.

- 35% - equivalent to 4.2 million pensioners – said they were worried about paying their household energy bills.

High energy prices and an aversion to getting into energy debt is leading to significant cutbacks and cold homes, with potentially damaging impacts on pensioners' health.

- If faced with the choice, more than two in three (69%) – equivalent to 8.3 million pensioners – would rather turn off their heating than get into debt.
- 35% of pensioners - equivalent to 4.2 million people – said they had cut back on heating or powering their home recently.
- The consequence of cutting back is that one in five pensioners (19%) – equivalent to 2.3 million people – **live in homes that are colder than they would like it to be all or most of the time**. Many report staying in bed for long periods or only heating one room, in an effort to stay warm.
- 33% - equivalent to 4 million pensioners – were worried about the impact of energy prices on their health.

Other common cutbacks include spending on social activities (35%), food/groceries (20%) and transport costs (18%). Many are only buying basic goods, limiting visits to friends and family and even going without hot meals.

Barriers to support

There are significant and persistent challenges with pensioners accessing financial support, with just 6% saying they have tried to get financial help or advice regarding household bills or living costs in the past 12 months.

- Many believe they aren't eligible (48%) or say they feel embarrassed or ashamed (33%).

Practical barriers are also preventing pensioners from getting help, with some saying that they wouldn't know who to contact (21%) or that the process is too complicated (15%).

What Age UK would like to see

Energy bills remain more than £500 higher than they were at the end of 2021, and the price cap looks set to rise again in July by around £202 per year – bringing the average household bill to £1,843.

To ease cost of living pressures, Age UK is calling for government action to address the underlying drivers of financial insecurity in later life:

1. Income

Having a decent income is essential for people to afford the essentials. To ensure all pensioners maximise their income through accessing the benefits they are entitled to, the Government should:

- **Develop a sustained and strategic approach to tackle the persistently low take-up of Pension Credit and other pensioner benefits, including Attendance Allowance.** This should include increased data sharing across central government, local authorities and health bodies, and an impactful merger between Pension Credit and Housing Benefit applications.
- **Monitor the implementation of the new Crisis and Resilience Fund (CRF)** to check that local authority delivery plans ensure accessibility for pensioners in financial hardship.
- **Continue to protect the State Pension triple lock**, which gives a much-needed boost to people reliant on a low value State Pension.

- **Review the steep eligibility cliff edge for Pension Credit.** Many people just outside of eligibility are missing out on potentially thousands of pounds per year.

2. Energy

Energy costs stand out as the dominant source of anxiety, and the primary cause of cutbacks which can be damaging to pensioners' physical and mental wellbeing. The Government should:

- **Reform eligibility of support schemes such as the Warm Home Discount.** Income-based data matching would enable the Government to deliver support to those on low-incomes rather than just those in receipt of benefits.
- **Introduce short-term improvements to the Warm Home Discount,** including an application route for low-income households not in receipt of benefits.
- **Optimise delivery of the Warm Homes Plan** with a detailed plan for enforcing new efficiency standards in the private and social rented sectors.

3. Housing

Housing costs and the condition of people's homes are major factors in how they can cope with cost of living pressures. The Government should:

- **Address the disparity between Local Housing Allowance and the actual cost of renting,** so that private renters on low incomes have the help they need to meet their housing costs.
- **Develop a long-term strategy to address the root causes of housing poverty in older age,** including addressing the extreme shortage of accessible, adaptable, affordable homes that are suitable for an ageing population.

What can Parliamentarians do now?

- **Meet with us** to discuss how older people are coping with the cost of living in more detail and learn about how our policy recommendations would support your constituents.
- **Use the chamber** to raise our survey findings and call for targeted support, including at upcoming debates on the King's Speech.
- **Write to relevant Ministers at DESNZ, DWP and MHCLG** regarding the cost of living pressures facing older people and suggest practical solutions within their remit.
- **Meet with your local Age UK** to find out about how they're working to support older people on low and modest incomes in your constituency.
- **Join the APPG for Ageing and Older People** to work on cross-party issues affecting older people. For more information, please email publicaffairs@ageuk.org.uk.

If you have any questions or would like to meet to discuss the issues outlined in this briefing further, please contact publicaffairs@ageuk.org.uk.