

# Parliamentary Briefing: Lifting older people out of fuel poverty

February 2026

## Overview

**1 million older households live in fuel poverty.** The high cost of living is resulting in many older people cutting back on essentials, especially heating their home, presenting huge risks to their health and wellbeing.

**Age UK welcomes the recent Government announcements outlining how they intend to tackle high energy prices and lift one million people out of fuel poverty by 2030.** These plans have the potential to make real improvements to older people being safe and well and home.

**More strategic planning is needed to ensure the 2030 target is met, however.** The Government should prioritise investment in the Warm Home Discount scheme, which is proven to be the quickest and easiest way to lift households out of fuel poverty. At the same time, retrofitting plays a key role in tackling fuel poverty in the long-term and should be accelerated and prioritised for those in the most vulnerable circumstances.

## Key facts

**The UK Government estimates that 2.7m people live in fuel poverty in England<sup>i</sup>, although other estimates put the number as high as 9m.<sup>ii</sup>**

**The average 'fuel poverty gap' – the amount a household's income would have to rise by to take them out of fuel poverty (after benefits) - was £407 in 2024.**

Major contributors to current levels of fuel poverty include:

- **Low household income** – 1.9m (16%) older people live in poverty
- **Persistently high energy prices** – the average annual energy bill remains 45% higher than the end of 2021. Many people are in energy debt, with national energy debt across Great Britain standing at ~£4.5bn
- **Energy inefficient housing** – 58% of households live in a home that is rated EPC D or below

**Older people are particularly vulnerable to the risks of a cold home.** Older people are at higher risk of heart attacks, strokes, respiratory illness and falls, as cold temperatures strain the body and worsen existing conditions. Cold homes can also impact mental health, as living in cold, damp conditions can worsen anxiety, depression, and social isolation.

## The Fuel Poverty Strategy

On 21 January, the Government published its [Fuel Poverty Strategy](#). The strategy is the Government's plan for meeting its statutory fuel poverty target – 'to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C by 2030.'

**The strategy aims to lift one million households out of fuel poverty by 2030.** It focuses on reaching as many fuel poor households as possible, rather than prioritising those living in the deepest fuel poverty.

The Government's primary mechanism for doing this is better regulation across the private and social rented sectors, particularly in regard to the energy efficiency of homes, with some public funding going to continuing existing schemes (e.g. the Warm Homes Local Grant).

Lifting one million households out of fuel poverty would be a significant achievement. To meet this target, the Government needs to be clear on *how* and *when* it will improve schemes such as the Warm Home Discount; how it will ensure that new regulations in the private rented sector are properly enforced; and how they can ensure that the costs of upgrading homes are not passed onto consumers through higher rents.

It is also worth noting that, even if successful, current plans would still leave 1.7m households in fuel poverty in 2030, with many of these living in deep fuel poverty.

#### **Age UK would like to see:**

- A detailed strategy to ensure that the Government's target of lifting 1 million people out of fuel poverty is delivered
- A new target for when the 1.7m households not targeted in its current plans will be lifted out of fuel poverty

### **The Warm Home Discount Scheme**

The [Warm Home Discount](#) (WHD) is the Government's primary energy bill support scheme, offering a flat rate of £150 per year for households who receive eligible benefits. On 30 January, the Government announced that they would continue the scheme until 2030.

While the extension is welcome, many poverty organisations argue that £150 of support is insufficient given that the average fuel poverty gap is £407. Age UK believes the rate remains too low to adequately protect older people facing high and volatile energy costs, particularly for those with inefficient homes, or who have a health condition that demands they use more energy. The WHD's eligibility criteria, based on benefit receipt, also excludes many low-income older households.

#### **Age UK would like to see:**

- An uplift in the value of a WHD rebate for those in energy inefficient homes, or with a long-term health condition or disability
- An ambitious, longer-term plan to redefine WHD eligibility based on income rather than benefit receipt, enabled through data-matching with HMRC, building on work the Government is already progressing to improve targeting
- An interim application route for the WHD so low-income households, including older people, can access a rebate where they do not receive means-tested benefits

### **The Warm Homes Plan**

The [Warm Homes Plan](#) is the Government's plan to upgrade 5 million homes to make them warmer and cheaper to run, through funding insulation schemes; grants for clean heating; and low interest loans for solar panels.

Delivery of the Warm Homes Plan will take time and we are keen to ensure that those struggling to afford their bills do not fall into deeper poverty while they wait for their home to be upgraded.

#### **Age UK would like to see:**

- An accelerated delivery of the Warm Homes Plan, which targets and prioritises those in the most vulnerable circumstances with simple ways to access fully funded upgrades
- The introduction of a 'warm homes guarantee' that would ensure that any retrofitting made would provide savings for those dwelling in the property

## Upgrading the Private Rented Sector

On 21 January, the Government confirmed that it would go ahead with raising the minimum energy efficiency standard in the private rented sector to EPC C by 2030. **Age UK welcomes this decision but would like to see more detail on tenant protections, tenant support, and enforcement.**

While stronger Private Rented Sector Minimum Energy Efficiency Standards (PRS MEES) are essential, upgrades can be disruptive for older people, particularly those with health or mobility needs. Without appropriate support, there is a risk of living disruption, temporary displacement, hidden tenant costs, or disengagement from the new regulations.

Furthermore, without robust enforcement and tenant protections, many older renters may continue to live in homes that are expensive to heat, undermining fuel poverty objectives.

### Age UK would like to see:

- More detailed plans for enforcement funding of the PRS Minimum Energy Efficiency Standards
- Practical and financial support, information and guidance for older tenants to help them through retrofit and improvement works
- Restrictions on what rent increases are allowed when landlords have used government grants/loans to fund works
- Any new build plans to address the shortage of appropriate options for older renters

## What can Parliamentarians do now?

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](mailto:publicaffairs@ageuk.org.uk).

- **Write to the Minister for Energy Consumers** to ask for more detail on future improvements to the Warm Home Discount scheme – including its value and reach
- **Write to the Energy Security and Net Zero Committee** to request a review into the Government's recent announcements, particularly in terms of scope and speed
- **Attend the APPG for Ageing and Older People meeting on the cost of living** and local support for constituents, taking place in March (email [nick.herring@ageuk.org.uk](mailto:nick.herring@ageuk.org.uk) for details)
- **Meet with us** to discuss the issues outlined in this briefing and how the Government can lift as many people as possible out of fuel poverty by 2030
- **Submit oral or written questions to DESNZ** – for support with draft questions, please contact [publicaffairs@ageuk.org.uk](mailto:publicaffairs@ageuk.org.uk)

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<sup>i</sup> The Government's definition includes households that live in a home with an EPC rating of D or below and have a disposable income below the poverty line (below 60% of the national median income), after energy and housing costs.

<sup>ii</sup> Another fuel poverty metric – used by the Welsh Government, Scottish Government and many third sector organisations – defines fuel poverty as households who spend over 10% of their income on energy costs.