



Fragile Budgets, Difficult Choices: The Cost of Living for Pensioners in 2026

April 2026

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Key findings and policy recommendations

This report sets out the latest evidence from Age UK on the cost-of-living pressures facing pensioners across Great Britain, drawing on polling conducted in January 2026 among people aged 66 and above, alongside direct engagement with pensioners through discussions and a workshop.

There are modest signs of improvement compared to 2025. The proportion of pensioners feeling less financially secure than the previous year had fallen slightly, from 33% to 30%, and lower levels of worry about energy costs may in part reflect the restoration of the Winter Fuel Payment to over nine million pensioners. But the improvement is not transformative. Too many pensioners remain unable to afford the essentials, and too many others are only just coping. Energy bills remain more than £500 higher than at the end of 2021, and prices look set to rise again. The risk of another spike in energy prices – and the inflationary consequences for other household spending – is a real concern.

Over one in four pensioners (28%) in Great Britain – equivalent to 3.4 million people – describe themselves as financially struggling. Among private renters, that figure rises to 51%. Of those struggling, nearly half have been doing so for three years or more, pointing to deep and persistent hardship rather than a temporary crisis for a considerable proportion of pensioners.

Energy remains the dominant source of financial pressure. More than a third of pensioners (35%) have cut back on heating or powering their home to make ends meet, and one in five (19%) say their home is colder than they would like it to be all or most of the time. Energy bills are rated the least affordable of all household costs, with one in four saying they are unaffordable (25%). A clear majority of pensioners (69%) say they would rather turn off their heating than get into energy debt – a stark indicator of the trade-offs many are making at the cost of their health and wellbeing. Cutbacks extend beyond energy. For example, one in five pensioners have cut back on food and groceries.

The pressures are not felt equally. Renters, women, younger pensioners, those with disabilities, and pensioners from ethnic minority backgrounds are all disproportionately affected.

Barriers to support remain significant. Only 6% of pensioners sought financial help or advice in the past year. Nearly half said they did not think they would be eligible for support, and one in five said they would not know who to contact.

Age UK is calling on Government to act across three interconnected areas. On income, we are urging a sustained strategy to tackle the persistently low take-up of Pension Credit and other benefits, stronger protections through the State Pension triple lock, and careful monitoring of the new Crisis and Resilience Fund to ensure it reaches pensioners in genuine hardship. On energy, we are calling for reform of the Warm Home Discount to extend eligibility to all low-income households, deeper payment levels to reflect the true fuel poverty gap, and optimised delivery of the Warm Homes Plan. On housing, we are urging Government to ensure Local Housing Allowance keeps pace with real rental costs, introduce robust enforcement of energy efficiency standards with proper protections for tenants, and develop a long-term strategy to increase the supply of affordable, accessible homes suitable for later life.

Introduction

This report sets out the latest evidence from Age UK on the cost-of-living pressures facing pensioners across Great Britain. It is informed primarily by polling conducted in January 2026 among people aged 66 and above. In several cases, the report also draws comparisons with the results of similar questions asked in polling carried out by Age UK in previous years, enabling trends in pensioners' experiences and concerns to be tracked over time. While the core survey focuses on those aged over 60, findings referenced in the report relate to people aged 66+ unless specified.

We have also engaged directly with pensioners to better understand how rising costs are affecting their day-to-day lives, including through discussions and a workshop focused on the cost of living. These insights provide important context to the polling findings and help illustrate how financial pressures are shaping the decisions and trade-offs pensioners are making.

This report demonstrates that, while the sharpest edge of the cost-of-living crisis has dulled – inflation has fallen from its peak, and some pressures appear to have stabilised – the reality for many remains one of fragile budgets and difficult choices. Energy bills are still more than £500 higher than at the end of 2021, and prices look set to rise again, while rents and other essentials have continued to rise. Meanwhile, changes to support schemes such as the Winter Fuel Payment and Warm Home Discount have reshaped who receives vital help with key cost-of-living pressures, such as heating costs.

As Age UK sees in our frontline services from across the country, the underlying strain persists. Every day, we hear from pensioners worried about heating their homes, keeping up with rent, or stretching a fixed income to cover rising food prices. In the past year alone, our advisers have carried out thousands of benefit checks and provided guidance to those trying to understand other forms of support available to them.

For many years, the Winter Fuel Payment provided universal help for pensioners with their energy during the coldest months. Eligibility for the support was restricted in winter 2024-25, removing support from millions of pensioners who do not receive means-tested benefits. In response, Age UK mounted a major campaign calling for the restoration of the Winter Fuel Payment to pensioners on the lowest incomes, arguing that the change risked pushing many on modest incomes into hardship and deterring others from heating their homes adequately. The outcome of that campaign was the restoration of support to over nine million pensioners. We can see this reflected in our data, with the restoration of the Winter Fuel Payment helping improve the outlook compared to 2025.

Regarding the long-term picture for energy prices – a key cost-of-living pressure – wholesale energy prices heading into 2026 seemed stable compared with the extreme volatility seen in 2022 and 2023. However, the UK remains acutely sensitive to further shocks. The country continues to be heavily exposed to fluctuations in global gas markets, caused by events beyond the Government's control – from geopolitical instability to supply disruptions or severe weather – which can quickly feed through into household bills. Because prices are still higher than they were before 2022, any renewed spike would come on top of an already elevated baseline. For pensioners living on fixed incomes, with limited ability to increase their income through earnings or absorb sudden cost increases, this ongoing vulnerability is particularly concerning.

In short, while there are signs of modest improvement compared with last year, the change is not transformative. Too many pensioners remain unable to afford the essentials, and too many others are only just coping. Modest improvements in inflation or energy prices will not address the underlying vulnerabilities exposed by the crisis. And the risk of another spike in energy costs, and high inflation as a consequence, remains high. Long-term solutions are still needed: policies that ensure adequate and reliable income in later life, increase benefit take-up, address housing affordability, and provide sustainable protection against high energy costs. It is also critical to ensure that the support offered through existing and forthcoming policies, such as the Crisis and Resilience Fund which will begin in April 2026, are deployed in a way which reaches pensioners most in need.

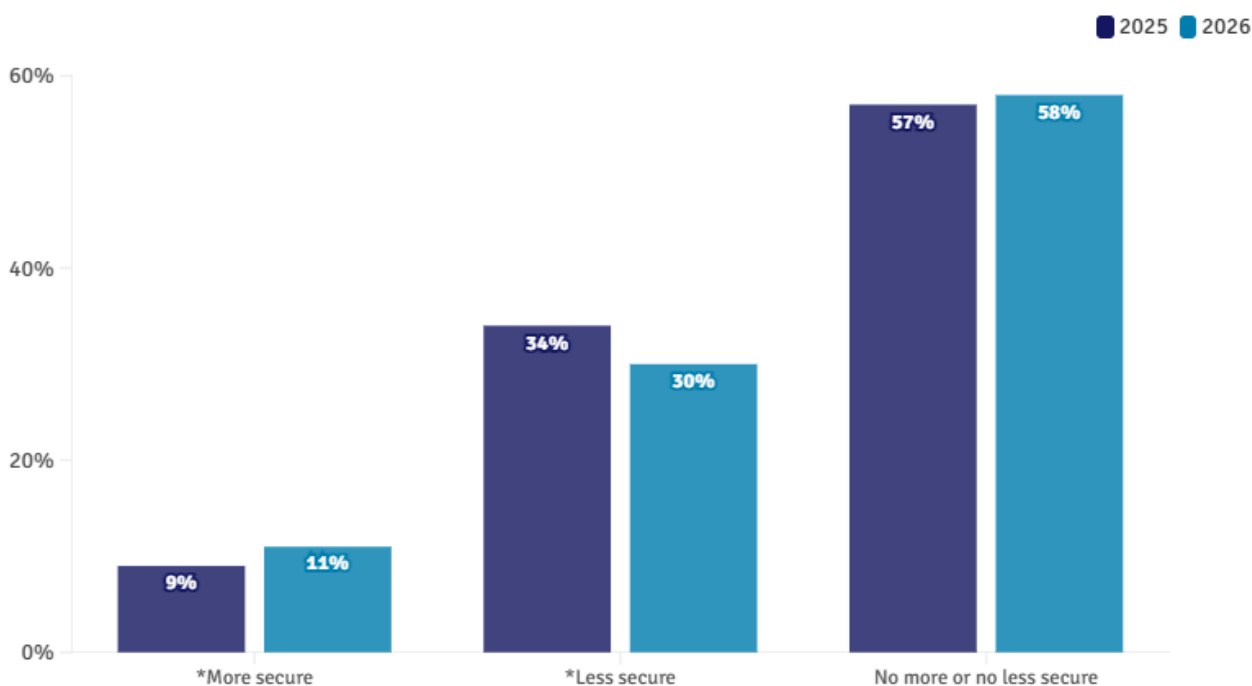
Chapter 1 – Continued financial struggles

Slight improvement from 2025

The cost of living has been a salient issue for several years now, and a key aim of our work has been to understand the impact on pensioners’ feelings of financial security. In January 2025 and 2026 we asked pensioners how financially secure they felt compared to the previous year. This year 30% said they felt less secure than the year before, compared to 34% in 2025. A similar proportion said they feel no more or less secure each year (58% in 2026, 57% in 2025) and a slightly larger proportion said they felt more secure in 2026 (11% in 2026, 9% in 2025).

This demonstrates a **modestly improved picture** regarding financial security, with many pensioners’ circumstances staying the same. A greater number of people feel that their financial security is worsening than improving, implying that for 3.6 million pensioners cost of living pressures are worsening.

3 in 10 pensioners felt less financially secure in January than at the beginning of the previous year



Percentage of pensioners who responded to the question 'Heading into the next year, how financially secure do you feel now compared to when the last year began?'

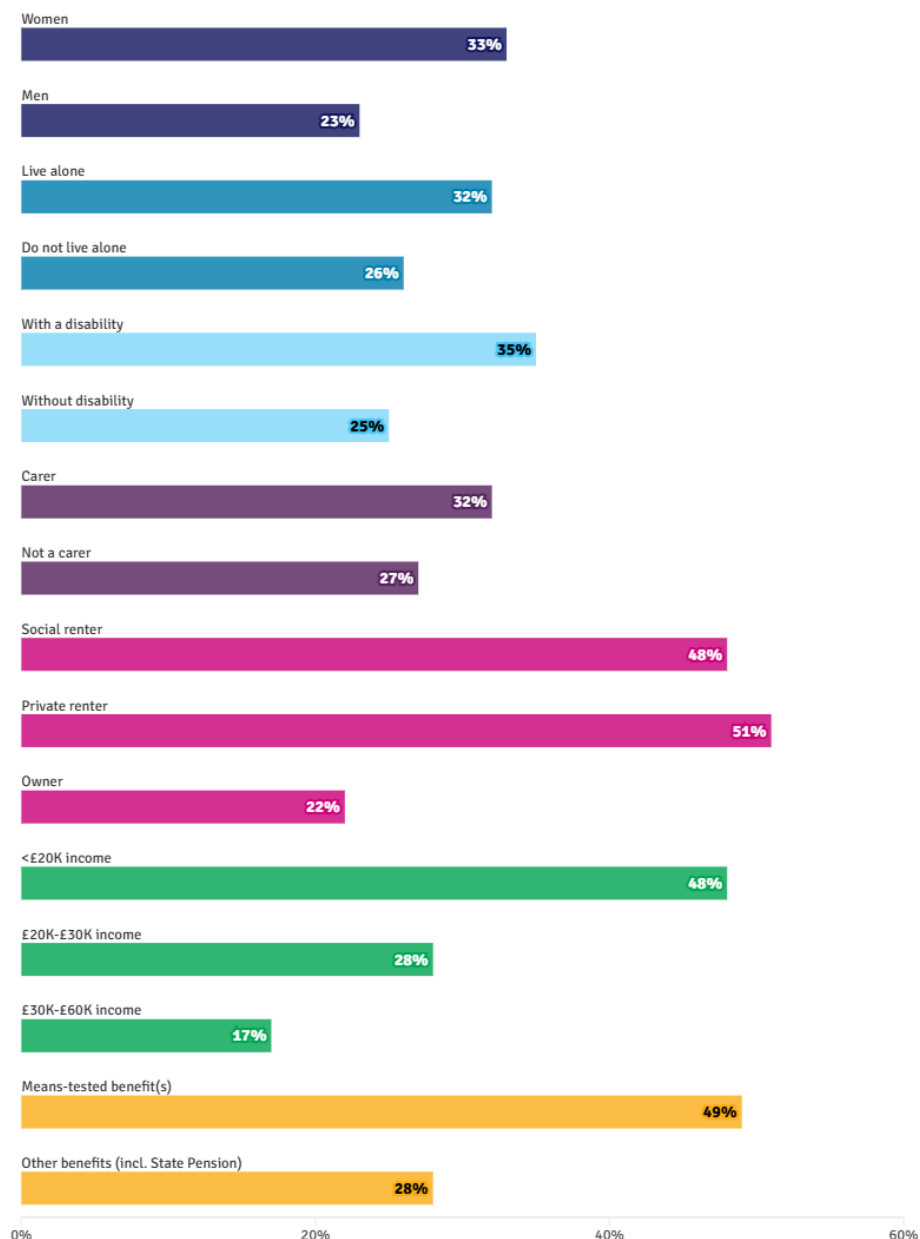
*NET proportion from the responses: 'Much less secure', 'Less secure', and 'More secure', 'Much more secure'




A significant minority are struggling financially

Financial security indicates levels of worry, and whether or not pensioners feel things are improving. However, it does not necessarily demonstrate immediate hardship. To understand levels of hardship, we asked pensioners whether, when thinking about finances and the current the cost of living, they would identify as comfortable or struggling. In response, **over one in four (28%), equivalent to 3.4 million pensioners, said they were struggling financially.** The figure was much higher for some cohorts, particularly with regard to tenure. For example, 48% of social housing tenants and 51% of private renters said they were struggling financially.

More than 1 in 4 pensioners are struggling with their finances and the cost of living, with some groups more likely to struggle than others



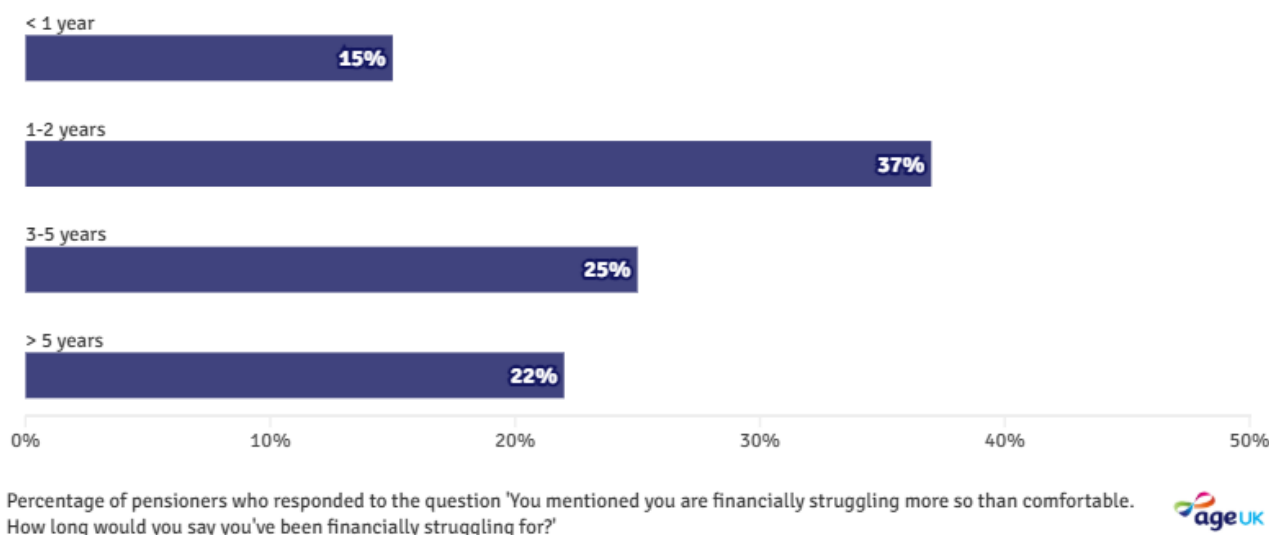
Percentage of pensioners who responded to the question 'Thinking about your finances and the current the cost of living, would you say you are comfortable or struggling?' 

*NET proportion from the responses: 'Struggle somewhat financially' and 'Struggle a lot financially'

We also introduced a new question to better understand the duration of financial difficulty. Among the 3 in 10 (28%) who said they were struggling, half (51%) reported that this had been the case for up to two years, suggesting more recent cost-of-living pressures. The remaining

half (47%) said they had been struggling for three years or longer, pointing to more persistent financial hardship. Notably, a fifth (22%) of those struggling –equivalent to 740,000 pensioners –said they have been struggling financially for more than five years.

Of the 28% of older people who say they are struggling financially, almost half (47%) have been struggling for 3 or more years



Chapter 2 – The everyday reality

Energy remains the biggest source of financial pressure

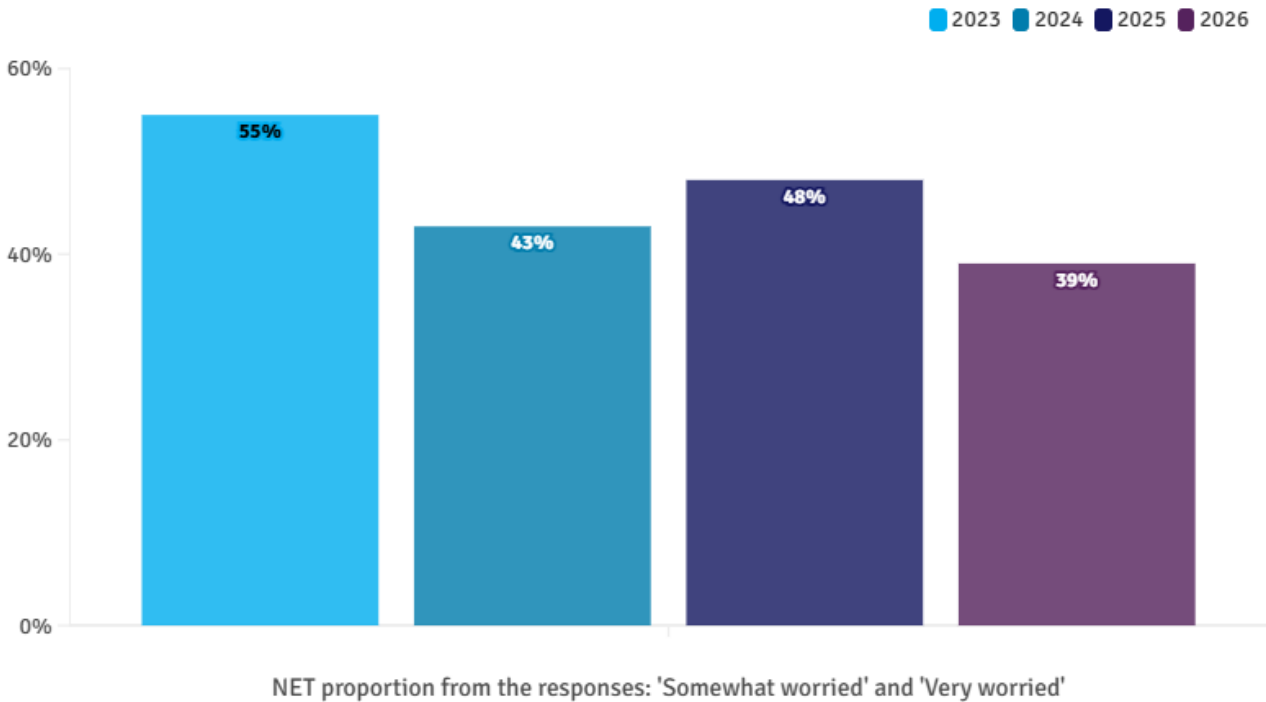
In terms of the financial pressures shaping pensioners' comfort and security, our findings underline **the continued prominence of energy-related concerns among pensioners.**


Energy costs stand out as the dominant source of concern for many. 35% said they were worried about paying their household energy bills, and 33% were worried about the impact of energy prices on their health. Levels of worry were notably higher for questions relating to energy costs than for other household costs, despite the fact that the Government announced there would be a £150 reduction in energy bills from April. This may in part reflect the fact that, unlike some other areas of spending, energy use is often perceived as less flexible or harder to control. By comparison, 22% were worried about being able to afford other essentials such as food, equivalent to 2.7 million pensioners.

“My main concern with the cost of living is the cost of renting. I've lived in private rented accommodation for 25 years. When I got a section 21, I got evicted. A one-bedroom flat in [my area] is about £860 a month, which is crazy. The local housing allowance is only £135 a week. It leaves a big gap when you only get a basic state pension, the old state pension. I was in a real state with money and the cost of living and wondering what I was going to do. In the end, I found, myself, not through the council, [charity supported] accommodation, which I'm really pleased with.”

Cost of living workshop participant

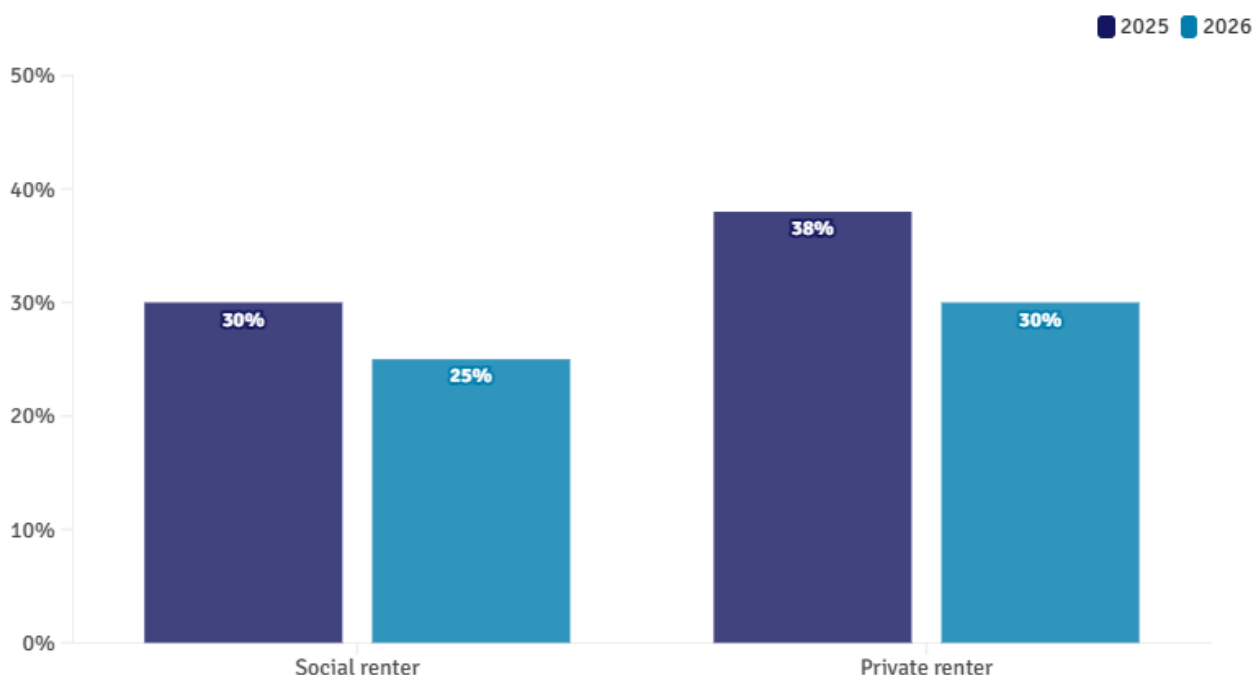
Even with a £150 reduction in energy bills on the way 4 in 10 pensioners were still worried about heating their home



Percentage of pensioners who responded to the question 'Thinking about your finances at the moment, how worried, if at all, are you about being able to heat [your] home when [you] want to?' 

A considerably higher proportion of pensioners living in the private rented and social housing sectors report being worried about these financial pressures. 54% of social housing tenants and 52% of private renters said being able to heat their home when they want was a worry. 45% of social housing tenants and 49% of private renters were worried about paying the household energy bills. Meanwhile, 34% of social housing tenants and 37% of private renters worry about being able to afford other essentials such as food and 25% of social housing tenants and 30% of private renters worry about being able to pay rent.

Large proportions of renting pensioners remain worried about being able to pay their rent



Percentage of pensioners who responded to the question 'Thinking about your finances at the moment, how worried, if at all, are you about each of the following: Being able to pay your rent or mortgage?'

*NET proportion from the responses: 'Somewhat worried' and 'Very worried'



Energy affordability continues to shape the financial confidence and wellbeing of pensioners. With a substantial proportion of pensioners worried about heating their homes and paying energy bills, clarity and stability in support for core energy costs remain critical. The restoration of the Winter Fuel Payment for millions of pensioners, in addition to an expansion of eligibility for the Warm Home Discount rebate, may have contributed to slightly lower levels of worry this year than last. For instance, four in ten respondents (39%) to this year's polling said they were worried about being able to heat their home when they want to, including 11% who said they were very worried. Last year, when we asked the same question, a larger percentage of 48% told us they were worried, including 16% who said they were very worried.

Energy and social activities are the biggest areas for cutbacks

We asked respondents **if they had had to cut back on spending in various areas, specifically 'to make ends meet'**. The two most commonly reported items, mentioned by a third of respondents (35%), were:

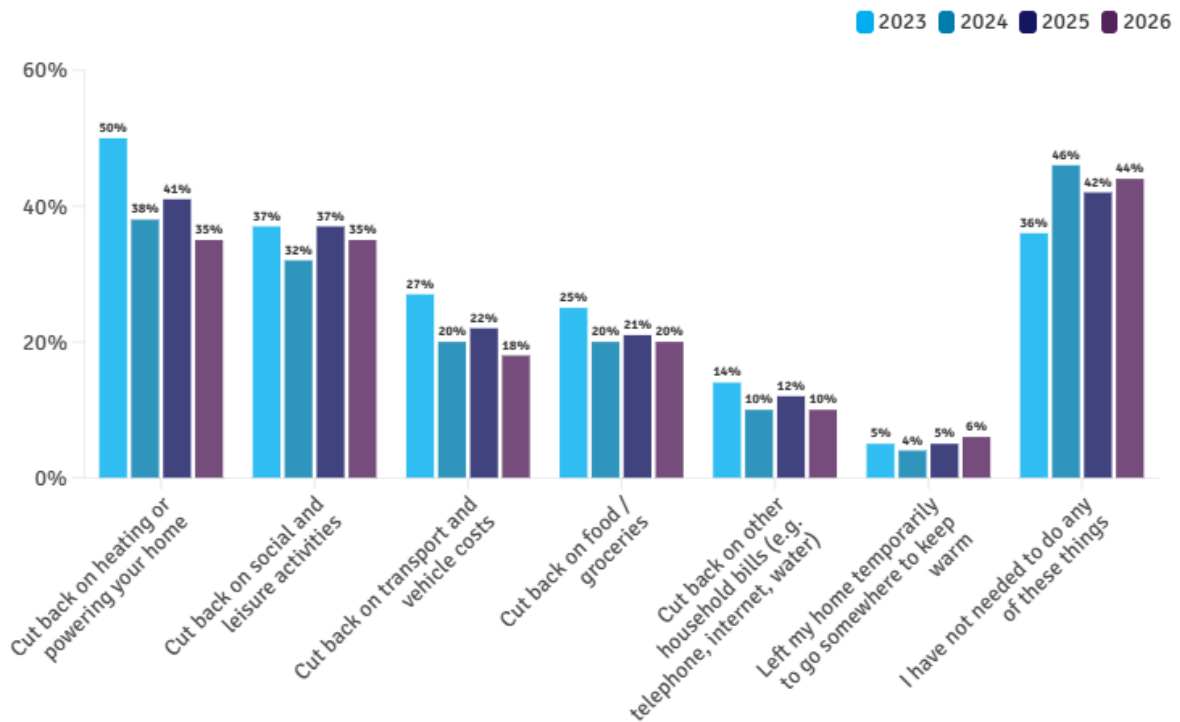
- 'heating or powering the home, e.g. turning off your boiler, heating your home less or turning off lights or appliances more than usual'
- 'social and leisure activities, e.g. eating out, holidays, physical activities'.

That is equivalent to 4.2 million people. As with other questions, some groups are particularly likely to be making such cuts. Those more likely to be cutting back on heating/powering their home include women (41%), people who live alone (43%), social and private renters (55% and 45%), people receiving means-tested benefits (53%), those who are widowed (43%) or divorced (47%), and those with a disability (43%).

“I now have to be very budget conscious, and only buy the cheapest food. I have had to cut the central heating in my rented house to save money. It infuriates me...I can only afford to use my car when absolutely necessary, which is a pain, as I live in a rural part of the country where a car is an essential. I can only afford to shower once a week, or once a fortnight. Every month is a battle to make ends meet. In a nutshell: I live very frugally these days. I have to wear multiple layers of clothing, hats and scarves while at home to stay warmish, and use multiple duvets on my bed at night. I have contracted colds and flu several times as a result. My life these days is perpetually shivering.”

Mal, 71 – Age UK Campaigner

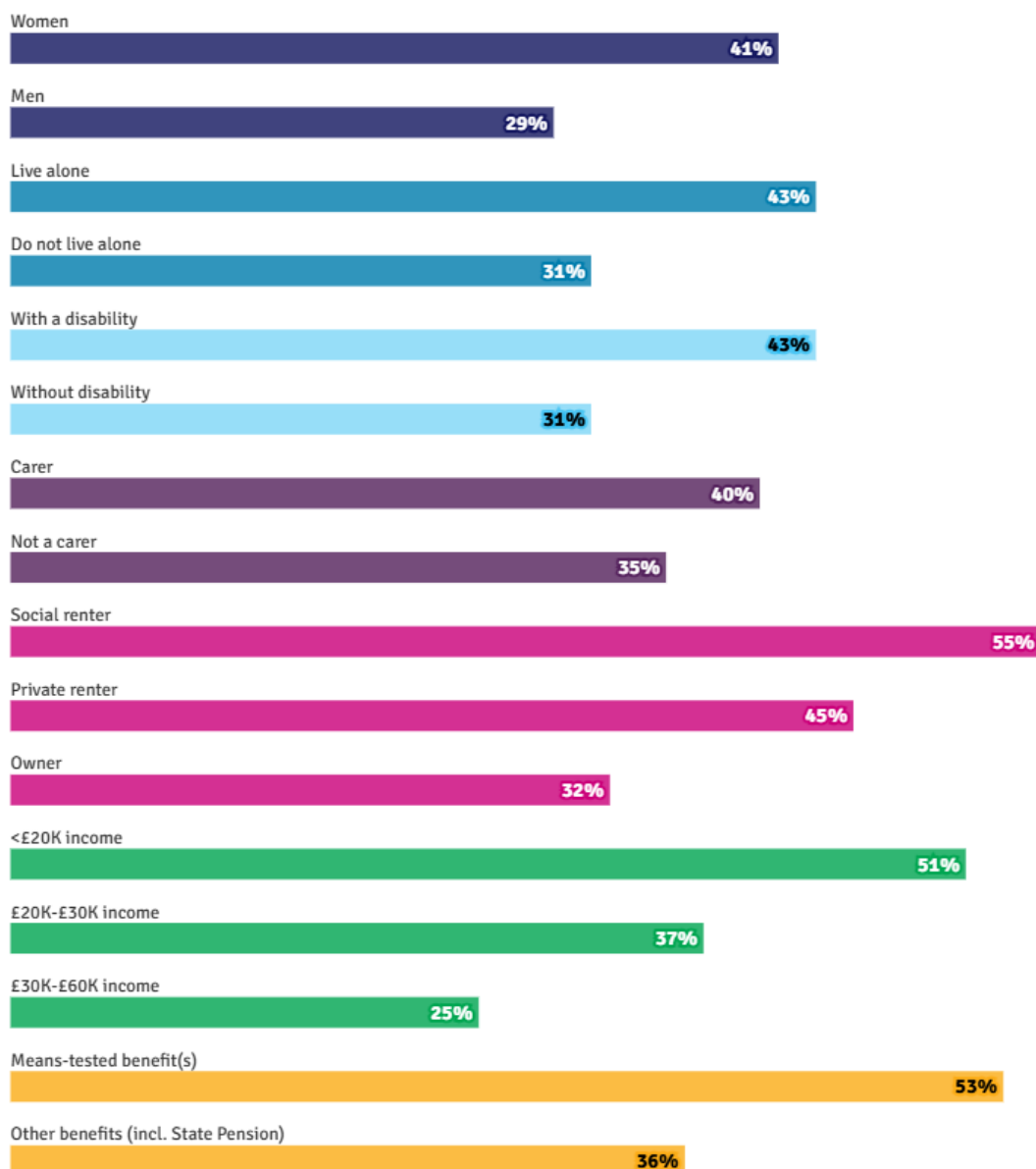
More than half of pensioners are still cutting back



Percentage of pensioners who responded to the question 'Which, if any, of the following have you or a member of your household had to do recently?'



Some groups of pensioners are more likely to be cutting back on heating or powering their home



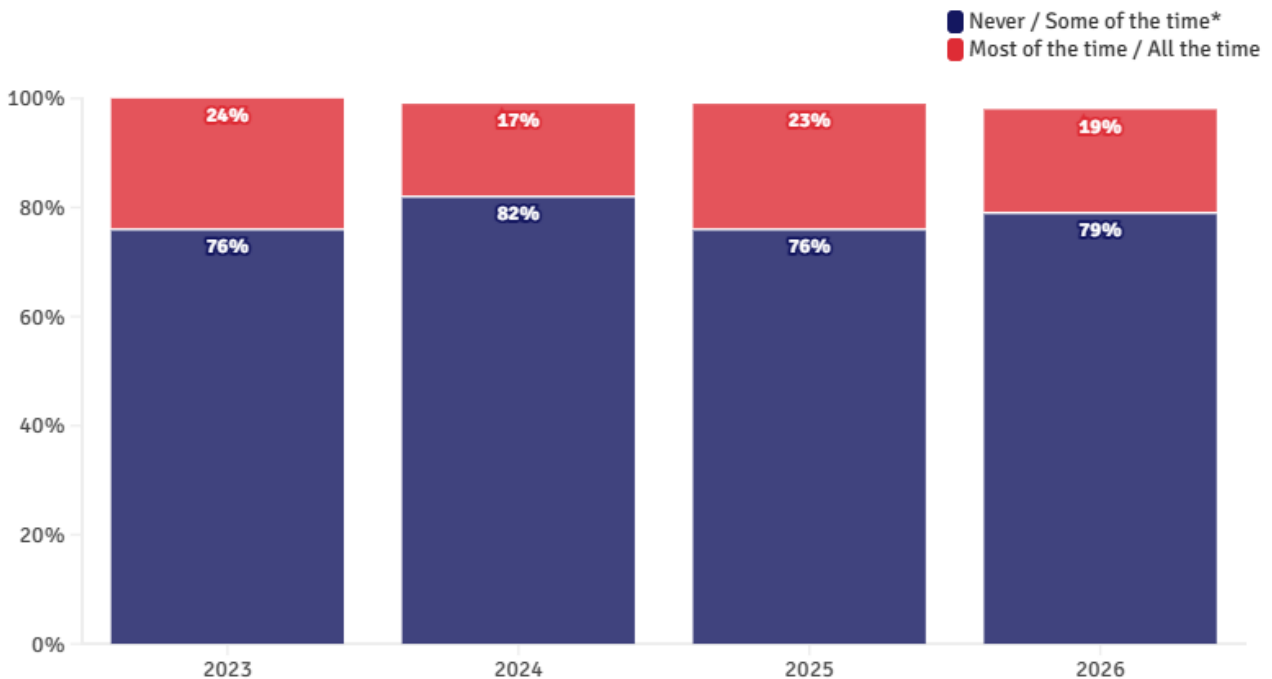
Percentage of pensioners by differing characteristics who responded 'cut back on heating or powering your home' when asked 'Which, if any, of the following, have you or a member of your household had to do recently?'



Cold homes are a major problem

These cuts are particularly concerning where they lead to people are living in a cold home as a result. One in five pensioners (19%) told us that their home is colder than they would like it to be all or most of the time. It should be noted that those reducing their heating are not necessarily the same individuals who say their home is colder than they would like.

Even before the current energy crisis 1 in 5 pensioners said their home was colder than they would like it to be most or all of the time



Percentage of pensioners who responded to the question 'Thinking about energy prices at the moment, how often is your home colder than you would like it to be?'

*'Hardly ever' was also a response option in 2023 and 2024. This was removed from the 2025 and 2026 polling.



Of the three in five (63%) pensioners experiencing a cold home at least some of the time, half (54%) said being unable to afford the heating bills was a reason for that, and a third (33%) **cited energy inefficiency as a challenge** – where the home doesn't stay warm for long after being heated.

The fact that so many pensioners are regularly going without adequate warmth underlines the depth of the cost of living challenge. Energy affordability is not simply about bills; it is about whether pensioners can live safely and with dignity in their own homes. At a stage of life when keeping warm is critical to health, this raises serious concerns about how cold homes are creating avoidable illness and mounting pressure on health services as a result.

Under-heating remains a serious concern

To better understand how pensioners are managing high energy prices, we asked whether they would rather get into debt on their energy bills or cut back on heating and other energy use to avoid debt.

The findings suggest a preference for avoiding debt, even at the cost of warmth. A clear majority, two in three pensioners (69%), say they would not get into debt so would rather turn off their heating. Meanwhile, only one in five (18%) would rather stay warm, so would fall behind on bills.

"I'm depressed trying to keep warm, wrapped in many clothes and blankets. I'm embarrassed to ask friends round, the house is too cold for elderly friends."

Anonymous – Age UK Campaigner

"My home is cold all the time. I put the heating on for 2 hours a day. I often feel shivery. I go to the library twice a week so I don't need to put the heating on. It does make me feel miserable being cold."

Barbara, 82 – Age UK Campaigner

"I will always put the heating on as I'd rather be hungry than cold."

John – Age UK Campaigner

"We tend to live in 1 room... to keep it warm. The rest of the house is quite lowly heated. My husband has a chest condition so we have to keep it heated all night but it is quite low. We shop around, but [energy] tariffs are dreadful to understand."

Cost of living workshop participant

"We have to live the best life we can... to do everything that we can that's possible. Every free club we can get to, anything we can do: coffee mornings, craft mornings, all that stuff. Just so we can feel alive. It's really important."

Cost of living workshop participant

"I feel miserable when it's cold and do very little. My home is cold due to ineffective heating but as it is rented I cannot change it."

Jean, 72

"My home being cold depresses me. It makes me feel ashamed. It makes me angry."

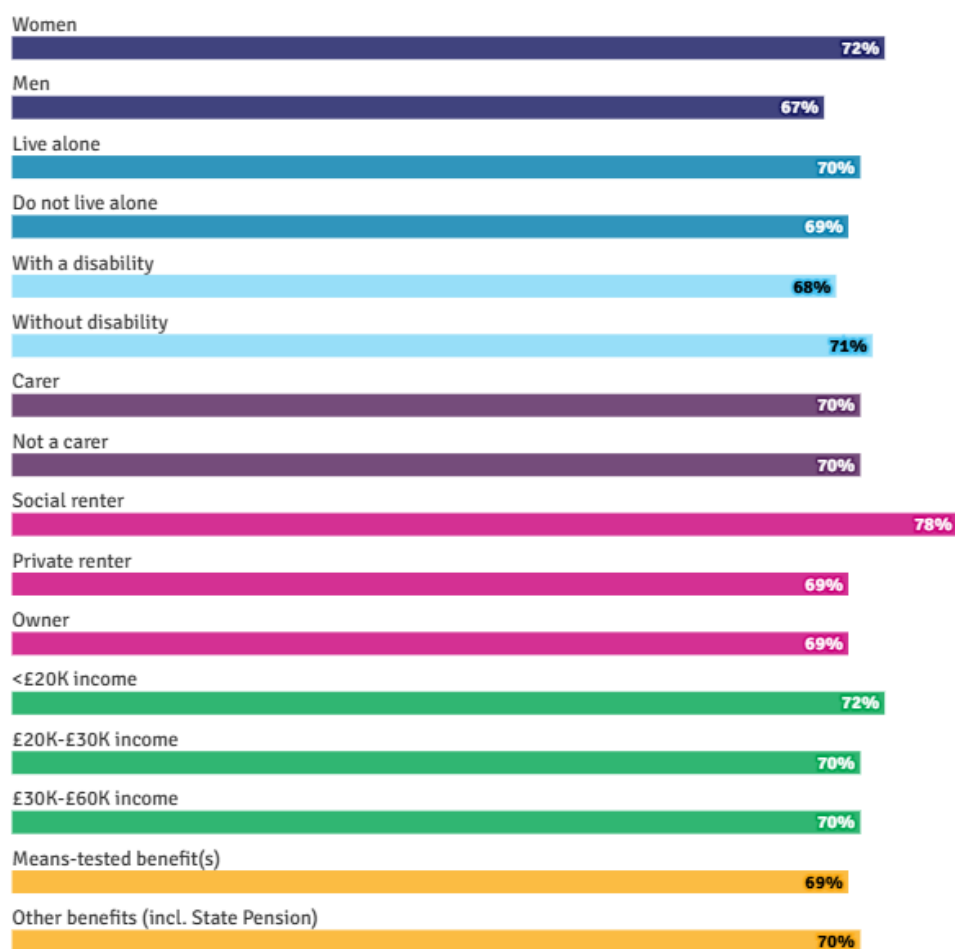
Anonymous

"My home is cold all the time and it's a constant worry. I get colds and flu and skin splits on my hands and feet. It's difficult to dry washing and I have mouldy clothes and walls."

Anonymous

This reflects a tendency among pensioners to be cautious about taking on debt. For many, maintaining financial control and avoiding arrears takes precedence over comfort. However, this choice is not cost-free. It implies that some pensioners are prepared to live in colder homes, at risk to their health, to keep bills manageable.

All groups of pensioners are similarly unwilling to get into energy debt - so would turn off their heating



Percentage of pensioners by differing characteristics who responded to the question, 'Would you rather get into debt on your energy bills or cut back on heating and other energy consumption as far as you need to ensure you don't get into energy debt?'

*Proportion of pensioners who chose the response 'I wouldn't get into debt so would rather turn off my heating'



Across all the subgroups we looked at, large percentages of pensioners indicated that they would rather turn off their heating than get into energy debt. Meanwhile, 18% of pensioners said they would rather stay warm, so would fall behind on bills if they needed to. A similar, but slightly larger proportion of households where someone has a disability (20%) said they would rather stay warm, so would fall behind on bills if they needed to.

Recent research from Public Firstⁱ shows that households with a disability benefit claimant pay on average £97 more per year for energy than non-disabled households. One reason for this is that some support schemes, including the Warm Home Discount, are now funded through energy bills based on how much energy a household uses, rather than through a flat charge that is the same for everyone. This results in households which use more energy – including those which do so due to the additional needs relating to disability – pay more towards the cost of these schemes.ⁱⁱ Taken together, this suggests a structural tension in current policy design: the very households that need to consume more energy for legitimate health reasons, and are prepared to do so, face higher costs without systematically greater protection – making it harder for them to meet essential needs without financial strain.

The differences between cohorts are marginal and the results underline a critical point: for many pensioners, the real trade-off is not between comfort and luxury, but between warmth and debt. That is a stark indicator of the continuing pressure energy costs are creating.

When considered alongside earlier findings – including the 19% who say their home is colder than they would like it to be most or all of the time and the 35% who have recently cut back on heating – this suggests that under-heating is still an active, and relatively common, coping strategy in response to sustained high energy prices.

Significant cutbacks to socialising and food

While cutbacks to energy consumption create cold and unsafe homes, there are significant consequences that arise from cutbacks to social and leisure activities too.

People often tell us about the importance of little things like meeting friends for coffee or having an occasional meal out. Being unable to do these things can make people feel they have no quality of life. In our workshop, more than one person told us “I’m existing, not living”.

“You’re completely dependent on things, you feel like you have no control. That’s an awful feeling for most of us that have managed our lives very well. Through good times and through not so good times. It’s very depressing. It makes you less confident, even if you’re been a confident person, you take a step back because you feel demeaned by it. Poverty demeans you.”

Cost of living workshop participant

The next most frequently mentioned area of cutting back is for food/groceries. One in five (20%) said they have had to do this, equivalent to 2.4 million people. We regularly hear stories of people buying cheaper and lower quality basic goods, and even going without hot meals.

Again, we are concerned about how this can impact people’s health, especially where such behaviours are sustained. While pensioners are less likely than others to access foodbanks, Trussell reports an increase in the number of food parcels distributed to pensioners through its network between 2019/20 and 2024/25. Our polling also indicates one in fifty (2%), equivalent to around a quarter of a million pensioners (240,000 people), have recently used a food or fuel bank.

Some respondents gave free text responses for cuts they have had to make. These include:

- not buying clothes or only second hand
- buying cheaper, less healthy food
- no holidays or days out
- not renewing insurance products.

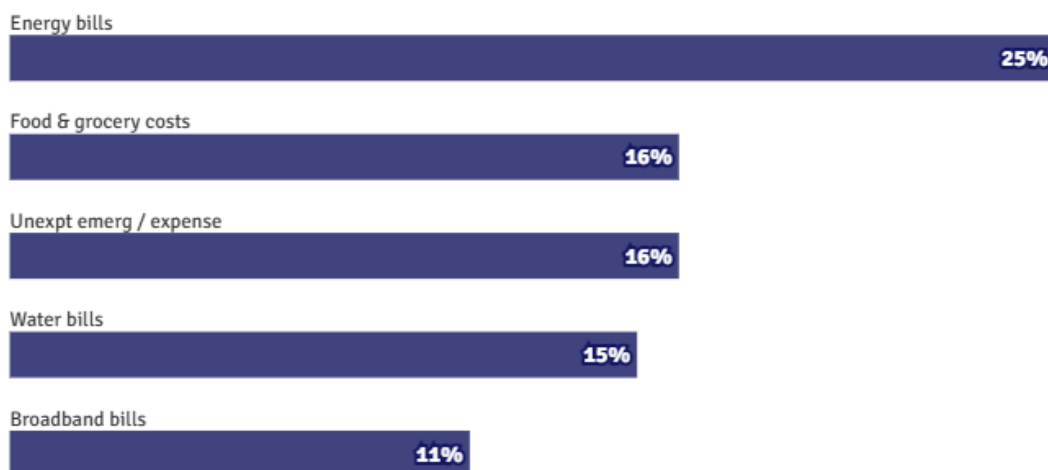
Energy bills are viewed as the least affordable

“This is all stuff where a few years ago I wouldn’t have thought about it. It’s time consuming. And you have to have the capability, time and the will to do it. It can be blooming depressing sometimes. So you have to recognise that it can be depressing but it’s a bit like a job.”

Cost of living workshop participant

We asked how affordable a set of bills/costs were. **‘Energy bills’ came out clearly as the least affordable, with one in four (25%) saying they were not affordable.** This is unsurprising in that it tallies with other energy questions in showing that this is a key area of concern. One in six respondents said that ‘food and grocery costs’ (16%), were not affordable, with an equal percentage saying they would not be able to afford an unexpected or emergency expense of £100 and a similar proportion (15%) saying the same about water bills. Some groups are particularly likely to be struggling – women, renters, divorced people, disabled people, people on lower-modest incomes, and those on means-tested benefits.

Energy bills are considered the most unaffordable



Percentage of pensioners who responded to the question 'Currently, how affordable are the following bills and costs for you?'
 *NET proportion from the responses: 'Not at all affordable' and 'Not very affordable'



People feel angry about the cost of living

This all gives us valuable insight into people’s behaviour and feelings of what is affordable. But the cost of living also arouses people’s emotions. We asked if respondents had felt any of a list of emotions as a direct result of the cost of living. The most common emotion was anger, which around one in three (36%) people mentioned. One in four (25%) said they had felt sad and one in five (19%) scared.

Renters, women, younger pensioners and ethnic minority communities more likely to be impacted by cost-of-living pressures

While the overall findings from the polling provide an important picture of the pressures facing pensioners, they can also mask significant differences within this population. Pensioners are not a homogeneous group, and experiences of financial strain, energy affordability and the ability to keep warm and well vary widely depending on people’s circumstances. For this reason, it is important to look more closely at how different sub-groups within the older population are being affected.

In particular, the data highlight notable differences for several groups, including ethnic minority pensioners, women, younger pensioners – especially those who are still in work – and those living in private rented or social rented accommodation. These groups often face distinct structural pressures, whether through lower or less secure incomes, higher housing costs, or poorer housing quality and can, as a consequence, be seen in our polling statistics to be struggling more financially. Examining the experiences of these groups in more detail builds a

clearer picture of where the impacts of rising living costs and energy prices are most concentrated, and where targeted support may be most needed.

People who are in more than one of the groups at higher risk of struggling financially are at additionally elevated risk. For example, 40% of female carers said they were financially struggling, higher than male carers (25%) but also all women (33%) and all carers (32%).

Younger pensioners, pensioners in work

Across many of the questions, younger pensioners (aged 66-74) and those in work were more likely to report struggling. The differences were often not huge but were consistent:

- Compared to 28% overall saying they were financially struggling, this was 33% among people aged 66-74 and people working.
- Compared to 39% overall saying they were worried about being able to heat their home when they want to, this was 45% among people aged 66-74 and 48% among people working.
- Compared to 35% overall saying they have had to cut back on heating or powering their home, this was 40% among people aged 66-74 and 39% among people working.

These findings demonstrate that many younger pensioners are financially insecure despite receiving the new State Pension and, in some cases, continuing to work –our data show that 14% of those aged 66+ in our sample were in employment. Indeed, more than half (56%) of pensioners said that a full new State Pension would not be enough to cover their essentials.

“I have had to continue working full time, 5 years into retirement age. My house is cold most of the time and I have to wear multiple layers of clothes. I have a stand-up wash rather than a shower a few times a week. Makes you feel pretty miserable. Things are just constantly going up. I rent my house from a private landlord, so my pension doesn’t even cover my rent. I can’t visualise stopping work in the near future. I feel very insecure.”

Anonymous – Age UK Campaigner

“One of the things I thought I had done is prepare myself for old age. I had a good income and everything was going grand, until I became disabled. And then, it was getting my food delivered to me, getting everything delivered... and having to pay for help with the housework. Life is becoming more expensive. Another thing is that I thought I'd chosen a good place to live, but the transport is horrible... They don't do these lovely buses that take you on journeys to places, the free buses and that. So, I'm a wee bit socially isolated. So I didn't do a good job at all, really. You forget that you may become disabled and lack the ability to do things.”

Cost of living workshop participant

Older people from minoritised ethnic backgrounds (60+ years old)¹

¹ This group includes anyone who identified themselves as aged 60+ within Mixed / Multiple ethnic groups, Asian / Asian British, Black / African / Caribbean / Black British, Other Ethnic group (Arab, Any other ethnic group). Results are indicative, not nationally representative.

Our polling also indicates that people aged 60+ from ethnic minority backgrounds are experiencing particularly acute financial pressure compared with the wider older population. Half (50%) of ethnic minority respondents reported that they are financially struggling, notably higher than the 32% recorded among white respondents.

When it comes to making trade-offs to manage the cost of living, our polling shows some differences between respondents from minoritised ethnic backgrounds and respondents from white backgrounds. For example, on the question of preferring to get into debt in order to stay warm or cutting back on heating as far as needed in order to avoid debt, 59% of respondents from minoritised ethnic backgrounds say they wouldn't get into debt so would rather turn off heating, compared to 71% of white respondents. In terms of those who favoured staying warm, even if that could put them into debt, 26% of respondents from minoritised ethnic backgrounds said they would prefer to do that compared to 17% of white respondents.

Many ethnic minority respondents also reported living in colder conditions than they would like. More than a quarter (27%) said their home was colder than they would like all or most of the time, compared with 21% of white respondents.

The data also shows that ethnic minority respondents are more likely to be cutting back on spending. Half (49%) reported reducing spending on social and leisure activities, compared with 38% of white respondents, while 34% said they had cut back on food and groceries, significantly higher than the 23% reported by white respondents.

Nearly half (48%) of ethnic minority respondents reported being worried about the impact of energy prices on their health, and a clear majority (59%) said they were worried about getting into energy debt over the winter. Taken together, these findings suggest that older people from minoritised ethnic backgrounds may be facing disproportionate financial pressures and a higher proportion are worried about energy affordability.

[Recent research from Age UK](#) highlights structural factors that are relevant to the cost-of-living pressures experienced Black Caribbean older people. For instance, due to lifelong experiences of racism, combined in some cases with other forms of inequality, Black older people are more likely to live in poverty, are less likely to own their home and more likely to be renting or still paying housing costs into later life, in comparison to older people from white backgrounds.

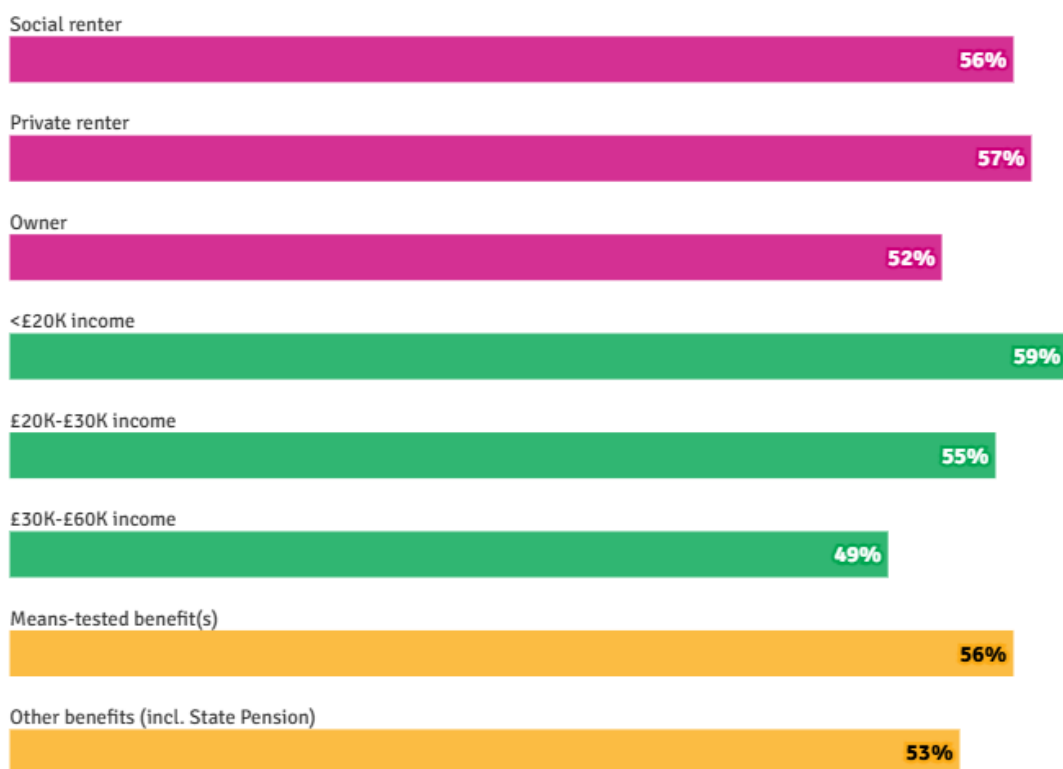
These factors can increase exposure to higher housing and energy costs and to poorer quality housing that is harder to heat. At the same time, we know that some ethnic minority older people are less likely to claim the benefits they are entitled to, for a variety of reasons, meaning that financial support designed to help with living and energy costs may not always reach those who could benefit from it most.ⁱⁱⁱ

Chapter 3 – Boosting income and the barriers to support

Seeking help and barriers to accessing support

Age UK wants to see further policy action on incomes and costs to ensure everyone can afford the essentials. There are also various routes to more immediate, mitigating support, including through advice charities like Age UK or direct support from local authorities.

Half of pensioners would feel uncomfortable asking their local council for support with money



Percentage of pensioners who responded to the question 'If you were struggling to afford your household bills, how comfortable would you feel asking for support from the following people or organisations? Your local council (e.g., crisis funds, hardship support)

*NET proportion from the responses: 'Not very comfortable' and 'Not at all comfortable'



When asked whether people had tried to get financial help or advice regarding household bills or living costs in the past 12 months, only 6% said yes, including 4% who said didn't get the support they needed. When asked if they had had to find ways to increase their income, 8% said they had applied to see if they were entitled to any welfare benefits – the most frequent response. This was notably higher among private renters (14%) and disabled people (12%). The second most common response was 'working longer or delaying retirement' (7%).

"The cost of everything has gone up, yet our income has not gone up as much. I did at one stage consider going back to work, at 77. But try finding a job. It's impossible."

Cost of living workshop participant

We asked all respondents what reasons might make it difficult to ask for support if they if they needed help with bills. The top two responses, which nearly half mention, were:

- 'I don't think I would be eligible' (48%)
- 'I prefer to manage on my own finances' (47%).

Attitudes are clearly important, one in three (33%) said 'I would feel embarrassed or ashamed' and 28% said 'I wouldn't want to burden others'. **However, practical barriers are significant.** As well as people thinking they are ineligible, one in five (21%) said 'I wouldn't know who to contact', and 15% said 'I find the process too complicated'.

Crisis and Resilience Fund

As of April 2026, local authorities will support residents in crisis through the Crisis and Resilience Fund (CRF). This will provide cash or vouchers (e.g. food, fuel) and crisis housing payments, as well as supporting services to build people's longer-term resilience through advice and income maximisation. This is a significant change in crisis welfare support so it is important to ensure pensioners can access it. In our polling only 3% said they had 'sought support from [their] local council' when asked if they had had to find ways to increase their income.

We asked if respondents were aware that people on low incomes may be able to get emergency support with energy or other bills from their local council. One in four (23%) said they were 'not at all aware'. Groups particularly likely to be 'not at all aware' include those who did the polling interview by phone instead of online (36%) and people in receipt of means-tested benefits (30%) – the former being likely to struggle to access via online-only routes, and the latter being more likely to need financial support. So, as the CRF comes into force LAs should effectively promote it to people of all ages and backgrounds.

They also need to be approachable. We asked how comfortable respondents would feel asking for support from their 'local council (e.g. crisis funds, hardship support)' if they were struggling to afford their household bills. Four in ten (39%) said they would feel comfortable; significantly higher compared to asking 'family or friends' (21%) but still a minority.

Maximising support for those in need

When it comes to **policy responses to the cost of living**, pensioners have mixed preferences of whether the government should prioritise increasing pensioners' incomes, or reducing bills and daily living expenses. Half of pensioners (50%) told us they would prefer income boosting measures, with 38% preferring a focus on reducing bills and daily living expenses. Reducing bills and daily living expenses were more popular amongst renters (39% for social housing tenants and 44% for private renters). This reflects the fact that housing costs and the quality and energy efficiency of homes can play a major role in shaping household spending, particularly for those who do not own their homes outright and may face higher housing costs or homes that are harder to heat.

We also asked pensioners whether, in terms of tackling the cost of living for pensioners, Government should prioritise providing a greater level of financial support to pensioners on the lower incomes, even if this means less support for better-off pensioners, or providing some financial support to all pensioners, regardless of their income. Targeted support for low-income pensioners was a slightly more popular option, with 48% of pensioners preferring this approach compared to 43% preferring a universal approach.

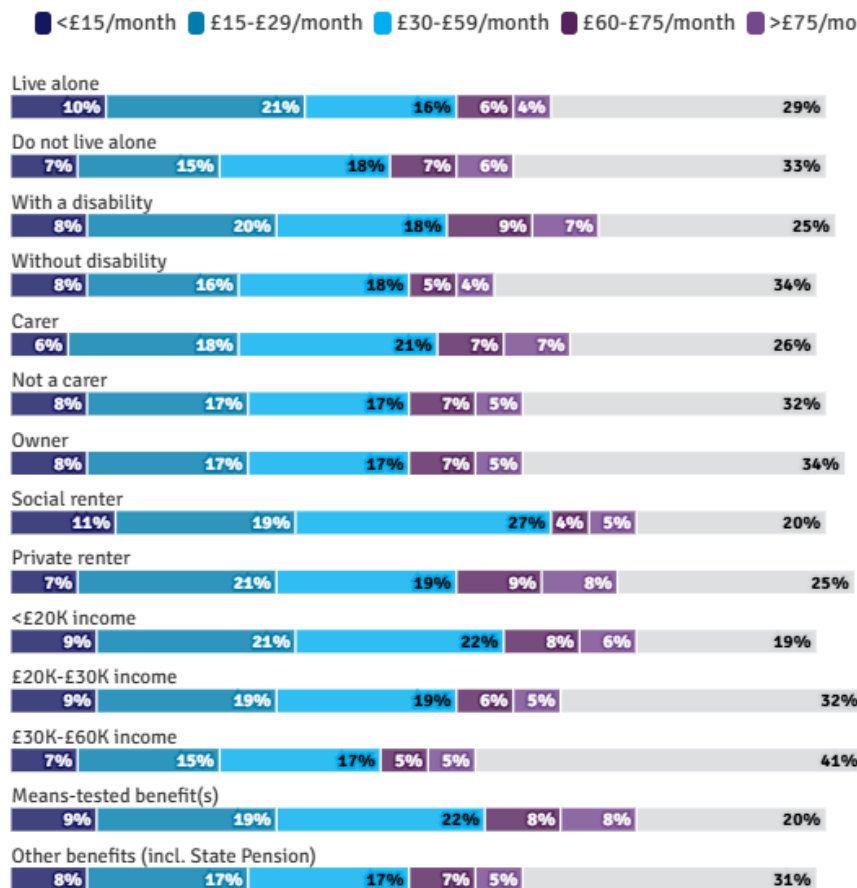
The mixed response, both in terms of whether policy should aim to boost income, or lower bills and whether support should be targeted or universal, indicates that a purely income-based approach or purely cost-reduction approach would not reflect the full spectrum of preferences. A blended strategy combining both direct financial support and cost controls would likely command broader support.

Similarly with the question of whether Government support should be targeted or universal, the findings suggest that a considerable proportion of pensioners support directing stronger assistance toward those on lower incomes. At the same time, support for universal provision remains substantial, meaning that while many favour greater targeting, there is not overwhelming backing for removing broader pensioner support altogether. Together, this points toward an approach that strengthens help for those most in need while maintaining a baseline of universal protections through mechanisms like the triple lock.

Since energy has been a clear cost of living concern for every year we've conducted this research, this year we decided to ask pensioners for their views on the extent to which energy bills would need to come down in order to no longer be unaffordable. The polling was conducted at a time when the typical energy bill was around £1,758², roughly £150 per month. For many households, energy affordability is closely linked to the condition and efficiency of their homes, meaning that housing policy and energy policy are often deeply interconnected when it comes to addressing living costs.

² A typical bill is based on a consumer that pays by direct debit and uses 2,700 kWh of electricity and 11,500 kWh of gas per year.

Pensioners who have a disability, rent their home, are on low incomes or receive means-tested benefits are more likely to need a reduction in energy bills



Percentage of pensioners by differing characteristics who responded to the question, 'Thinking about your household's monthly energy costs, how much would they need to decrease by for you to feel they are affordable?'



For some groups of pensioners, such as those with a disability, renters, and low-income households, a higher percentage said they would need bigger reductions in energy bills to find them affordable compared to their counterparts. This broadly corresponds to earlier findings in this report that those groups are particularly struggling with the cost of living.

Chapter 4 – What can be done?

Policy Recommendations

The recommendations that follow are grouped by policy area for clarity, but they should be understood as a package. The evidence in this report makes clear that cost-of-living pressures on pensioners do not have a single cause, and they will not have a single solution. An older person living in a cold, poorly insulated privately rented home, unaware that they may be entitled to Pension Credit, facing energy bills they cannot afford and food costs they are cutting back on, will not be meaningfully helped by action in one area alone. Income, energy, and housing are deeply interconnected: the adequacy of someone's income shapes whether they can afford their energy bills; the efficiency of their home shapes how much energy they need; and the security of their housing shapes whether they can benefit from improvements at all.

Pensioner Benefits

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 commit to the following actions:

- **Develop a sustained and strategic approach to tackle the persistently low take-up of Pension Credit and other pensioner benefits, including Attendance Allowance.** This approach should go beyond public campaigns and be underpinned by an action plan or strategy, including:
 - increased data sharing across central Government and with local authorities and health bodies to facilitate closer targeting of information/invitations to claim
 - an impactful merger between Pension Credit and Housing Benefit applications,
 - integration of benefit claim lines
 - improved awareness and ‘onboarding’ for people in the working-age benefits system for people approaching State Pension age
 - sustainable support for benefit advice services across the country.
- **Monitor the implementation of the new Crisis and Resilience Fund (CRF) to check that local authority (LA) delivery plans ensure accessibility for pensioners in financial hardship.** LAs should administer the CRF in such a way that pensioners can access support, including income maximisation services to increase benefit take-up. Local Age UKs can have a key role working with LAs in this, so LAs should develop effective ways of working in partnership.
- **Continue to protect the State Pension triple lock,** which gives a much-needed boost to people reliant on a low value State Pension, often pensioners on the pre-2016 pension. The Pensions Commission should look at the purpose and adequacy of the State Pension, alongside private pension saving and the means-tested benefits system, to set it on a long-term sustainable path while ensuring it supports those reliant on it to meet their basic needs.
- **Review the steep eligibility cliff edge for Pension Credit.** Too many people just outside of eligibility miss out on potentially thousands of pounds per year and struggle to meet their basic needs.

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, which adds pressure to public services. Focus is needed both on making existing support as far reaching and effective as possible, while also considering how it can be improved. Age UK believes the Government should:

- **Reform eligibility of support schemes such as the Warm Home Discount** by unlocking the potential to deliver to low-income households, not just those in receipt of benefits – 820,000 households are missing out on Pension Credit, according to the latest estimates. We would like to see the Government prioritise the development of income-based data matching, using HMRC records for household income levels, so that support can reach all households on the lowest incomes. Government should also aim to incorporate health data, to allow for households with higher energy costs to be targeted for additional support.
- **Introduce short-term improvements to the Warm Home Discount** scheme to improve its reach and impact. For example, introduce an application route for households not in receipt of benefits.

- **Optimise delivery of the Warm Homes Plan**, particularly with regards to ensuring that new energy efficiency standards in the Private and Social Rented Sectors lead to positive outcomes, and do not translate into higher rents where possible. Key to that aim will be a detailed plan for enforcing the standards, discussed below. Government should also restrict the ability of landlords who pay for energy efficiency upgrades through public funds to raise rents.

Housing

Housing costs and the condition of people's homes play a major role in shaping the cost-of-living pressures pensioners face. The polling suggests that private renters struggle disproportionately. Higher rents and service charges can place significant strain on already limited incomes. Our 2026 report doesn't look at lower income homeowners as a separate group but polling we have done in previous years would suggest that this group also face particular challenges. It can be hard to finance the regular repair and maintenance of a home on a low income and pay the larger one-off costs that arise such as for a new boiler or roof. Poorly maintained and inefficient homes can drive up energy bills and make it harder to stay warm Government should:

- **Address the disparity between Local Housing Allowance and the actual cost of renting**, so that older private renters on low incomes have the help they need to meet their housing costs.
- **Spread best practice so that the best grant and loan schemes for energy efficiency measures to reduce bills**, to cover the one-off costs of adaptations or expensive home repairs which we seeing working well in some areas are available more consistently in all areas, targeted effectively and efficiently administered.
- **Develop a long-term strategy to address the root causes of housing poverty in older age**, addressing the extreme shortage of accessible, adaptable, affordable homes that are suitable for an ageing population.



Age UK

7th Floor

One America Square

17 Crosswall

London EC3N 2BL

t 0800 169 87 87

f 020 3033 1000

e contact@ageuk.org.uk

www.ageuk.org.uk

i <https://www.publicfirst.co.uk/closing-the-fuel-poverty-gap.html>

ii <https://www.gov.uk/government/consultations/warm-home-discount-whd-cost-recovery>

iii https://www.independentage.org/sites/default/files/2023-08/Experiences_of_poverty_later_life_BAME_Independent_Age.pdf