



# Back to cutbacks:

How older people are managing  
the cost of living in a time of  
rising energy prices

March 2025



# Contents

- 3 Key findings and policy recommendations
- 6 Introduction
- 8 Research findings
  - 8 Many older people face hardship – cold homes and financial insecurity
  - 11 Many people are worried about paying for the essentials – especially energy
  - 14 Many people are cutting back on the essentials and the little things that make life enjoyable
  - 17 Some people have taken action to improve their financial situation
  - 19 What action can the Government take?
- 21 Appendix: Survey details and questions
- 23 References and endnotes

# Key findings and policy recommendations

## Key research findings

New nationally representative polling of people aged 66+ across the UK<sup>1</sup> – conducted by Opinium in January 2025 – indicates that **many pensioners<sup>2</sup> are struggling with the cost of living, particularly with their energy costs/warming their home.**

There is a clear pattern across most of the questions for which we have data from previous years, that **things have worsened in the last year**, i.e. more people are struggling in 2025 than in 2024.<sup>3</sup> In some cases, things are almost as difficult as they were in January 2023, which was a time of acute cost of living challenges. Given the polling was conducted before Ofgem announced that the energy price cap will rise by £111 on average from April 2025, this makes for deeply worrying reading.<sup>4</sup>

**Certain groups of older people are particularly likely to face difficulties**, including people with a disability, those on low-to-modest incomes and renters. Other groups include women, single people, people living alone and carers.<sup>5</sup> People receiving means-tested benefits are also more likely to struggle, suggesting that receiving such state support often doesn't fully meet people's basic needs.

### Many older people face hardship – a cold home and financial insecurity

- Nearly one in four (23%) said **their home is colder than they would like it to be** 'all the time' or 'most of the time' – equivalent to 2.8 million people. This is an increase on the 17% giving the same answer in January 2024.
- One in three (34%) – equivalent to 4.1 million people – said they **felt less financially secure heading into 2025 compared to when 2024 began.**

### Many people are worried about paying for the essentials – especially energy

- When asked how worried people were about **being able to heat their home when they want to**, nearly half (48%) were worried about being able to heat their home – equivalent to 5.8 million people. This is an increase from 43% in 2024 and was the most common worry among the questions asked.
- When asked how worried people were about **paying the household energy bills**, four in ten (42%) said they were worried – equivalent to 5.1 million people. This is up a little on 40% in 2024.
- When asked how worried people were about **the impact of energy prices on their health**, 44% said they were worried – equivalent to 5.4 million people. This is up substantially from 33% in 2024.
- When asked how worried people were about **being able to afford other essentials (e.g. food)**, one in four (26%) said they were worried – equivalent to 3.2 million people. This is a little lower than the 28% who said they were worried in 2024.
- When asked how worried people were about **being able to pay their rent or mortgage**, one in eight (12%) were worried. Renters were faring worse, with four in ten (38%) private renters worried, as were 30% of social renters.
- When asked if people **felt various emotions as a direct result of the cost-of-living crisis**, four in ten (38%) people said they have felt 'angry', and one in four (27%) said they have felt 'sad'.

### Many people are cutting back on the essentials and the little things that make life enjoyable

- **Cutting back on heating or powering your home** was the most frequently mentioned cutback people said they were making. Four in ten (41%) said they have had to do this – equivalent to 5 million people – up from 38% in 2024.
- Among those cutting back in this way, nearly

three in 10 (28%) said they were concerned about **getting into energy debt over unpaid bills.**

- Concerningly, 59% said ‘I wouldn’t get into debt so would rather turn off my heating.’ **Many people prefer to ration energy consumption than go into debt with their energy supplier. This is a key concern for us.**
- People are cutting back on other essentials too. One in five (21%) said they had to **cut back on food/groceries** – equivalent to 2.6 million people. This is similar to the 2024 figure of 20%.
- One in eight (12%) said they had to cut back on household bills apart from energy and food/groceries – up a little from 10% in 2024. Among those people, more than half said they had to cut back on **telephone** (57%) and **broadband/internet** (51%). Four in 10 (42%) said they had to cut back on **insurance** and one in three (33%) said they had to cut back on **water.**

### **Some people have taken action to improve their financial situation**

- Some people have taken action other than cutting back to improve their financial situation. When asked what, if any, from a list of options they or a member of their household have had to do recently, the most frequently mentioned action (10%) was ‘**applied to see if I am entitled to any welfare benefits**’.
- One in 20 (5%) said they were **working longer or delaying retirement** and a similar proportion (4%) said they had **returned to**

### **work following retirement.**

- We also asked whether respondents agreed with three energy-related policy statements:
  - 85% of respondents agreed that **pensioners with a disability** should get the Winter Fuel Payment (not asked in previous years).
  - 72% agreed that the Government should provide additional funding to households on lower incomes so they can gain access to **household energy efficiency improvements.** This is up from 66% in 2024.
  - 70% agreed that the Government should introduce a **social tariff for energy bills.** This is up from 61% in 2024.



## Policy recommendations

In the context of elevated and rising prices for energy and other essentials, and given many older people's struggles to afford these, there is a role for policy reform. The Government should bring forward targeted support for people in later life (and other ages) to improve their ability to afford the basics, and especially to be able to afford enough energy to live in a warm home. We think the following ideas and recommendations can help bring this about.

### Pensioner benefits

**To ensure all pensioners have a decent income and access 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. This approach should go beyond public campaigns to include increased data sharing and targeting of information, integration of benefit claim lines, an impactful merger between Pension Credit and Housing Benefit, improved awareness and support in the working-age benefits system for people approaching State Pension age, and sustainable support for benefit advice services, all underpinned by an action plan or strategy.
- Continue to protect the State Pension triple lock, which gives a much-needed boost to people reliant on a low value State Pension, often older people on the pre-2016 pension. The Government's pensions adequacy review should look at the purpose and adequacy of the State Pension 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, now including the Winter Fuel Payment, and struggle to meet their basic needs.

### Energy costs

The Government's proposals to expand the Warm Home Discount scheme in winter 2025/26 are welcome. Electricity bill discounts of £150 could support an extra 2.7 million households (of all ages).<sup>6</sup> However, future energy price rises – including the £111 average rise in April 2025 – mean that a £150 discount will leave few people better off compared to when this polling was conducted in January 2025. As welcome as it is, this additional support will not be enough to make a meaningful difference to the warmth and safety of many people's homes.

A more effective long-term solution is needed. Furthermore, the Warm Home Discount scheme is due to expire in April 2026. If it is not extended beyond then or replaced with something more effective, over 1 million pensioners will lose £150 of support annually.<sup>7</sup>

**To tackle energy unaffordability, the Government should commit to the following actions:**

- Extend the Warm Home Discount scheme to continue from 2026 until 2030.
- Implement an energy social tariff, which provides a unit-based discount to eligible consumers. The Warm Home Discount scheme could be reformed to deliver support in this way.
- Bring forward the Warm Homes Plan as soon as possible, and ensure those living in cold, damp and mouldy homes are prioritised for support.
- Expand eligibility for the Winter Fuel Payment to pensioners receiving other benefits, including Housing Benefit, Council Tax Support, Attendance Allowance (and other disability benefits) and Carer's Allowance. While we appreciate that local authorities rather than the DWP administer some of these benefits, we urge the Government to find data-sharing solutions in time for winter 2025/26.

# Introduction

Every winter Age UK is worried about the many people in later life who struggle to stay warm at home. Every day, we give information and advice to older people to help them claim the benefits they are entitled to that can help them meet their basic living costs. Autumn 2024 saw something of a scramble for people to claim Pension Credit so they could keep receiving the Winter Fuel Payment, following the Government's July decision to means-test it. Between August and December 2024, the Age UK Advice Line completed 2,801 benefit checks for people looking into what they might be eligible for. Even then, many people on low and modest incomes found they weren't eligible – some have an income just a few pounds over the threshold for eligibility and are living in difficult circumstances – and so entered the winter having lost up to £300.

financial value of energy debt and arrears rose from £1.75bn to £3.82bn.<sup>9</sup> All consumers are paying the price for this. On average, consumers pay £70 per year through their energy bills to socialise the costs of energy debt.<sup>10</sup> Without intervention, this figure will continue to rise.

But it's not just energy prices. Overall inflation has been high in recent years, most obviously in 2022/23 when the Consumer Prices Index (CPI) inflation measure peaked at 11.1% in October 2022, a 41-year high. And while inflation has fallen close to its pre-2022 levels – with CPI at 3% in January 2025 – prices for everyday goods like groceries remain elevated at a high level compared to the past. As the chart below (figure 1) of cumulative CPI inflation shows,<sup>11</sup> the last three or so years have seen a

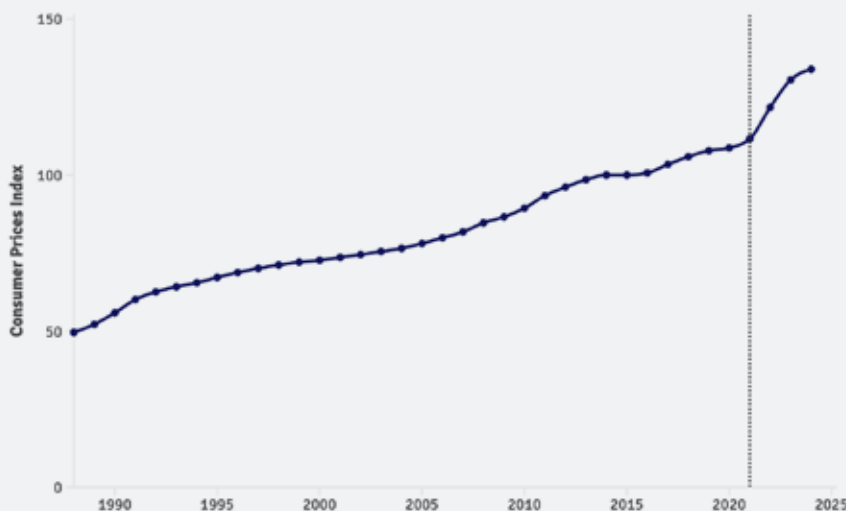
sharp rise in inflation, which has left prices permanently elevated beyond what they would have been without such a spike. And while people benefited from the various Cost of Living Payments between 2022 and early 2024, these have now stopped.

This is the bigger context in which many older people, especially those on lower incomes, are struggling. Unable to keep their home warm, cutting back on energy, food and other essentials, worried

about being able to pay bills.

Our initial analysis of the Winter Fuel Payment changes estimated that 2.5 million people living in poverty (1.6m) or just above the poverty line (0.9m) would lose it. This includes 1.1 million people with a disability. A further 0.4 million people would lose it

**Figure 1. CPI Index 00: all items, 2015 = 100**



All of these things have taken place against a longer-term picture of high prices for essentials, including energy. Energy prices in April 2025 will be more than 50% higher than prices at the beginning of 2022.<sup>8</sup> Elevated energy prices have also had a significant impact on the level of household energy debt. Between October 2021 and October 2024, the

whose income was higher but still below the PLSA's 'Minimum' Retirement Living Standard.<sup>12</sup> The loss of up to £300 clearly worsens an already bad situation for many people.

As we showed through polling evidence in 2023 and 2024,<sup>13</sup> too many people were unable to keep their home warm even before the Winter Fuel Payment change and even with Cost of Living Payments. The data in this report indicates that an already bad situation for many in 2024 has worsened in 2025. But the big picture is of a continuing need for substantial reform, especially to help people pay their energy costs.

We welcome the Government's commitment to the State Pension triple lock for the duration of this Parliament as well as phase two of the Government's pensions review. This review should include a detailed look at the purpose and adequacy of the State Pension, to set it on a long-term sustainable path while ensuring it supports those reliant on it to meet their basic needs. However, until this assessment is made the triple lock is a necessary minimum to help those older people on lower incomes meet their basic needs. This is because:

- many people fully rely on the State Pension – 13% of pensioners have no sources of income other than the State Pension and any benefits<sup>14</sup>
- the majority (68%) of State Pension recipients

receive the pre-2016 State Pension rather than the new State Pension (nSP). Comparisons are complex, because many people do not receive the full amount of pension while others receive more. However, a full basic State Pension (bSP) – the main pillar of the pre-2016 pension – at £176.45 a week is significantly lower than a full nSP at £230.25 a week<sup>15</sup>

- many people receive less than the full State Pension (old or new). 12% of bSP recipients receive less than 75% of the full pension, as do 3% of nSP recipients<sup>16</sup>
- the frozen income tax personal allowance means a growing number of people have a State Pension income higher than the personal allowance. For example, in 2024/25 we estimate that 1.2m recipients of the basic State Pension are in this situation.<sup>17</sup>

As one woman told us recently, living on only a State Pension can mean people struggle to cope:<sup>18</sup>

**“[I am coping] badly. I am newly widowed and have lost my husband’s income due to the cost of his care before he died. I only survive on my state pension.”**

# Research findings

We commissioned Opinium to conduct polling during January 2025 to understand how people in later life are coping with the cost of living, including the cost of energy. This was focused on people across the UK aged 66 and over, i.e. people of State Pension age, and is weighted to be nationally representative on age, gender and region. The findings give us a valuable indication of people's feelings, behaviours and attitudes – from how often they feel their house is too cold, to how much they are cutting back on spending, from how they feel about their financial situation to what they are doing to boost their income.

## 2023 to 2025 – things were improving but are now worsening

Some of the questions repeat those we asked in polling in January 2023 and 2024. This allows us to take a broad view of how things have changed over the last two years. Across multiple questions we see a general pattern where things were especially challenging in 2023, at the height of the energy crisis, before improving slightly in 2024 as the financial challenges facing older people switched away from energy and towards broader cost of living issues. Now, in 2025, the outlook has worsened slightly again, which is concerning given that inflation is much lower than it was in 2023. That is one of the key messages of this research and the context in which we make policy recommendations for how to improve people's ability to afford the essentials.

## Energy issues predominate

The questions ask people about a range of essentials, including energy, food and other household bills, as well as how they feel about their financial situation in general. When comparing how worried people are about specific things or what they feel they have to cut back on, it's clear that issues around energy are a top concern. This is perhaps unsurprising given the polling was done in January, the loss of the Winter Fuel Payment for many this winter, and that energy costs make up a high proportion of many people's spending. It also echoes the data from 2023 and 2024. So, while many people are struggling with costs across the

board, concerns about energy are key. Further, many people would rather ration their energy than go into energy debt. This is hugely concerning – older people should have the confidence to use enough energy to maintain a safe and healthy home.

## Some groups of older people are particularly struggling

Many people in later life are financially comfortable and can afford their essentials. But at the same time, many others are struggling to stay warm and forced to ration their spending on essentials like energy and food. The polling sample size allows us to look at particular groups among older people.<sup>19</sup> We highlight some of these throughout the report where the data suggests they are struggling significantly more than everyone else.<sup>20</sup> Social and private sector renters, single people, people who live alone, people with a disability, carers and women are among those groups that consistently report higher levels of difficulty. Unsurprisingly, so do people on low-to-modest incomes; a group who we are especially concerned about and indeed support directly through our advice and other services.

## 1. Many older people face hardship – cold homes and financial insecurity

We asked participants **'Thinking about energy prices at the moment, how often is your home colder than you would like it to be?'** Nearly one in four (23%) said their home was colder than they would like it to be 'all the time' or 'most of the time' – that is equivalent to 2.8 million people.



We consider this to be a high proportion living in unacceptable conditions at home. A further 52% said their home was colder than they would like it to be 'some of the time'.

Comparing this to previous years (figure 2), it is a noticeable increase on the 17% giving the same answer in 2024, almost matching the proportion saying this in 2023 (24%). The rise in energy prices and the loss of the Winter Fuel Payment for many are key pieces of context for this worrying and worsening situation.

Figure 3 shows the proportion of various groups of older people reporting that their home is colder than they would like all or most of the time.<sup>21</sup> Renters were most at risk with 38% of social renters and 34% of private renters reporting cold homes, with people on low-to-modest household incomes – in this survey defined as less than £20,000 – also at particularly high risk (35%). Women (26%), single people (29%), and people who live alone (28%) were at higher risk. This tends to be the case across the various questions asked. It is worth noting that people receiving means-tested benefits (28%) and those who received or were expecting to receive the Winter Fuel Payment (26%) were also at higher risk. Being in receipt of these forms of state support does not fully eliminate the risks of having a cold home.

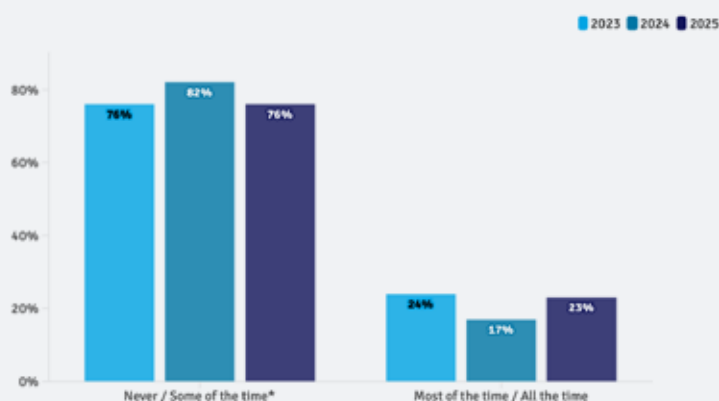
The reality of living in a cold home is bleak, as people have told us.

**“[I am] unable to have heating on during the day, just can't afford it. Spent five years caring for my husband. [I was]**

**widowed January 2023, [my] income halved. We lived on a tight budget before he died. I continued to work part-time until I reached 80. Now I struggle.”**

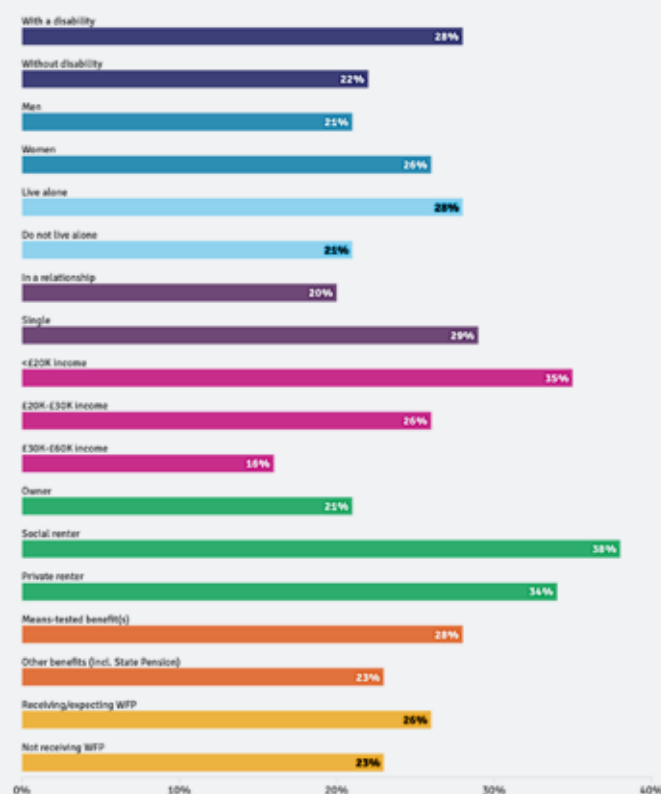
**“Having to be cold during the day, can't afford to put heating on until teatime. Won't be able to afford holidays. Cut down on food to pay heating. Just above the threshold to apply for benefits as I have a small pension as I worked.”**

**Figure 2. Percentage of individuals 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 polling.

**Figure 3. Percentage of individuals by differing characteristics who responded 'Most of the time'/'All the time' when asked 'Thinking about energy prices at the moment, how often is your home colder than you would like it to be?'**



Finally, we note that people with a disability were also at higher risk of feeling their home was too cold all or most of the time (28%). Again, people in this situation tend to be at higher risk across the questions asked. Many require higher energy consumption because of their disability or health condition. Conditions like circulatory disease, frailty and sickle cell disease may require them to be in a warmer environment or make it harder for them to feel warm. Some households also have higher energy demand due to the use of ventilators, dialysis equipment, stair lifts, hoists or refrigerated

medication, or they may have to wash laundry more frequently than others. One person told us:

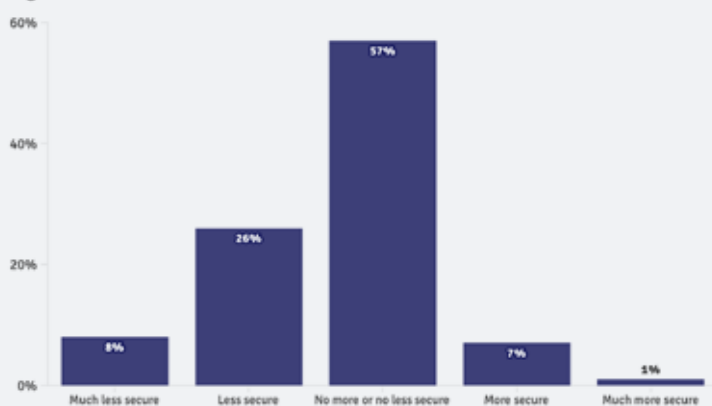
**“I have a heart condition, my wife has asthma and was hospitalised for five days... with an asthma attack. We need to keep the house warm and will probably get into debt with our energy supplier. Having both worked hard all our working life we should not have to worry about keeping warm.”**

This underscores the importance of having a decently warm home – to keep people in good health and maintain independence, and prevent worsening health, which in turn impacts NHS and social care services.

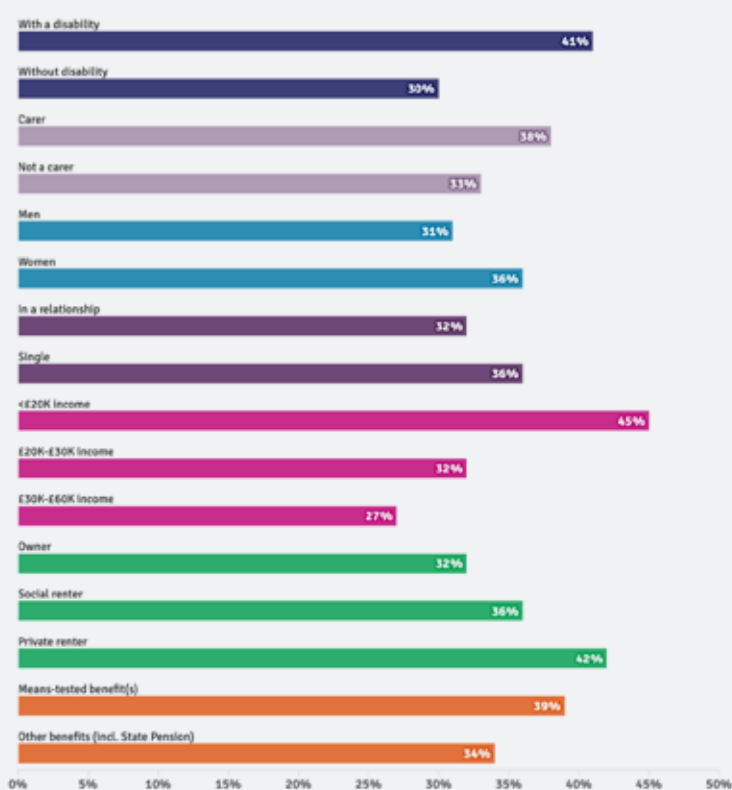
We asked participants a more general question about their sense of financial security – ‘Heading into 2025, how financially secure do you feel now compared to when 2024 began?’ One in three (34%) – equivalent to 4.1 million people – said they felt less secure, made up of 26% saying they felt ‘less secure’ and 8% saying ‘much less secure’ (figure 4). The majority (57%) said they felt ‘no more or less secure’, with 7% saying they felt ‘more secure’ and 1% saying they felt ‘much more secure’. We do not have comparable data from previous years, but it is worth adding that many people were already finding things difficult in January 2024, so it is likely that there is a continued struggle with some people having to tighten their belts yet further.

Again, many groups of pensioners reported even lower

**Figure 4. Percentage of individuals who responded to the question 'Heading into 2025, how financially secure do you feel now compared to when 2024 began?'**



**Figure 5. Percentage of individuals by differing characteristics who responded 'Much less secure'/'Less secure' when asked 'Heading into 2025, how financially secure do you feel now compared to when 2024 began?'**



levels of financial security, as shown in figure 5. It shows many of the same groups previously highlighted. Approaching half of people in a household with an income of less than £20,000 felt less financially secure (45%). Nearly four in 10 (38%) carers said they felt less financially secure.

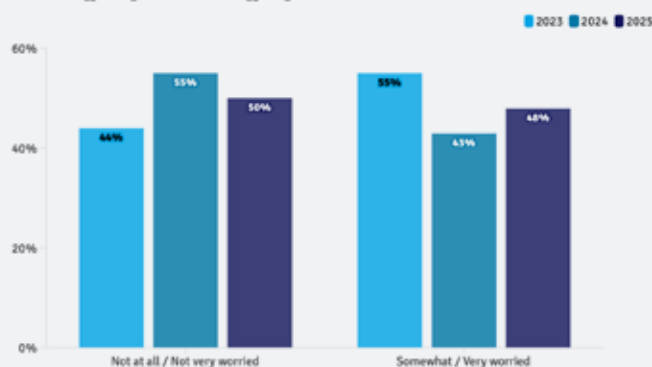
## 2. Many people are worried about paying for the essentials – especially energy

From speaking to people through our advice line and other services, we often hear how worried, anxious and sometimes distressed they are about being able to pay for their essentials like energy, food and housing costs. We asked people, ‘Thinking about your finances at the moment, how worried, if at all, are you about... being able to heat my home when I want to’.

One in six (16%) were ‘very worried’ and a further 33% were ‘somewhat worried’. This gives a total of 48% worried about being able to heat their home (figure 6) – equivalent to 5.8 million people. This was the most common worry among the questions posed and is a striking finding – one in two people aged 66+, across all incomes and backgrounds, were worried about heating their home. Figure 6 also illustrates the pattern mentioned above – things were bad in 2023, improved in 2024 but have worsened in 2025. This pattern is clear across all three energy-related statements in the polling.

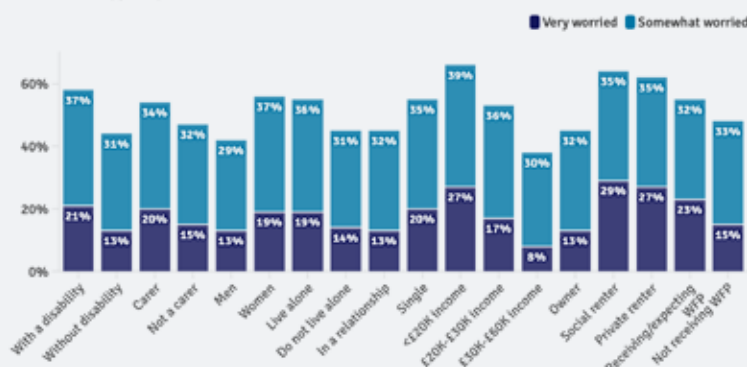
Again, some groups were more likely to report difficulties. For nine of the groups shown in figure 7, more than half were very or somewhat worried about being able to heat their home when they want to. And around one in four people on means-tested benefits (27%), on a low-to-modest income (27%) or renting (social 29%, private 27%) were very worried. So were around one in five people with

Figure 6. Percentage of individuals 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?’



\*NET proportion from the responses: ‘Not at all worried’, ‘Not very worried’, and ‘Somewhat worried’, ‘Very worried’

Figure 7. Percentage of individuals by differing characteristics who responded ‘Very worried’ or ‘Somewhat worried’ when asked ‘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 disability (21%) and those receiving/expecting the Winter Fuel Payment (23%). This indicates that many people are concerned about heating their home and further evidence that too many are living in cold homes, with all the risks that brings.

We also asked people, ‘Thinking about your finances at the moment, how worried, if at all, are you about... the impact of energy prices on my health’. One in eight (13%) said they were ‘very worried’ and a further three in 10 (31%) said they were ‘somewhat worried’ – in total, 44% said they were worried, equivalent to 5.4 million people. As shown in figure 8, this is a noticeable increase compared to January 2024, with worries about health almost back up to the levels seen in January 2023.

People with a disability were even more likely to be worried, with 18% saying they were very worried and a further 39% saying they were somewhat

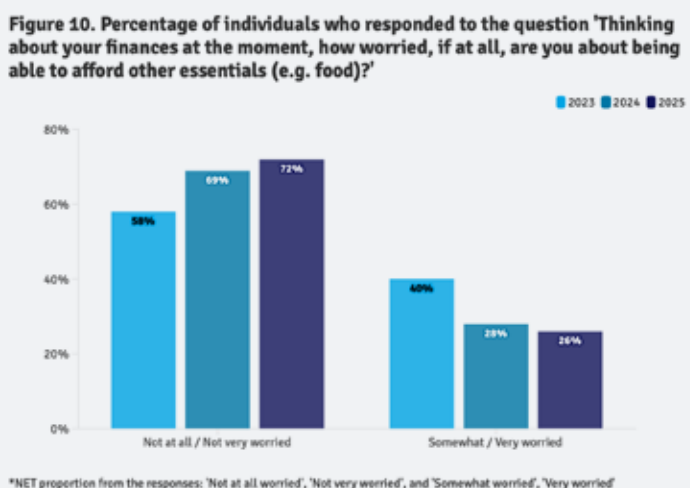
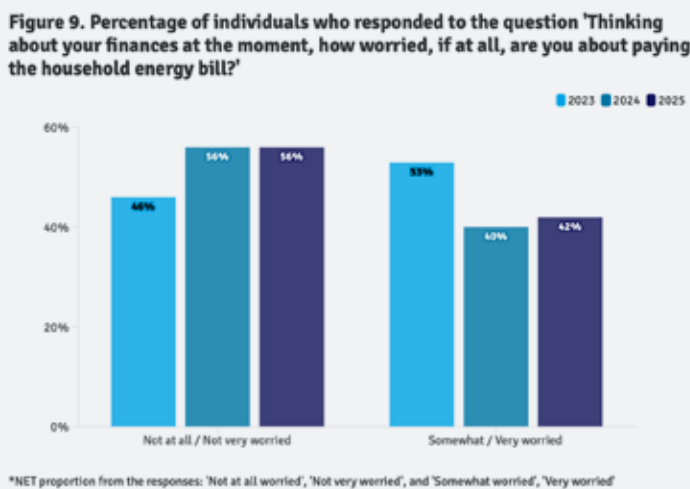
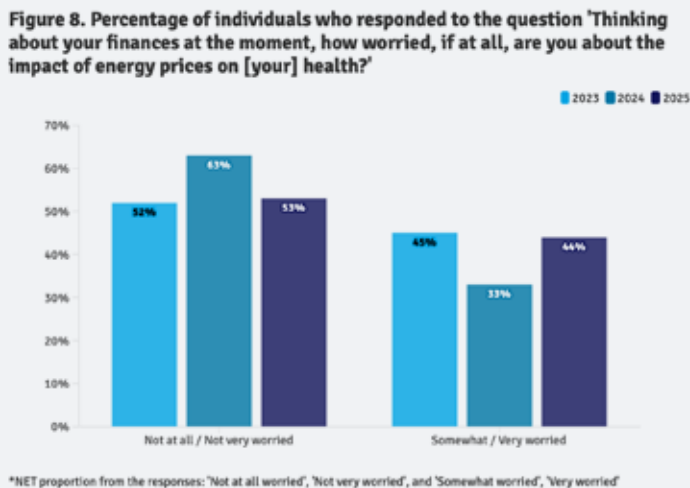
worried. Similarly, 19% of carers said they were very worried, with a further 32% saying they were somewhat worried. So over half of carers and people with a disability were worried in this way. That is a big concern given the importance of a warm home in helping people manage their health conditions and in maintaining people's health and wellbeing more generally.

The final energy-related question we asked in terms of people's worries was how worried they were about **'Paying the household energy bills'**. Four in 10 (42%) said they were worried – equivalent to 5.1 million people. This is made up of 11% saying they were 'very worried' and 31% saying they were 'somewhat worried'. Responses to this question did not show the same deterioration

since 2024, as shown in figure 9. Average energy prices in January 2025 were £1,738 pa for an average household, £190 lower than the £1,928 as of the same period in 2024. So, there were more people worried in 2025 despite prices being lower. This might partly be explained by the loss of the Winter Fuel Payment, which gave meaningful financial support of £200-300.

Nonetheless, these results indicate that many people worry about their energy bills. Half (50%) of people who have received or are expecting the Winter Fuel Payment this winter said they were worried about paying their bills, as did 53% of people on means-tested benefits. Again, this suggests that means-tested benefits, now including the Winter Fuel Payment, don't fully meet people's energy costs.

Finally, we asked two non-energy related questions. First, we asked, **'Thinking about your finances at the moment, how worried, if at all, are you about... being able to afford other essentials (e.g. food)'**. One in four (26%) said they were worried, made up of 6% saying they were 'very worried' and 21% saying they were 'somewhat

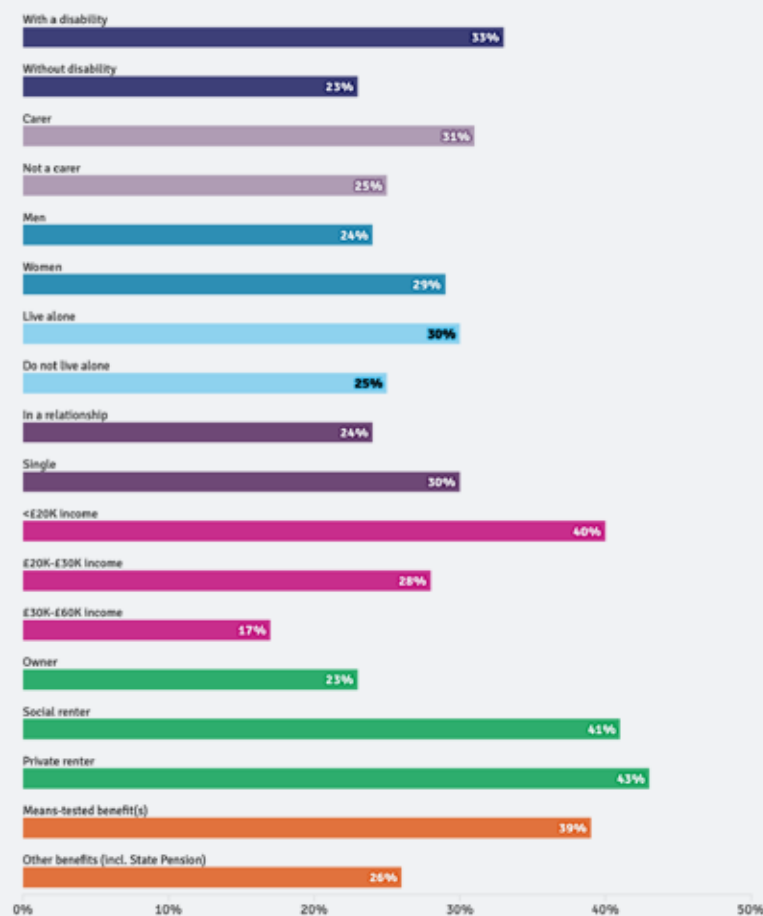


worried'. Unlike the previous questions, the situation has not deteriorated since 2024 but rather has remained broadly even – 28% said they were worried in 2024 (figure 10). Nonetheless, we shouldn't lose sight of the fact that 26% is equivalent to 3.2 million older people worried about affording essentials like food.

Figure 11 shows some of the groups more likely to be worried about this. Groups with around four in 10 being worried include social renters (41%), private renters (43%), people on low-to-modest incomes (40%), and people on means-tested benefits (39%). One in three people with a disability (33%) said they were worried. Given that food is such a basic essential, we are concerned at so many people being worried about being able to afford it.

We then asked, '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'. One in eight respondents (12%) said they were worried, including 4% who were 'very worried' and 8% who were 'somewhat worried'. A majority of 82% were not worried. This question gave the lowest proportion of people being worried, which likely reflects the fact that the majority (78%) of people aged 65+ are homeowners, including 73% who own outright.<sup>22</sup> Given this, it is unsurprising that renters were much more likely to be worried, with 38% of private renters worried, as were 30% of social renters.

**Figure 11. Percentage of individuals by differing characteristics who responded 'Somewhat worried' / 'Very worried' when asked 'Thinking about your finances at the moment, how worried, if at all, are you about being able to afford other essentials (e.g. food)?'**



**Figure 12. Percentage of individuals who responded to the question 'Thinking about your finances at the moment, how worried, if at all, are you about each of the following?'**



\*NET proportion from the responses: 'Not at all worried', 'Not very worried', and 'Somewhat worried', 'Very worried'

Reflecting on all the things we asked whether people we worried about, it is clear that energy-related issues were more common concerns than other essentials or housing costs (figure 12). This underscores how important it is to support people, including those on lower incomes, with a disability and renters, to keep their home warm during this period of high energy prices.

People don't just feel worried. We asked, 'Have you felt any of the following emotions as a direct result of the cost-of-living crisis?' The most commonly cited emotion was 'angry', which four in 10 (38%) people said they feel (figure 13). Approaching half of some groups felt angry, including people with a disability (46%), people with incomes of less than £20,000 (44%), private renters (44%) and carers (43%). In respondents' comments, their anger is often directed at the UK Government, current and previous. One person said they felt 'angry at [the] failures of Government to assist people and put them first'. Another said they were 'furious and frustrated'.

The next most common emotion selected was sadness – one in four (27%) people said they have felt sad. A small number of respondents said they felt 'depressed' or even 'suicidal'. One person said they felt:

**“Depressed – I’ve considered going to the doctor for medical help. I feel despair.”**

### 3. Many people are cutting back on the essentials and the little things that make life enjoyable

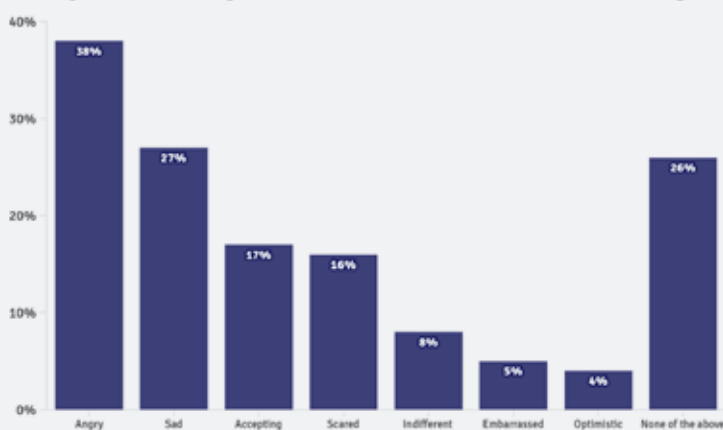
Our 2023 and 2024 reports showed that many older people were cutting back on essentials like energy, food/groceries, other utilities like water, and transport, as well as social and leisure activities. We asked about this again in January 2025. Similar to the broad trend discussed so far, things have gotten worse compared to last year, in that a higher proportion of people said they have had to cut back on almost all the items listed (figure 14).

Cutting back on heating or powering your home (e.g. turning off your boiler, heating your home less or turning off lights or appliances more than usual) was the most frequently mentioned item. Four in 10 (41%) said they have had to do this, equivalent to 5 million people. This is hugely worrying, especially where people have health conditions or where they are cutting back to barely any energy consumption at all.

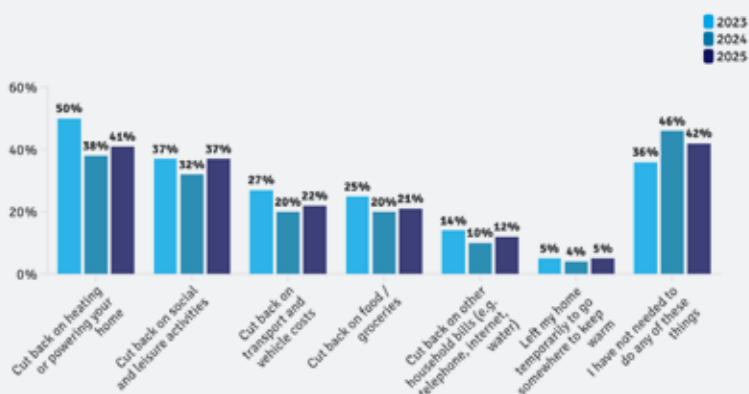
As shown in figure 15, people with a disability are among those groups of older people especially likely to cut back, with nearly half (48%) doing so. Around half of women (47%), people who live alone (47%), single people (48%), and social renters (51%) and private renters (55%) felt they had to cut back on heating or powering their home. Again, even those receiving or expecting the Winter Fuel Payment are having to cut back (49%).

In many cases people are left living in bleak conditions. Here are some quotes from polling respondents:

**Figure 13. Proportion of individuals who responded to the question 'Have you felt any of the following emotions as a direct result of the cost-of-living crisis?'**



**Figure 14. Percentage of individuals who responded to the question 'Which, if any, of the following have you or a member of your household had to do recently?'**



**“My boiler has been turned off for two years, so I have not had any heating or hot water in all that time.”**

**“I’ve just become a widow and I ration my heating to two hours a day. I live with a hot water bottle and a blanket to keep warm.”**

**“I have heart failure and chilblains, and I am currently sat with no heating and a blanket around me. This I do every day.”**

**“This is our third winter without heating. [My energy supplier] tripled the bill and that’s without switching it on.”**

As well as showing the reality for many people forced to make these cuts, these quotes also show that some people have been making such cutbacks for years and have nothing left to cut.

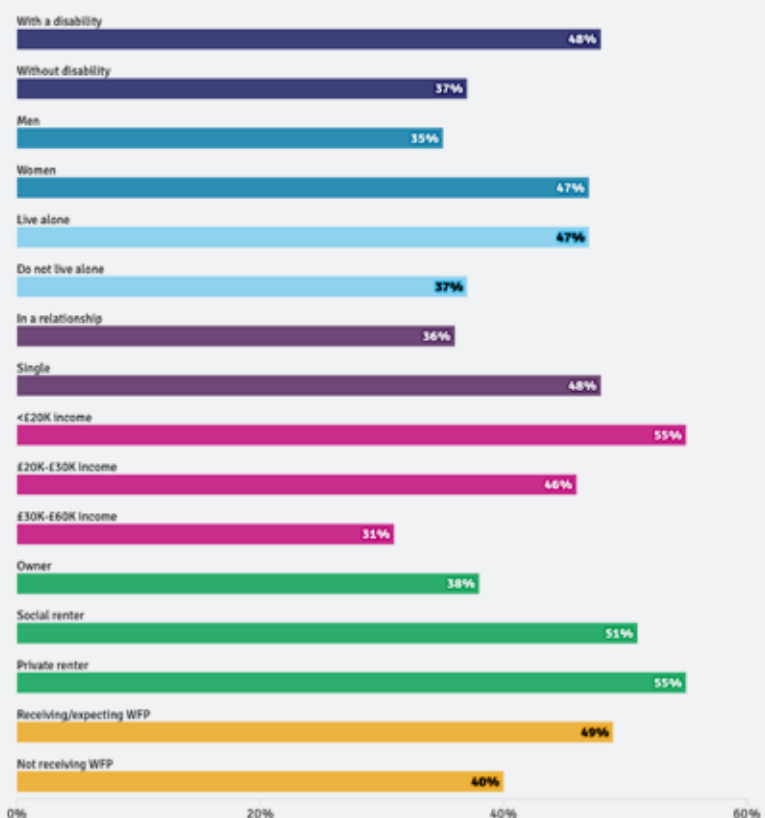
We asked those who said they had to cut back on heating or powering their home, **‘Are you concerned about getting into energy debt over unpaid bills?’** Nearly three in 10 (28%) of those people said they were concerned a little or a lot, but 59% said ‘No, I wouldn’t get into debt so would rather turn off my heating.’ This confirms what we know from speaking to older people through our services – that **many people prefer to ration energy consumption rather than go**

**into debt with their energy supplier.** This is a hugely concerning finding, and for the first time puts a figure on what we have long heard through our advice line and the Age UK Network. It has profound implications for communicating with older people about energy use, as well as for future decisions about the direction of energy policy.

Avoiding debt is a common attitude among older cohorts of people and understandable, especially for those on low, fixed incomes who feel they will never be in a position to make repayments. Avoiding debt – and in doing so creating conditions for physical and mental harm – is not a choice that older people should have to face. The support offered by energy suppliers, including debt support, may help some older people to avoid this choice. However, government support is needed to give older people the confidence to consume the energy they need to stay warm and safe.

People are cutting back on other essentials too. One in five (21%) said they had to cut back on food/groceries – equivalent to 2.6 million people.

**Figure 15. Percentage of individuals 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?'**

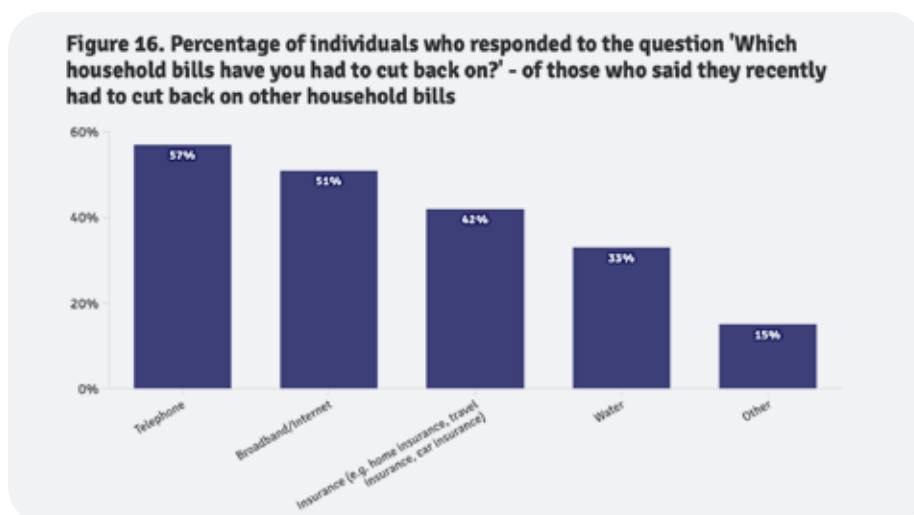


This rose to three in 10 (30%) among people with a disability, with a household income of less than £20,000 and those who have or expect to receive the Winter Fuel Payment this winter, and one in three (33%) of those receiving means-tested benefits. If people cut back to low levels of food consumption in terms of quantity and/or quality this can impact their health and risk malnutrition.

One in eight (12%) said they had to cut back on other household bills. Among those people, more than half said they had to cut back on their telephone (57%) and broadband/internet (51%), as shown in figure 16. Four in 10 (42%) said they had to cut back on insurance and 33% said they had to cut back on water.

Cutting back in these areas can leave people unsafe, unwell and exposed. If they no longer have a telephone they are less able to socialise or contact people or organisations for support. If people lose access to the internet they miss out on access to information and entertainment. If they lose home insurance they are exposed to the risks of damage or burglary. Cutting back on water use can harm their health and wellbeing. In polling we commissioned in September 2024, two in seven (28%) pensioners said they had been reducing the length/number of baths or showers they take. Some people who supported our Winter Fuel Payment campaign explain that they have cut back on how often they feel able to afford a bath or a shower.

Referring back to figure 14, there are two more



items worth highlighting. More than one in three (37%) people said they had to cut back on social and leisure activities (e.g. eating out, holidays, physical activities) – the most cited item after heating/powering your home. Over one in five (22%) said they had to cut back on transport and vehicle costs, including public transport. These cutbacks are also a cause for deep concern. People need to have a social life to be well, and without one they risk become isolated and lonely. Transport is key to this, such as people travelling to meet friends or a community group. It is also vital in helping people to access medical appointments, such as a trip to hospital or to see a GP.

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

- not buying clothes
- batch cooking and buying cheaper food
- no days out
- cancelling TV packages
- delaying replacing appliances
- only flushing the toilet when necessary
- stopping hobbies.

These responses were given by a relatively small number of respondents and some are more severe than others. However, they illustrate the kind of cutbacks and constrained way of living that affect lots of people. We should remember the reality for people behind the statistics, in which people often make multiple of these cuts together and over multiple years. This is illustrated by these

quotes from respondents:

**“Buying food deals, shopping around for cheaper foods, turning off lights, shutting all inner doors, eating in mostly, reducing/stopping occasional treats, not buying clothes, not having hair done.”**

**“I no longer use gas or electric unless absolutely necessary. I**



have no insurance for anything as cannot afford it. The temperature in my house is 15 degrees. We are in our 80s and paid tax all our life worked from 15 years old to 73 years old.”

“These options [for making cutbacks] are either irrelevant or they’re ‘cuts’ I made four-plus years ago.”

**“I have cut back on everything. Life is not worth living anymore.”**

In addition, these can be harder to bear for people who are also living with a health condition or disability. For example, shopping around for food is easier if you are in good health, whereas if you have limited mobility this can be much harder. Similarly, older people who are digitally excluded – who are already more likely to be living on lower incomes – may find it difficult to access the best deals on goods and services. It is vital that the Government and businesses work to ensure that people are not financially disadvantaged as a result.

#### 4. Some people have taken action to improve their financial situation

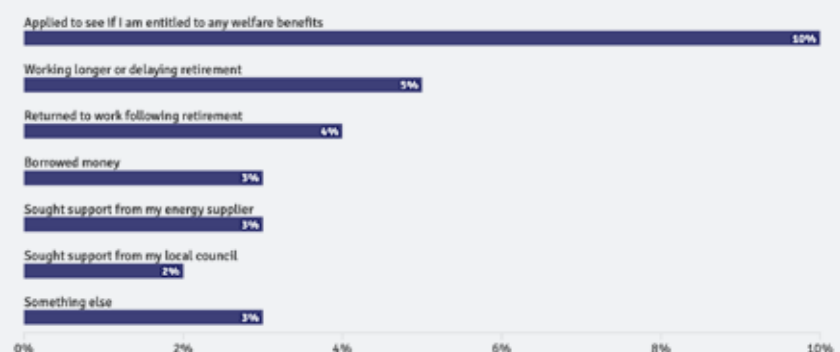
Some people have taken action other than cutting back to improve their financial situation. We asked, ‘Which, if any, of the following have you or a member of your household had to do recently?’ Seven in 10 (73%) said ‘I have not needed to do any of these things’. As shown in figure 17, the most frequently mentioned action was ‘applied to see if I am entitled to any welfare benefits’,

with one in 10 (10%) people citing this. One in six (16%) people with a disability did this, as did 15% of those with a household income of less than £20,000.

Many older people are eligible for but not receiving benefits. Only 65% of households who should receive Pension Credit do so, according to the latest official estimates (for 2022/23). That equates to 700,000 households and represents £1.3 billion that should be helping people meet their basic needs. Take-up has fluctuated between 61% and 66% since 2010 – it is persistently low.<sup>23</sup> Take-up issues apply to other pensioner benefits too. Around 240,000 pensioner households could be missing out on £890m of Housing Benefit, particularly important in light of the rising number of older renters. People also miss out on Attendance Allowance and Council Tax Support. There are no official figures for these but Policy in Practice estimates that 1.1 million older people missed out on £5.2 billion of Attendance Allowance in 2023.<sup>24</sup>

Receiving the benefits they are entitled to can make a huge difference to an older person’s financial situation. Pension Credit alone can give people an additional £4,000 a year and open access to other support, now including up to £300 from the Winter Fuel Payment. However, from our own advice services we know that often people looking into benefits find that they aren’t eligible, despite struggling. And conversely, many people who are eligible don’t apply for or investigate benefits. This can be because of a range of barriers, including lack

**Figure 17. Percentage of individuals who responded to the question ‘Which, if any, of the following have you or a member of your household had to do recently?’**



of awareness, people assuming they are ineligible, stigma associated with benefits, and health conditions or disabilities that make it difficult for people to make applications.

In terms of other actions people took, one in 20 (5%) said they were working longer or delaying retirement and a similar proportion (4%) said they had returned to work following retirement. In free text comments, others said they were working extra hours or looking for work. Being in work in later life – in this case aged 66 or over – can be a good option for some, giving them much needed extra income while maintaining an active and social life. However, given the question asked what people had to do, it's likely that some respondents stayed in or returned to work out of necessity. Those managing health conditions or disabilities may find this a particular challenge and could even affect their health negatively.

Some people listed other things they have had to do recently, including:

- using up savings
- selling clothes/other possessions
- trading in/selling the car
- completing surveys for income
- going into credit card debt
- accessing money via equity release.

While many people have some savings to draw on, those who do can feel nervous about running out.

One survey respondent said:

**“[I have] used my savings on a regular basis, don't know how far they will go.”**

Overall, it is concerning that so few people said they had sought money from their energy supplier or local council. Indeed, awareness of potential support from local authorities is relatively high – 58% said they were aware when asked **‘Are you aware that people on low incomes may be able to get emergency support with energy or other bills from their local council?’** This highlights the limitations of this kind of support – while very welcome, there will always be a lot of people who don't or can't apply. Despite energy suppliers making £500 million of support available this winter, and the Household Support Fund receiving an increase of funding by £1 billion, a small number of older people are accessing this support.



# What action can the Government take?

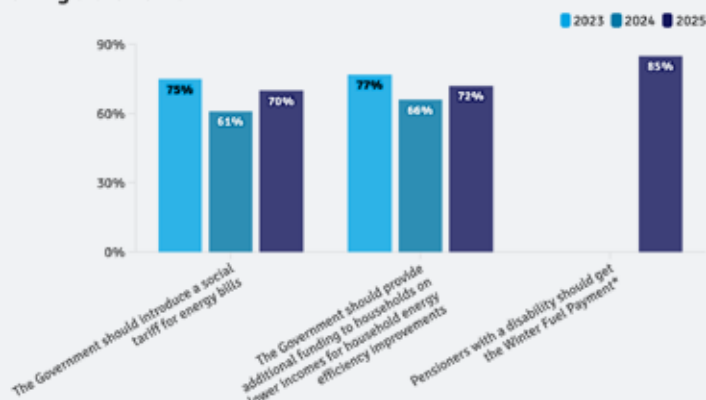
Keeping warm and safe at home is vital for a comfortable, happy and healthy later life. For many older people these past few years have proved difficult to manage, particularly for those on low-to-modest incomes, living with a disability or health condition, or in homes that are expensive to heat and remain cold throughout the winter. The Government recognises the importance of supporting those most at risk to meet their essentials needs – the Cost of Living Payments made a big difference, as does the range of means-tested and disability benefits and support for energy bills.

However, the data from this representative polling indicates that in January 2025, large numbers of older people are struggling – living in a cold home, worried about paying their bills, feeling financially insecure, and cutting back on essentials including energy and food. The end of the Cost of Living Payments and the loss of the Winter Fuel Payment for many on low and modest incomes, including those living with health conditions, will have exacerbated this difficult situation. We asked respondents to what extent they agreed with the following policy statements:

- ‘The Government should introduce a social tariff for energy bills (i.e. a discounted energy bill for people on lower incomes).’
- ‘The Government should provide additional funding to households on lower incomes so they can gain access to household energy efficiency improvements (e.g. loft insulation, double glazing).’
- ‘Pensioners with a disability should get the Winter Fuel Payment.’ (We only asked this in 2025.)

As shown in figure 18, there is clear support for all these options, with at least 70% agreeing with

Figure 18. Percentage of individuals who responded 'Somewhat agree' / 'Strongly agree' to the question 'To what extent do you agree or disagree with the following statements'



each option, and 85% agreement with the idea that pensioners with a disability should get the Winter Fuel Payment. There is majority support across the full range of demographics for this policy, with eight in 10 (79%) people with a household income >£60,000 and 84% of those aged 50-65 agreeing with it.<sup>25</sup> Similarly, six in 10 (59%) of that highest income group and 71% of people aged 50-65 agree with the introduction of a social tariff for energy bills. With the two statements for which we have comparable data from 2023, it is interesting that public support for those policies is rising again, having fallen a little in 2024. Support is approaching the high levels seen during the acute cost of living crisis in 2023.

# Policy recommendations

**In the context of elevated and rising prices for energy and other essentials, and given many older people's struggles to afford these, there is a role for policy reform. The Government should bring forward targeted support for people in later life (and other ages) to improve their ability to afford the basics, and especially to be able to afford enough energy to live in a warm home. We think the following ideas and recommendations can help bring this about.**

## Pensioner benefits

**To ensure all pensioners have a decent income and access 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. This approach should go beyond public campaigns to include increased data sharing and targeting of information, integration of benefit claim lines, an impactful merger between Pension Credit and Housing Benefit, improved awareness and support in the working-age benefits system for people approaching State Pension age, and sustainable support for benefit advice services, all underpinned by an action plan or strategy.
- Continue to protect the State Pension triple lock, which gives a much-needed boost to people reliant on a low value State Pension, often older people on the pre-2016 pension. The Government's pensions adequacy review should look at the purpose and adequacy of the State Pension 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, now including the Winter Fuel Payment, and struggle to meet their basic needs.

## Energy costs

The Government's proposals to expand the Warm Home Discount scheme in winter 2025/26 are welcome. Electricity bill discounts of £150 could

support an extra 2.7 million households (of all ages).<sup>26</sup> However, future energy price rises – including the £111 average rise in April 2025 – mean that a £150 discount will leave few people better off compared to when this polling was conducted in January 2025. As welcome as it is, this additional support will not be enough to make a meaningful difference to the warmth and safety of many people's homes. A more effective long-term solution is needed. Furthermore, the Warm Home Discount scheme is due to expire in April 2026. If it is not extended beyond then or replaced with something more effective, over 1 million pensioners will lose £150 of support annually.<sup>27</sup>

**To tackle energy unaffordability, the Government should commit to the following actions:**

- Extend the Warm Home Discount scheme to continue from 2026 until 2030.
- Implement an energy social tariff, which provides a unit-based discount to eligible consumers. The Warm Home Discount scheme could be reformed to deliver support in this way.
- Bring forward the Warm Homes Plan as soon as possible, and ensure those living in cold, damp and mouldy homes are prioritised for support.
- Expand eligibility for the Winter Fuel Payment to pensioners receiving other benefits, including Housing Benefit, Council Tax Support, Attendance Allowance (and other disability benefits) and Carer's Allowance. While we appreciate that local authorities rather than the DWP administer some of these benefits, we urge the Government to find data-sharing solutions in time for winter 2025/26.

# Appendix. Survey details and questions

Research was conducted by Opinium on behalf of Age UK via an online and CATI survey between 6 and 16 January 2025 (2,575 UK adults aged 66+). The sample is weighted to be nationally representative of the 66+ UK population based on age, gender and region. Opinium also polled a sample of 1,627 people aged 50-65.

Below are the relevant questions from the polling that we have discussed in this report. Some figures discussed may not match due to rounding.

## **Q1. Heading into 2025, how financially secure do you feel now compared to when 2024 began?**

Much less secure; Less secure; No more or less secure; More secure; Much more secure; Not sure

## **Q2. Have you or anyone in your household received the Winter Fuel Payment so far this winter?**

Yes; No, but I/we are expecting it; No, I am/we are not expecting it; Not sure

## **Q3. Thinking about your finances at the moment, how worried, if at all, are you about each of the following:**

The impact of energy prices on my health  
Being able to heat my home when I want to  
Paying the household energy bills  
Being able to afford other essentials (e.g. food)  
Being able to pay your rent or mortgage  
Not at all worried; Not very worried; Somewhat worried; Very worried; Not sure; Prefer not to say

## **Q4. Are you aware that people on low incomes may be able to get emergency support with energy or other bills from their local council?**

Very aware; Fairly aware; A bit aware; Not at all aware; Can't remember

## **Q5. Thinking about energy prices at the moment, how often is your home colder than you would like it to be?**

All the time; Most of the time; Some of the time; Never; Don't know; Prefer not to say

## **Q6. To what extent do you agree or disagree with the following statements:**

The government should introduce a social tariff for energy bills (i.e. a discounted energy bill for people on lower incomes).

The government should provide additional funding to households on lower incomes so they can gain access to household energy efficiency improvements (e.g. loft insulation, double glazing). Pensioners with a disability should get the Winter Fuel Payment.

Strongly disagree; Somewhat disagree; Neither agree nor disagree; Somewhat agree; Strongly agree; Don't know; Prefer not to say

## **Q7. Which, if any, of the following have you or a member of your household had to do recently?**

Cut back on heating or powering your home (e.g. turning off your boiler, heating your home less or turning off lights or appliances more than usual).

Cut back on social and leisure activities (e.g. eating out, holidays, physical activities).

Cut back on transport and vehicle costs (e.g. petrol / diesel / public transport).

Cut back on food / groceries.  
Cut back on home repairs or maintenance.  
Cut back on other household bills (e.g. telephone, internet, water).  
Left my home temporarily to go somewhere to keep warm (e.g. public building, shopping centre, public transport, warm bank).  
Reduced my housing costs (e.g. downsizing, moving in with family, pausing rent/ mortgage payments, moving into social housing).  
Cut back on paying for care and support.  
Used a food bank or fuel bank.  
Something else (please specify).  
I have not needed to do any of these things.  
Don't know.  
Prefer not to say.

**Q7A. Which household bills have you had to cut back on?**

Telephone  
Broadband/Internet  
Insurance (e.g. home insurance, travel insurance, car insurance)  
Water  
Other (please specify)  
Don't know  
Prefer not to say

**Q8. Are you concerned about getting into energy debt over unpaid bills?**

No, I am financially secure; No, I wouldn't get into debt so would rather turn off my heating; Yes, a little; Yes, a lot; I'm already in energy debt

**Q9. Which, if any, of the following have you or a member of your household had to do recently?**

Applied to see if I am entitled to any welfare benefits.  
Working longer or delaying retirement.  
Returned to work following retirement.  
Borrowed money.  
Sought support from my energy supplier.  
Sought support from my local council.  
Have gone into debt with my energy supplier.  
Sought support from charities and voluntary groups.  
Something else (please specify).  
I have not needed to do any of these things.  
Don't know.  
Prefer not to say.

**Q26. Have you felt any of the following emotions as a direct result of the cost-of-living crisis?**

Angry; Sad; Accepting; Scared; Indifferent; Embarrassed; Optimistic; Other (please specify);  
None of the above

# References and endnotes

- 1 Nationally representative on age, gender and region.
- 2 We use the term ‘pensioner’ as this means people who are of State Pension age – currently 66 – or above.
- 3 <https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/safe-at-home/cold-at-home-energy-and-col-report.pdf>  
<https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/safe-at-home/age-uk-energy-public-policy-report-march-2023.pdf>
- 4 [Energy price cap will rise by 4.6% from April Ofgem](#)
- 5 We would anticipate that ethnic minority pensioners would also be at greater risk of facing difficulties, as Black and Asian pensioners are much more likely to be living in poverty than White pensioners (one in four Black and Asian pensioners compared to one in six White pensioners). Unfortunately, the number of ethnic minority pensioners in our polling sample was too small to allow statistical comparisons to be made.
- 6 Expanding the Warm Home Discount Scheme, 2025 to 2026: consultation document (accessible webpage) - GOV.UK
- 7 <https://www.gov.uk/government/statistics/warm-home-discount-statistics-2023-to-2024>
- 8 Retail market indicators | Ofgem
- 9 <https://www.ofgem.gov.uk/publications/debt-and-arrears-indicators>
- 10 <https://www.ofgem.gov.uk/consultation/resetting-energy-debt-landscape-case-debt-relief-scheme>
- 11 <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt/mm23>
- 12 Further information of the Retirement Living Standards is available at <https://www.retirementlivingstandards.org.uk>
- 13 <https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/safe-at-home/cold-at-home-energy-and-col-report.pdf>  
<https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/safe-at-home/age-uk-energy-public-policy-report-march-2023.pdf>
- 14 [Pensioners’ Income statistics GOV.UK](#)
- 15 Stat-Xplore
- 16 Ibid.
- 17 [https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/money-matters/2024\\_oct\\_consequences-of-the-freeze-in-the-income-tax-allowance-on-state-pension-amounts\\_v1-final.pdf](https://www.ageuk.org.uk/siteassets/documents/reports-and-publications/reports-and-briefings/money-matters/2024_oct_consequences-of-the-freeze-in-the-income-tax-allowance-on-state-pension-amounts_v1-final.pdf)
- 18 Quotes throughout this report are from older people who 1) wrote to us to support our Winter Fuel Payment campaign, or 2) gave qualitative responses to the Opinion survey. They are generally from people who wished to remain anonymous.
- 19 We would anticipate that ethnic minority pensioners would also be at greater risk of facing difficulties, as Black and Asian pensioners are much more likely to be living in poverty than White pensioners (one in four Black and Asian pensioners compared to one in six White pensioners). Unfortunately, the number of ethnic minority pensioners in our polling sample was too small to allow statistical comparisons to be made.
- 20 We will produce further briefings focused on some of these groups later this year.
- 21 Throughout this report we draw attention to various groups of older people reporting especially high levels of difficulty. These groups are broadly consistent although we vary the groups shown in charts slightly, to focus on those reporting the highest difficulty in that particular question.
- 22 [2023-24 EHS Headline Report Chapter 1 Profile of households\\_and\\_dwellings Annex Tables.ods](#)
- 23 [Income-related benefits: estimates of take-up: financial year ending 2023 - GOV.UK](#)
- 24 [People of pension age may be missing out on £5.2 billion - Policy in Practice](#)
- 25 We also polled people aged 50-65.
- 26 [Expanding the Warm Home Discount Scheme, 2025 to 2026: consultation document \(accessible webpage\) - GOV.UK](#)
- 27 <https://www.gov.uk/government/statistics/warm-home-discount-statistics-2023-to-2024>

**For more information: contact [Policy@ageuk.org.uk](mailto:Policy@ageuk.org.uk)**

Images throughout are posed by models to protect identities.



With thanks to  
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