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Call for action as rise in energy costs in UK like 'heart attack' for a family budget

ENERGY bills for every household must be subsidised by the Government if Britain wants to keep its place as a developed nation, the former pensions minister has warned.

By [LUCY JOHNSTON](#), [NED KELLY](#)

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'Increasing numbers of people are now unable to heat their homes or feed their families' (Image: Getty)



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Baroness Ros Altman described the massive rise in bills as "like a heart attack on a family budget" and said that radical action is now needed to prevent a growing number of people being plunged into poverty, misery and mortality. She spoke out as it emerged that more than one million people are already in debt to loan sharks, often to cover essentials such as council tax and electricity. Her comments also came amid widespread predictions that the worst is yet to come, with more people set to be pushed into poverty and homelessness.

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The life peer said increasing numbers of people are now unable to heat their homes or feed themselves or their families properly.

Many are so desperate that they are borrowing from lenders at extortionate interest rates.

Ms Altman said: "The Government must introduce energy subsidies for all households, to tide people over while fuel prices are so high.



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"This sudden change in energy prices is like a heart attack on a family budget.

"It's so phenomenal the Government should subsidise half the additional cost for one to two years as we wait for prices to hopefully subside.

"We are meant to be a developed country. We have underestimated the extent of this crisis and if we don't take action we will lose this status."

She went on: "People will be running out of money within months. Pensioners, disabled people and those with young families are on the front line but people are being affected across the board, including working families. Millions of people won't suddenly find money they didn't have before to pay for the rising cost of fuel and household goods."

Ms Altmann said the crisis could significantly increase numbers of pensioners in poverty from the two million reported in 2019 - one million of whom were in extreme fuel poverty.

She said their plight is not being properly mitigated by the Government's special grants, such as the Warm Home Discount or cold weather payments.



Her comments follow a report from the Centre for Social Justice which found 1.08 million people are indebted to a loan shark.

In 2021, almost two-thirds - 62 per cent - had an income less than £20,000 a year, with 45 per cent saying that they borrowed the money to cover essentials such as school uniforms, pushchairs, electricity and council tax.

This month, fuel, National Insurance and water charges rose, while the energy price cap also increased by 54 per cent. Food inflation was already increasing and is now reaching eight per cent per year.

It is expected the energy price cap will soar again on October 1, which means families could see fuel bills more than double in less than a year.

The Resolution Foundation think-tank estimates that by then a third of households could fall into "fuel stress", paying 10 per cent of their annual income on energy.

Meanwhile, charities are reporting increasing numbers going without food in order to feed their children and many also going without heating.

Some are sharing tips on social media on how to tighten budgets including sitting under duvets during the day, heating one room where children sit and prioritising which bills to pay.

Azmina Siddique, policy and impact manager at The Children's Society, said: "Even before prices of basics like food and energy began to rise, and the increase in National Insurance, nearly four million children were living in poverty last year. In many cases, one or both of their parents were in work.

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"This seems unthinkable and totally shameful in a relatively wealthy, developed country." She added: "It's not just a figure. Behind it are heartbreaking stories of parents worrying about whether to pay the rent, put the heating on or make a proper evening meal.

"All this can have a damaging impact on children, harming their physical and mental health, education and life chances.

"We have come across children worried about their families being evicted from home due to missing rent payments. Others have struggled to sleep for fear of bailiffs knocking on the door." Karen Everitt, a 69-year-old charity worker from Coventry, is terrified of going into debt because her income barely covers her outgoings.

The project manager, who works a 30-hour week, has not put on her heating since January, wears extra layers of clothes and sits under a blanket when not at work.

She said: "Sometimes I can't sleep because I get so cold. I buy only basics and I cannot do a big shop. I am so scared of going into debt - if my car needed fixing, for example.

"I cannot afford to go out or do anything so I make excuses not to see people. I work, I earn a good salary. Sometimes I cannot afford to pay all of my mortgage.

"There are many of us in this situation, effectively excluded from life. I'm flabbergasted that the voices of the majority are going unheard. We're on a daily conveyor belt of misery, at the mercy of huge price increases, while those in charge are not experiencing the same consequences."

Dennis Reed, of campaign group Silver Voices, is calling for an increase in the state pension and benefits or a £500 emergency payment for vulnerable households to be handed out now, with another £500 payment in autumn.

He said: "Everything is going up in price. It's not just energy, it's all the essentials of life."

A Government spokesperson said: "We understand that people are struggling with rising prices, and while we can't shield everyone from the global challenges we face, we're supporting British families to navigate the months ahead with a £22billion package of support this financial year. We are saving the typical employee over £330 a year by raising the National Insurance Contribution threshold and we have introduced the largest ever single increase in the National Living Wage, while lowering the Universal Credit taper rate to help people keep more of the money they earn."

He added: "We are also providing millions of households with up to £350 to help with rising energy bills and expanding the eligibility for the Warm Home Discount."