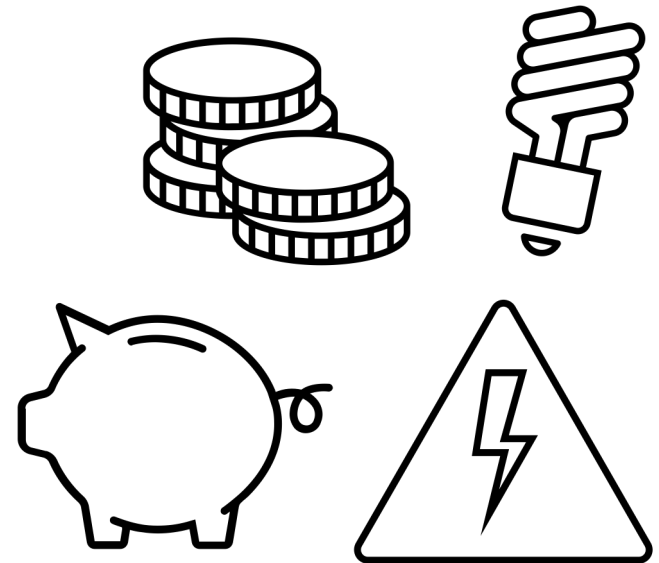


# Coalition of Carers in Scotland Meeting 15<sup>th</sup> of June 2022



# Overview

- Who are we?
- Issue 1: SoLR
- Issue 2: Rising Energy Costs and the Price Cap
- Issue 3: Fuel Poverty
- Issue 4: Scottish Carer's Assistance Consultation
- Home Heating
- External Support
- Q&A

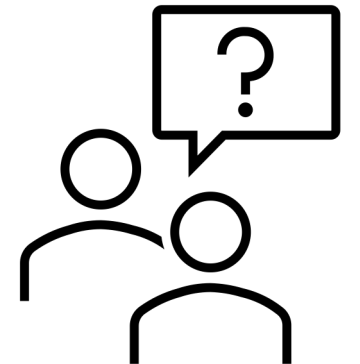


# Who are we?

**Advice Direct Scotland** is Scotland's largest advice agency, providing free and independent advice and information to the citizens of Scotland.

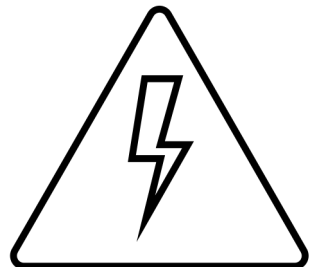
All of our services are completely free at the point of use, offering reliable, relevant and practical advice on housing, employment, benefits, debt, energy, consumer issues, and much more.

Scotland's only genuine **multi-channel advice service** - we can be contacted via telephone, email, webchat, and through social media.



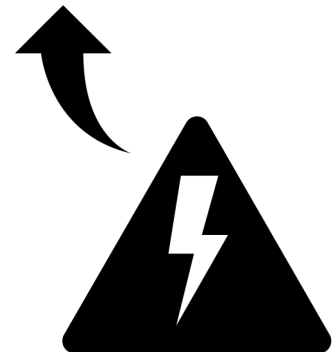
# SoLR Crisis

- Rising demand for energy and depleted worldwide gas reserves has contributed towards **higher prices and bills for consumers**.
- This economic hit contributed by the energy crisis has resulted in 30 suppliers failing since January 2021 (excluding Bulb who are undergoing a special administration process).
- Experts predict the failure of key energy suppliers to continue into 2022.
- What will be key is ensuring the full protection of energy consumers who are part of the **SoLR** process, ensuring that they suffer no detriment as the result of being a customer of a failed supplier.
- Feel free to check out our guidance regarding what to do when undergoing the SOLR process and find out how has taken over your energy supply:  
[Loss of Supply | Energy Advice | energyadvice.scot](#)



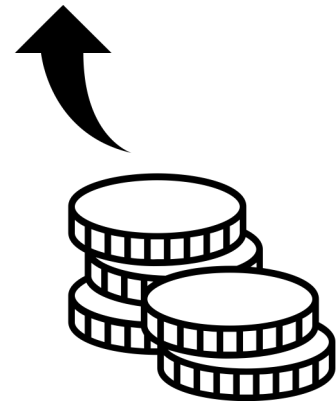
# Cost of Living Crisis and Energy Price Cap Rise

- In 2022, the worldwide price of gas rose significantly and causing the cost of living to sharply rise. The rise in gas prices affects the cost of transportation, fuel, and energy, making many vital services significantly more expensive for virtually every household in the country.
- The immediate consequence of this is the alarming rise in **energy costs**.
- But the **energy price cap** will also increase by an unprecedented amount. This means that those who are on a standard rate tariff stand to have their bills increase by almost £829 per year as of October 2022.
- This price cap was intended to keep costs low for many less fortunate and vulnerable, meaning this rise carries a particular threat to them.
- We anticipate a significant rise in **fuel poverty** and by extension, **rationing of many essential goods** as low-income customers try to maintain their energy supply.



# How Will a Rise in the Cost of Living Affect Me?

- The price rise has also impacted the costs of many goods and services, causing the price of living to rise as a result. This will increase everything from rent, to food, to transport. It is important to note that many are living in a situation where even a slight income disruption could result in significant hardship.
- Disruptions of income will inevitably result in more households falling into problem debt. Taking loans will be seen as an easy way out of difficult financial situations. We fear that those facing such detriment may feel tempted to seek out money from loan sharks, which will worsen their financial predicament.
- Those with manageable amounts of debt could also have their finances disrupted, creating problem debt. We are working to ensure that debt advice is readily and freely available



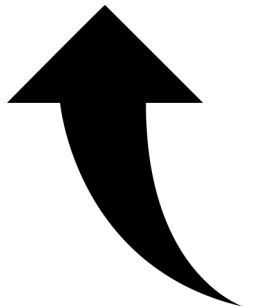
# What is the Energy Price Cap?

- The energy price cap is intended to ensure that consumers pay a fair price for their energy usage.
- It limits how much suppliers can charge you per unit of gas or electricity, based on the underlying costs.
- This limit is not present on a total bill, which will vary depending on the units of energy used during a billing period.



# Is the Energy Price Cap Going Up?

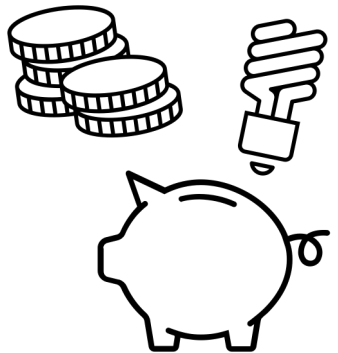
- Ofgem has announced that the energy price cap will be rising significantly. This applies to all customers on default tariffs and those with prepayment meters. If you have not switched supplier or tariff in the last few years, it is likely you are affected by the price cap rise.
- The rise will be 42.1% more compared to what you are paying now. Those on default tariffs will see an increase of £829 from £1,971 in April 2022 to £2,800 in October 2022. Suppliers will be contacting customers by the end of the month to let them know if their prices are changing from April and what it might mean for their payment.
- ***The cap applies per unit of energy used, so if you use more, you will pay more!***
- There are fewer fixed tariffs available on the market and they have become more expensive, so while some people might still be able to save, if you cannot find a better tariff after the price cap rises it is probably better to wait until better deals are available again.





# Fuel Poverty

- One of the most significant issues that our customers face is fuel poverty.
- Previously, it was estimated before the energy crisis that 4 million households in the UK struggled to eat and heat their homes. Now, the current energy crisis resulting in gas prices going up dramatically will inevitably contribute towards higher bills for consumers.
- As stated previously, experts are predicting bills to soar by roughly 45%-50% (average bills in the UK to be £2,000 in 2022) which will place massive stress on most households especially low-income households who are already struggling to cope with existing energy bills and general living costs.
- The detriment experienced by many households across the UK has been well-documented with figures highlighting that an estimated 8,000 deaths occurred last year due to people living in cold homes (up by 20% from last year).



# Scottish Carer's Assistance Consultation

Our organisation recently took part in providing responses for the Scottish Government's consultation regarding introducing Scottish Carer's Assistance. Here is a summary of our responses:

- Scottish Carer's Assistance should be beneficial and accommodating and such additional assistance will help provide much needed resources to maintain the economic stability and dignity of claimants.
- We also believe that full time education should not disqualify an applicant for this whilst caring for someone.
- The cost-of-living crisis has exacerbated the financial difficulties we have seen previously, including unprecedented energy cost rises. We have seen large volumes of customers seeking urgent income maximisation and debt advice. It is true that the support this benefit provides (e.g. adding Carer's Allowance Supplement) will undoubtedly help those on lower incomes address many of their immediate financial priorities. However, one payment is not enough to resolve such a wide-ranging issue.



# Case Study: Carer Seeking Support - 00563791

*“Mr Sinclair called looking to get some help with his income. He is currently caring full time for his wife who is living with a disability and is only claiming their pension. Mr Sinclair has stated that the extortionate costs are affecting them. We asked Mr Sinclair if he would like to go through a benefit check to see what extra benefits he may be entitled to...”*

*We went through a benefit check with Mr Sinclair and advised him that his wife would be eligible to receive **attendance allowance** who is currently living with a disability. We provided him with the attendance allowance helpline number to make an application over the phone. We also advised Mr Sinclair about his entitlement to **carer's allowance** as he is providing full time care for his wife. We issued him with the telephone number for the carer's allowance helpline to make an application. We also warm transferred Mr Sinclair to our **Home Heating Department** to assess his entitlement to the **fund**.*

*Mr Sinclair mentioned that they would be looking for some help in filling out the relevant paperwork to apply for these benefits. We therefore recommended that he contacts the Scottish Independent Advocacy Alliance who perform this very service. We provided the contact details for the SIAA to Mr Sinclair”.*



# How Can ADS Help? - Debt

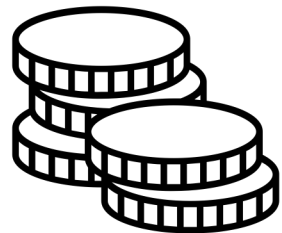
[moneyadvice.scot](https://moneyadvice.scot)

moneyadvice.scot ([Moneyadvice](https://moneyadvice.scot)) provides free, practical money and debt advice to the people of Scotland and are regulated by the Financial Conduct Authority (FCA).

There are a variety of solutions that can help if you are struggling with debt or have concerns about your finances. One of our specialist debt and money advisers can discuss all available options and help to get you back on track.

## Options Available Include:

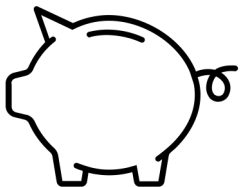
- Informal Arrangements such as payment plans.
- Debt Arrangement Schemes (DAS)
- Trust Deeds
- Sequestration
- Minimal Asset Process (MAP Bankruptcy)



# How Can ADS Help? - Benefits

**Benefits Calculator** - You can use our benefits calculator - [Benefits Calculator \(inbest.ai\)](#) - to get a free and impartial assessment of all the benefits you are entitled to and what you have to do to claim them. This is the only available benefits calculator which covers devolved benefits for Scotland. Some relevant support focussing on assisting carers with the pressures born out of the cost-of-living crisis includes:

- Carer's Credit - [Carer's Credit: Overview - GOV.UK \(www.gov.uk\)](#)
- Carer's Allowance - [Carer's Allowance: How it works - GOV.UK \(www.gov.uk\)](#)
- Young Carer's Grant - [Young Carer Grant - mygov.scot](#)
- Social Security Scotland: Carers Allowance Supplement - [Carer's Allowance Supplement - mygov.scot](#)



# How Can ADS Help? - Energy

**energyadvice.scot** - Our [energyadvice.scot](https://energyadvice.scot) service can provide expert advice on energy-related issues. Our services are also available to microbusinesses (which make up more than 90% of businesses in Scotland). The website offers consumers an easily accessible knowledge source for all relevant energy advice topics.



**Scottish Power Hardship Fund** - Provides financial assistance for those either in prepayment or standard energy meters and the criteria for this is that they must have £1000 debt and be a current customer of Scottish Power.



**Scottish Power Energy Vouchers** – Provides specific financial support for prepayment meter customers who have been self-disconnected and are unable to top up their meter due to a lack of funds.



# The Home Heating Support Fund



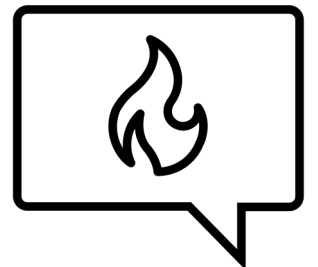
- [homeheatingadvice.scot](https://homeheatingadvice.scot) work in partnership with the Scottish Government to deliver the **Home Heating Support Fund (HHSF)** for Scottish households struggling with energy costs (Currently in the second iteration).
- The HHSF seeks to provide financial relief to energy consumers who are experiencing significant financial hardship.
- It strives to provide this support to households regardless of the fuel or payment method used (e.g., users of prepayment meters, district heating networks, and unregulated fuels).
- This also includes assisting Scottish citizens identified as 'self-rationing' energy (e.g., those facing a 'heating or eating' scenario).



# Successes of The Home Heating Support Fund



- In the relatively short period of time the fund was active during iteration 1, the homeheatingadvice.scot service offered vital support to thousands of Scottish citizens, providing a lifeline for those who may have been at risk of self-disconnection. In just over one month, **ADS administered £875,579.27 to customers** desperately seeking assistance and support.
- During iteration 2, which ran for period of 3 months, **ADS administered almost £4 million to vulnerable households** and developed a nationwide network of over 350 referral partners across the advice sector.
- Our experience in providing comprehensive support to vulnerable customers also ensured that hundreds of applicants received additional **support from our debt advisers, offering practical, end-to-end solutions for ongoing financial issues etc.**



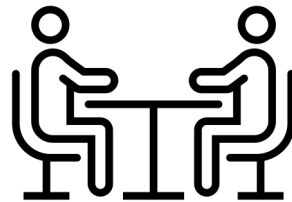


# External Support

**Warm Home Discount Scheme** - Call your supplier to see if you qualify. More Information: [www.gov.uk/the-warm-home-discount-scheme](http://www.gov.uk/the-warm-home-discount-scheme) for more information.

**Cold Weather Payment** – For further information visit: <https://www.gov.uk/cold-weather-payment/overview>.

**Child Winter Heating Assistance** (Scotland Only) – You can find out more about this payment here - [Who can get Child Winter Heating Assistance - mygov.scot](http://mygov.scot/who-can-get-child-winter-heating-assistance)



**Winter Support Fund** - There is no need to make an application. Your local authority will be currently working to identify those eligible for a payment. Only one payment will be made to each qualifying household. If you do not receive this, speak with your local authority to request this. You can find out the contact details for your local authority from the tool on the Scottish Government's website here - [Find your local council in Scotland - mygov.scot](http://mygov.scot/find-your-local-council-in-scotland)

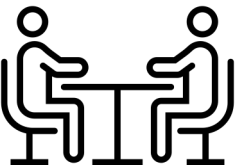
# External Support (Continued)

If you are struggling with debt or arrears with your energy supplier, it is possible for you to try and apply to get a grant from a charitable trust to help pay it off. The British Gas Energy Trust offer certain grants and schemes that can be claimed by anyone and you do not even need to be a customer with them.

There are also companies who offer grants specifically for their customers:

- Hardship Fund - ScottishPower Community
- Struggling to Pay Your Energy Bills? We Can Help (ovoenergy.com)
- E.ON Energy Fund initiative | About us | E.ON (eonenergy.com)
- Priority Services Register - extra help for those in need | EDF (edfenergy.com)

If you are considering making an application for a grant, you will be required to provide detailed information about your financial situation. It should be noted that it may take a while to complete your application.



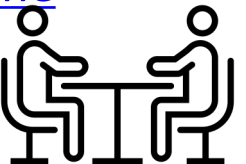
# External Support (Continued)

**Home Energy Scotland** - Helps people in Scotland create warmer homes and reduce their energy bills. For financial support see the Warmer Homes Scotland programme – [Warmer Homes Scotland · Home Energy Scotland](#)

**Fuel Insecurity Fund** – Those in council tax bands A to D and those eligible for council tax reductions will be given £150 to help them during the cost of living crisis. Councils will either provide this via a direct cash payment or as credit to council tax accounts. Households will be paid automatically - you do not need to apply.

**Fuel Bank Foundation** - Works with selected foodbanks and advice agencies to provide people with energy related support (see [Home | Fuel Bank Foundation](#)).

**Scottish Federation of Housing Associations (SFHA) – Social Housing Fuel Support Fund** – This is managed and administered by SFHA, allowing social landlords to help tenants keep their homes warm and manage or reduce their energy bills. More information can be found here - [Housing associations support tenants struggling with energy costs - The Scottish Federation of Housing Associations Limited \(sfha.co.uk\)](#)



# Q&A

- Any Questions?
- Thank You for Listening!
- If you wish to email myself ([glen.nixon@advice.scot](mailto:glen.nixon@advice.scot)) or my colleague John Craft ([john.craft@advice.scot](mailto:john.craft@advice.scot)) about anything we have discussed, feel free!

