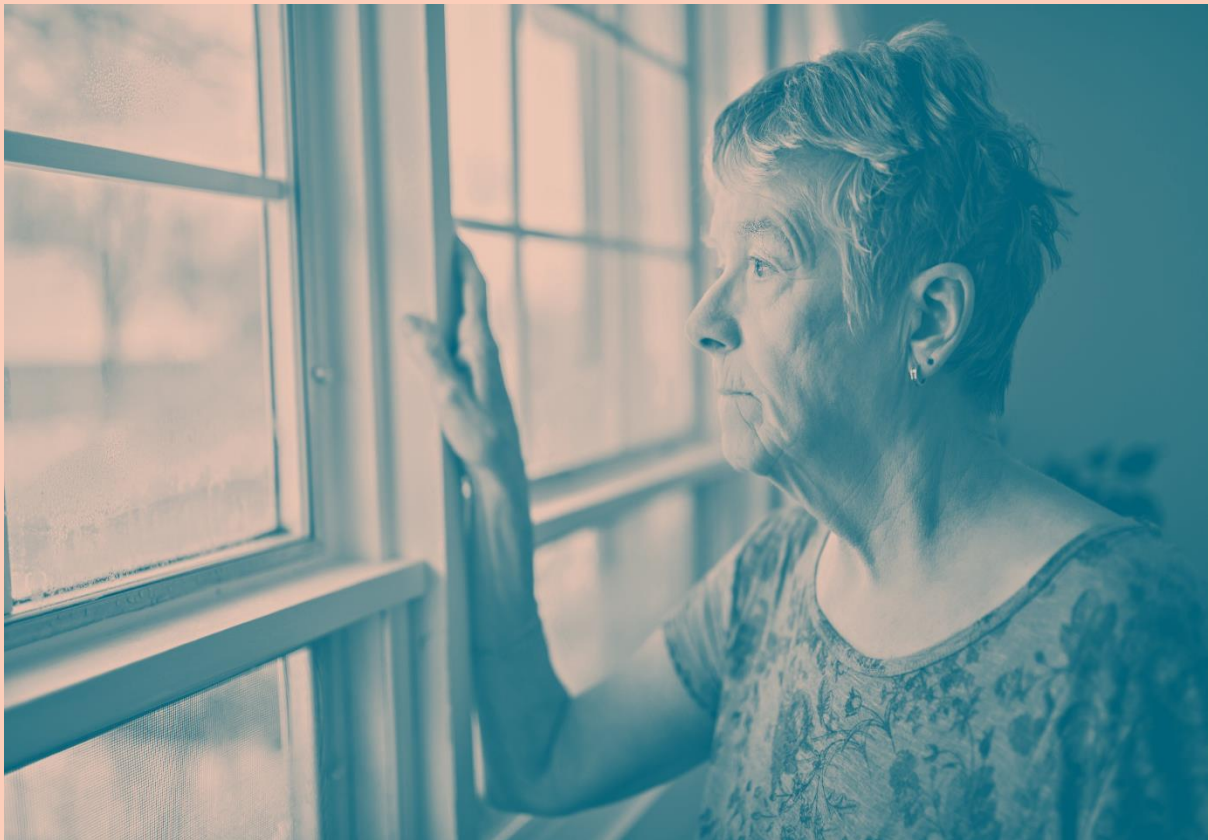


The Impact of the Cost of Living on Citizens Advice Plymouth Clients

A summary report of cost-of-living issues impacting Citizens Advice Plymouth clients from January 2019- December 2022

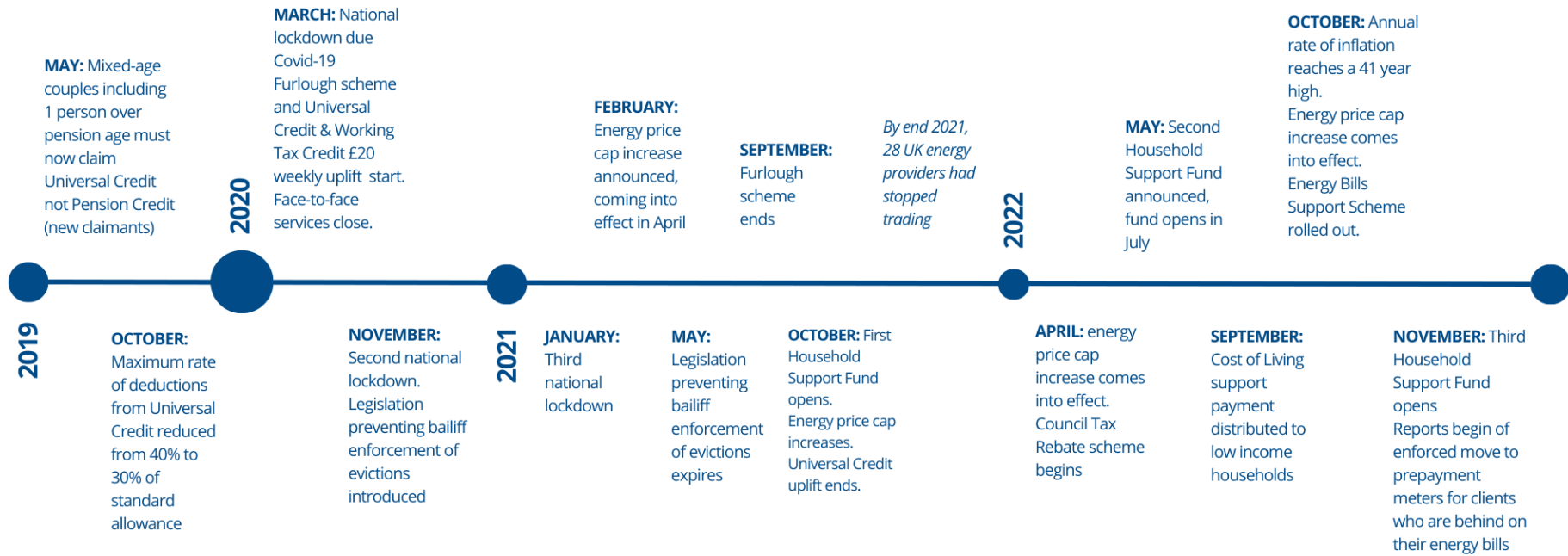


January 2023
Jaroslava Hurtikova
Jessica Ubani
Amy Blair
Sarah Warren

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Timeline of Key Events 2019 - 2022



Executive Summary

The events of the past couple of years have been unprecedented for many people living in the UK. This led to a higher need for various advice services that assist with benefits checks, debt and money problems and access to charitable support.

This report uses Citizens Advice Plymouth data from 2019 – 2022 to analyse the impact of increased living costs on our clients. It also considers the impact of global and national events that might have influenced advice needs during this period of time. The expansion of our services allowed us to support more people than ever before, resulting in significant hikes in our client numbers and particular issues from September 2020.

The report identifies key cost of living issues and breaks down advice areas such as debt and prepayment meter issues, and energy efficiency advice. It also investigates the effect of the increased cost of living on different demographic groups.

In 2022, 77% of our clients needed help to address cost of living issues, demonstrating the widespread impact of rising living costs on people accessing our services.

The top five cost of living issues were charitable support and foodbanks, Council Tax arrears, energy debts, difficulty paying increasing energy bills and issues with Personal Independence Payment, demonstrating that household budgets had to accommodate increased costs in multiple areas.

Clients tried to maximise their incomes by seeking more practical energy efficiency advice, benefit entitlement checks and information about government support schemes. However, our findings suggest that many still didn't have enough money to cover essential costs.

1 in 2 enquiries were about energy debts. We also reported a continuous increase in energy debt issues, despite the introduction of various government support payments towards energy bills.

Charitable support and foodbank requests rose sharply, reaching a peak of 1,660 in March 2021. This indicates that, despite government support to help people manage the increased cost of living and the effects of the Covid-19 pandemic, there was still a continuous need for crisis support to keep up with daily living costs.

Client profile data from the period shows that a wide range of our clients have been affected by rising prices. Nearly 1 in 3 clients who contacted us about cost of living issues were in some form of employment. Homeowners were also impacted – 16% clients who sought help with cost of living issues during the period either owned their home outright or had a mortgage.

Analysis of client profile data suggests that some demographic groups have been worse hit by rising costs. Nearly 3 in 4 of our clients were female, and 1 in 3 clients presenting with cost of living issues were from single person households.

The number of clients with disabilities and health problems increased by 14, with the number of clients with multiple impairments also increasing. Case studies from our clients highlight the detrimental effect cost of living issues can have on people's health and well-being.

Overall, the report highlights how the ongoing crisis pushes low-income families, such as those claiming disability benefits, into a continuous struggle to keep on top of their finances and afford essentials. It also shows how people in full-time employment have been impacted by increased energy and living costs, needing help from our services more than ever before. We welcome the government support during these difficult times, however some of this support does not provide a long-term solution to underlying issues.

Introduction

Over the past year, the UK has seen a significant rise in the cost of living with prices of household essentials rising significantly faster than income. This is reportedly the biggest cost-of-living crisis the country has seen in decades and can be attributed to the supply of certain goods not matching high consumer demand.

In this report, we will be looking at how the Covid-19 pandemic coupled up with the cost-of-living crisis have affected our clients. Recent years have undoubtedly been difficult, with people enduring crisis after crisis. In 2020, the pandemic changed the job market when people were furloughed, lost their jobs, or had changes made to their contracts. In addition, some companies ceased trading. With the aftereffects still being lived by many, we were then hit with the cost-of-living crisis.

Citizens Advice Plymouth provides free, confidential, impartial and independent advice to people across the country to help them overcome the problems they face, irrespective of their background. From 1st January 2019 until 31st December 2022, Citizens Advice Plymouth helped 105,180 unique clients with over 1 million issues.

In April 2020 we expanded our service offer, allowing us to help more clients than ever before with a broad range of issues. In 2022, Citizens Advice Plymouth supported 40,723 clients. More than three quarters (77%) of these clients were looking for support with cost of living issues.

The report maps a timeline of key events that might have impacted data trends from 2019 to 2022. It also includes a summary of issue trends analysis, focusing mainly on key cost of living issues such as charitable support & foodbank use, energy and other debts, worries about the ability to keep up with energy price increases, and disability benefits such as Personal Independence Payment. Additionally, we break down client profiles and how increasing costs are impacting different groups. We use anonymised case studies to highlight the impact of particular issues on individuals and families.

1. Key Cost-of-living issues Citizens Advice Plymouth clients are facing

The cost of living has been increasing since 2021 and inflation reached a peak in October 2022.¹ This has led to significant price hikes in food, energy, rent/mortgage and other living essentials. As a result, clients are having to make difficult decisions about how best to provide for themselves and their households.

Since January 1st 2022, Citizens Advice Plymouth has supported 40,723 clients. Over three quarters of these clients (77%) sought support with cost of living issues. The top five cost-of-living areas clients required help with were charitable support & foodbanks, Council Tax arrears, energy debts, energy and Personal Independence Payment (PIP).

Figure 1 shows how enquiries relating to the cost-of-living crisis have changed over the last four years. Energy debt has always been the largest enquiry area for clients, accounting for nearly 1 in 2 enquiries. We have also seen a continuous increase in enquiry rates since 2019. In 2021, there was a spike in demand for energy advice and we have continued to receive a high rate of enquiries about energy issues since this point. This increase in demand can be attributed to an expansion in our energy teams providing energy debt and efficiency advice, as well as the news that the energy price cap would be increasing in February 2021.

2021 was a turbulent year for the UK's energy sector as 28 energy providers ceased trading. In February, the energy price cap was increased by 9% to £1,138, with a further 12% increase in October 2021. With gas and electricity wholesale prices rising rapidly from the second half of 2021, Ofgem announced a further planned increase of 80% from 1st October 2022, leading to an increase in enquiries from clients seeking energy advice.

In addition, in October 2021 the government ended the Universal Credit (UC) £20 Uplift, reducing UC claimants' household budgets by at least £1,040. This means lower income households are having to spend a larger proportion of their household income on energy bills. The government estimates that the poorest 20% of households will have to find an additional £1,000 - £1,100 and pensioner households £1,400 to use the same amount of energy as they did in 2020-21.²

The number of clients contacting us for support with Council Tax arrears decreased in April 2020. During the pandemic, the government announced a £150 support payment for households in receipt of Council Tax Support and bailiff action was suspended from March until 24 August 2020. The number of clients with Council Tax arrears started

¹ [Research on the increasing cost of living and inflation](#)

² [Domestic energy prices: House of Commons Library](#)

increasing again from September 2020 until April 2022, when the government provided the £150 Council Tax Rebate to eligible households.

Our data also reveals a stark increase in the number of people needing access to charitable support and foodbanks for help with living essentials. In January 2020, we helped 38 clients with charitable support and foodbank applications. Since then, the number has increased exponentially, reaching a peak in March 2021 when we assisted 1,660 people to access support. The average monthly number of application requests reached 1,122.

The number of clients experiencing problems with their Personal Independence Payment (PIP) applications has also seen a significant increase since January 2021. In March 2020, the DWP put COVID-19 provisions in place. The DWP report reveals that disruptions due to COVID-19 affected volumes of clearance and that they have also received unprecedented levels of new PIP applications in recent quarters³. This is reflected in our statistics: since January 2021, we helped on average 363 clients with PIP issues every month. As a result of the pandemic and the current cost-of-living crisis we have been focusing on income maximisation advice as this is a cornerstone of helping our clients to improve their financial situation.

In 2022, the government introduced a range of measures to help households with the cost of living, including a Council Tax Rebate, targeted one-off payments and energy bill discounts. Despite this many households are finding it harder to keep their homes warm, have reduced food spending and decreased their overall standards of living. Furthermore, many have had to make difficult decisions and choose between eating or heating.

³ [Personal Independence Payments: Official Statistics](#)

Key Cost of living issues

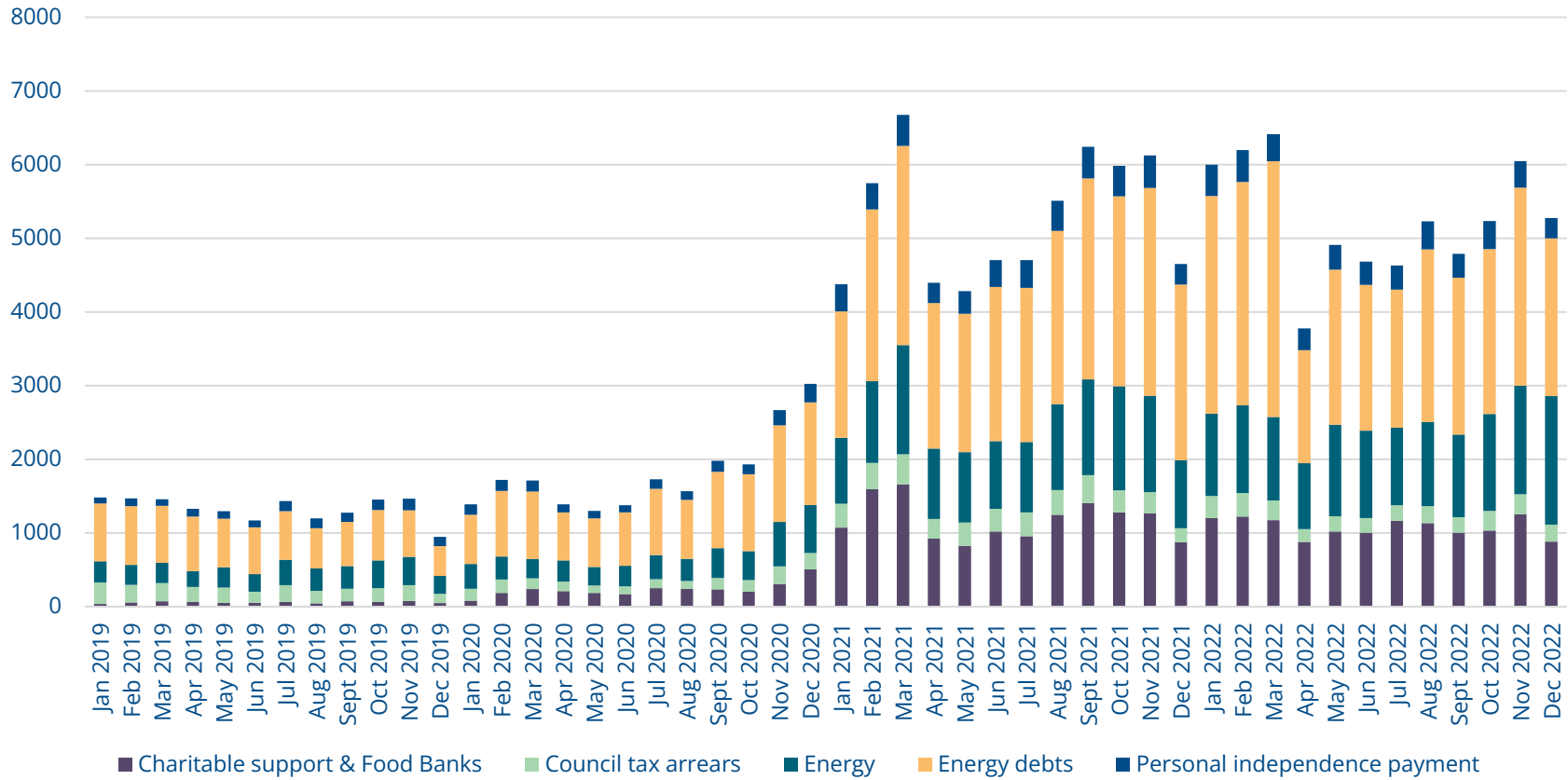


Figure 1: Energy and Energy debt has seen a significant rise since 2021 January

1.1 Fuel debt was the main debt problem for our clients.

Fuel debts presented the largest advice area followed by credit, store & charge card debts and Council Tax arrears. The increase in the number of clients advised is due to two new funding streams for energy debt and efficiency advice. Our data shows that fuel debts accounted for more than 2 in 3 debt enquiries from 2019 to 2022.

It is important to note that our local debt advice provision has decreased since January 2022; this was due changes to the Money and Pensions Service (MaPS) contract in November 2021. Therefore, we are unable to capture a full picture of the debt situation in Plymouth.

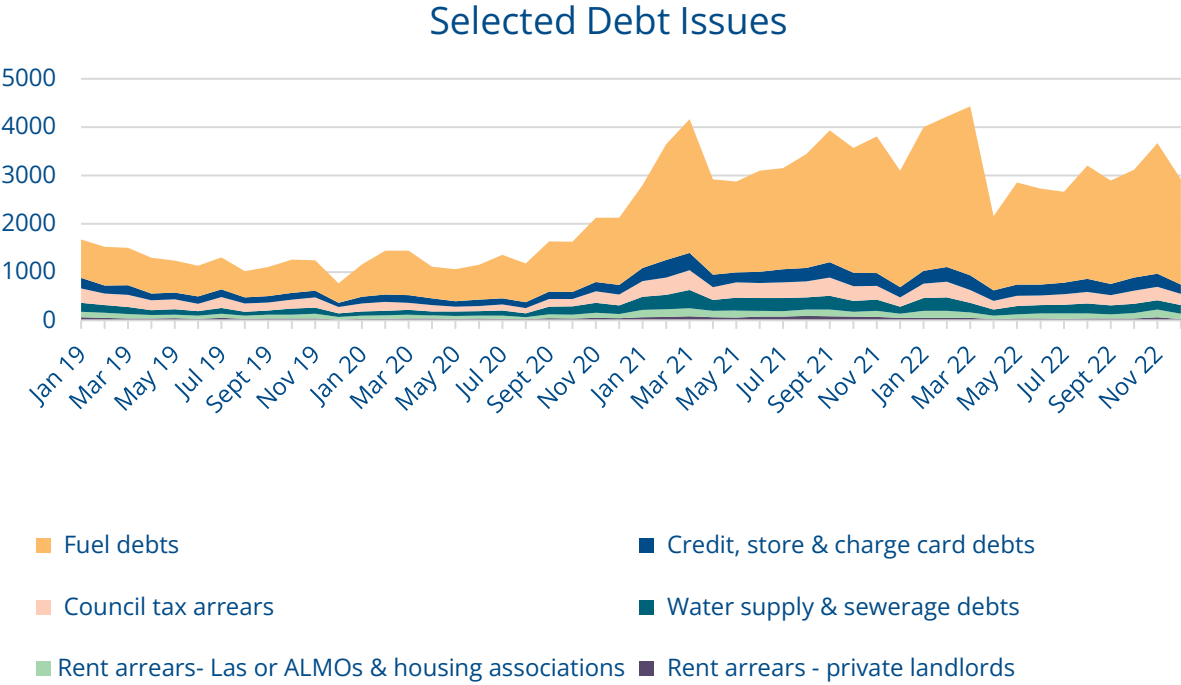


Figure 2: Debt issues affecting our clients.

The data also suggests that more people needed help with water supply and sewerage debts. Rent arrears in social housing have also increased since September 2020.

Since April 2022, we have been capturing how many people are unable or struggling to pay their energy bills and how many people request fuel vouchers. Figure 3 gives more detail on the increasing trend that people are unable to maintain their energy bill payments.

During the winter months, the number of energy enquiries nearly tripled compared to the summer period.

Data for clients needing fuel vouchers might not be accurate as this support is now included in the Household Support Fund payment and the fuel voucher scheme by Fuel Bank Foundation running from October 2022. Our data analysis suggests a surge in fuel voucher requests during the winter months.

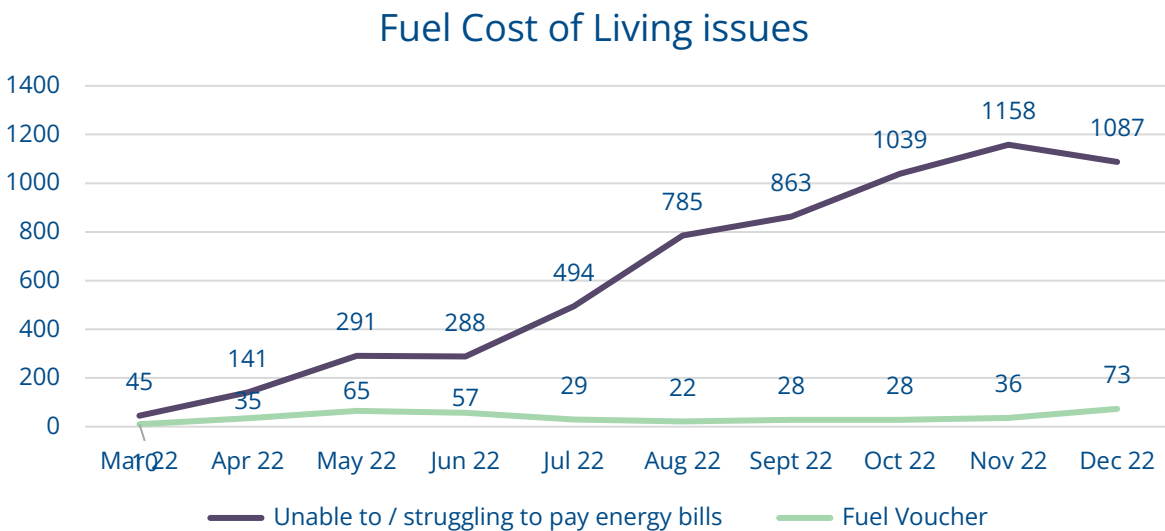


Figure 3: Cost of Living issues from March 2022

1.2 More have been unable to top up their prepayment meters.

Our analysis has revealed that more people were forced to have prepayment meters (PPM) fitted due to fuel debts. Figure 4 shows how the numbers have changed over time. Enforced PPM installation can lead to additional financial problems for our clients in these challenging times. In addition to topping up their meters, clients must often pay a fixed cost standing charge fee which is often calculated daily and taken out regardless of the amount of energy used by the client. This fee can increase the cost clients have to pay towards their energy bills and can explain why it is difficult to top up meters and keep up with energy bills. Since April 2022, we have been using new Advice Issue Codes (AICs) aimed at capturing issues relating to higher energy prices and the cost-of-living crisis.

Prepayment meter customers pay a higher unit price for gas than customers paying by direct debit, and they pay higher standing charges than all other customers for both gas and electricity.

Self-disconnection happens when a prepayment meter user doesn't have enough money to top-up their meter and their meter cuts out, or when they do not realise that credit on the meter is running out.

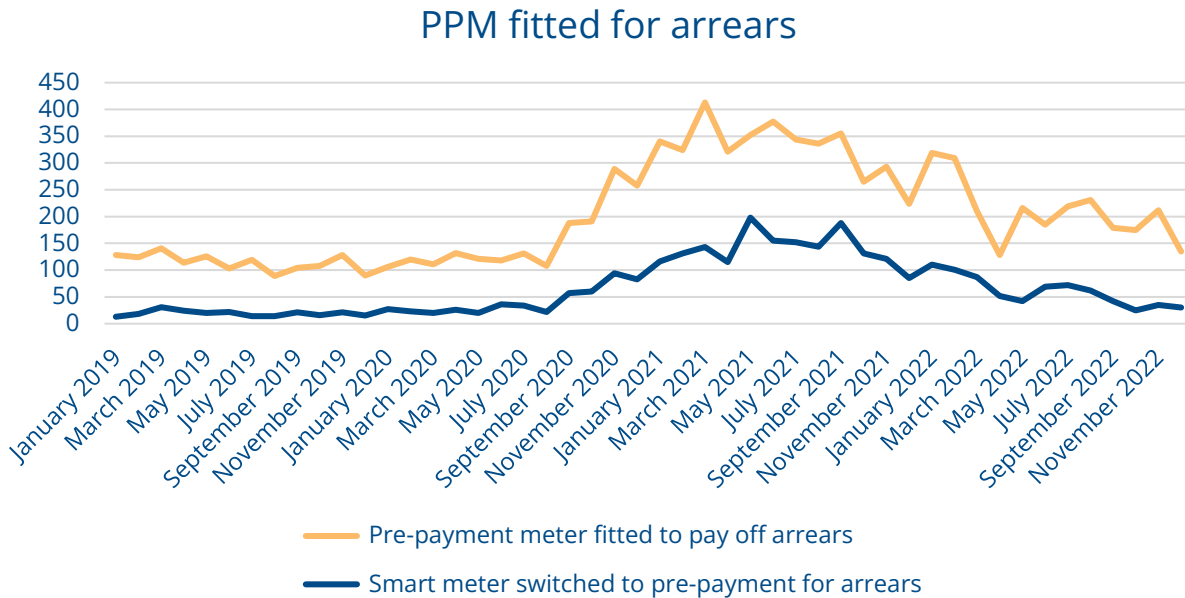


Figure 4: More have prepayment meter fitted for arrears.

From January 2019 until December 2022, our advisers assisted 11,048 unique clients with issues relating to having prepayment meters fitted to pay off arrears, an average of 230 per month throughout the period. 3,037 were advised around switching from a smart meter to a prepayment meter for arrears, and 4,347 about self-disconnection from a prepayment meter. 1,070 had already been using a smart meter with a prepayment meter and needed advice on this. Many households have taken a wide range of actions to minimise their energy usage. However, the current fuel crisis adds extra financial pressure for people with prepayment meters as they must top up more frequently than ever before:

‘Gas and electric is eating her money as fast as she puts it in on the meters’... [She] has to choose between eating and heating...’ - Citizens Advice Plymouth case notes. The client also reports feeling ‘anxious, fearful and depressed about the future’.

When considering the priority and non-priority bills clients may have to pay, in addition to worrying about providing food and energy for themselves and their families, this can lead to an increase in stress and anxiety for clients and an overall deterioration of their mental health. This is evidenced by the ‘Kept in the Dark’ report that states that 63% of pre-payment users who had disconnected in the last year said that disconnection had had a

negative impact on their mental health. Nearly half (47%) reported a negative impact on their physical health⁴.

According to our data (Figure 5), more prepayment meter users needed to access emergency credit and fuel vouchers during the winter months. Additional support credit requests stayed stable throughout the year.

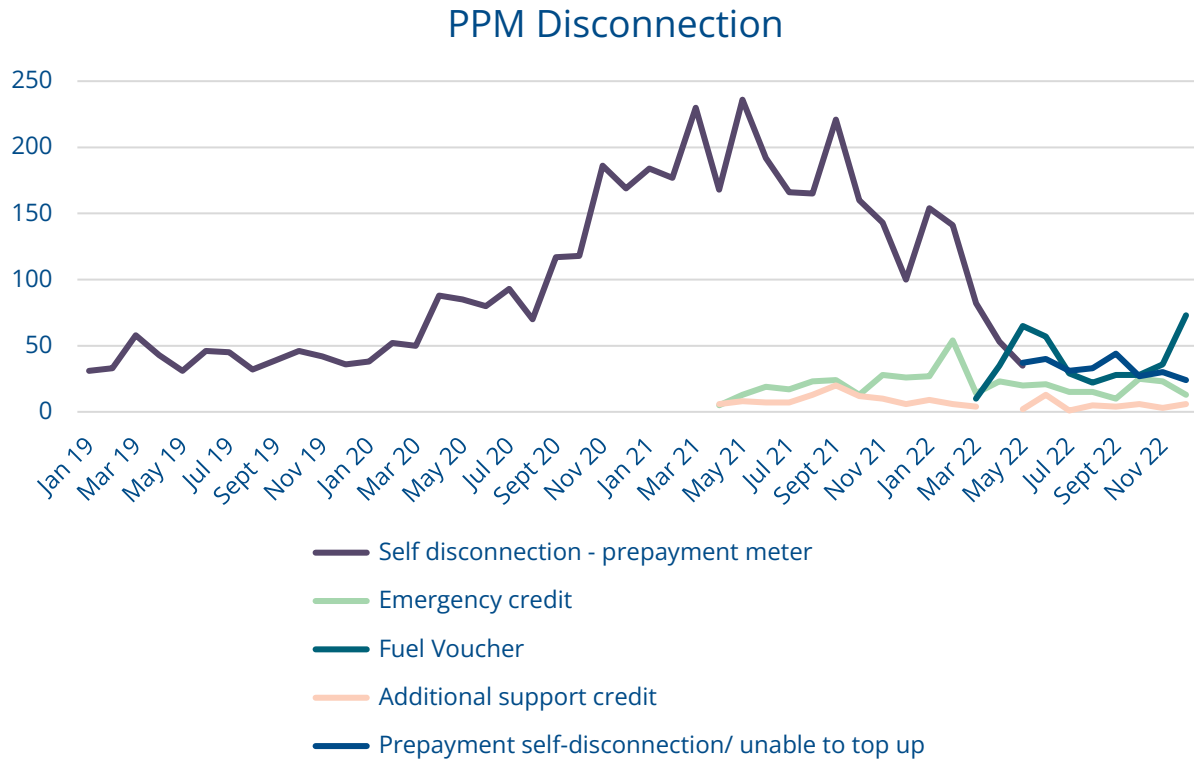


Figure 5: A rise in enquiries about prepayment meter disconnection and energy advice support.

⁴Kept in the Dark- The urgent need for action on prepayment meters

Case study: Client remotely switched to PPM without consent.

Sharon contacted us for support with her energy debt and because she was struggling to top up her prepayment meter. Therefore, she was referred to one of our energy projects for energy debt advice.

She lives with her partner and a toddler. Due to having multiple health conditions, they rely on benefits for their income. Their energy debts accrued whilst her partner was in intensive care and additional nursery fees increased their expenditure.

They have multiple debts including £500 energy debt. Sharon contacted her energy provider and asked them to set up a Direct Debit (DD) of £100. However, the company took out more than was initially agreed and £140 was debited from her account. The higher payment caused Sharon budgeting issues and therefore she cancelled the DD. This increased her debts to her energy provider.

Following the DD cancellation, her energy provider remotely switched her energy meter to a PPM without her consent. She only received a letter of warning after the switch occurred. The company was made aware of the vulnerability in her household, and it didn't stop them from switching due to a small debt.

Sharon is worried about self-disconnection, and the extra costs that will accompany having the PPM. Additionally, going without energy/heating could also have an impact on her partner and child's health.

We supported Sharon with making an application for the Debt Write Off Fund.

1.3 Energy efficiency and fuel debt advice have increased

Increasing inflation and energy costs meant that people's budgets were squeezed, and many were unable to keep on the top of their bills.

Our services offer holistic advice including energy efficiency advice. Our advisers discuss with people how they could save money on energy bills by finding ways to improve their home's energy efficiency. Our data shows a sharp increase in demand for practical energy efficiency advice, from 2,089 in 2019 to 21,711 in 2022. The average monthly number of enquiries increased from 174 per month to 1,809 per month in 2022.

Figure 6 shows more energy efficiency enquiries during the winter months.

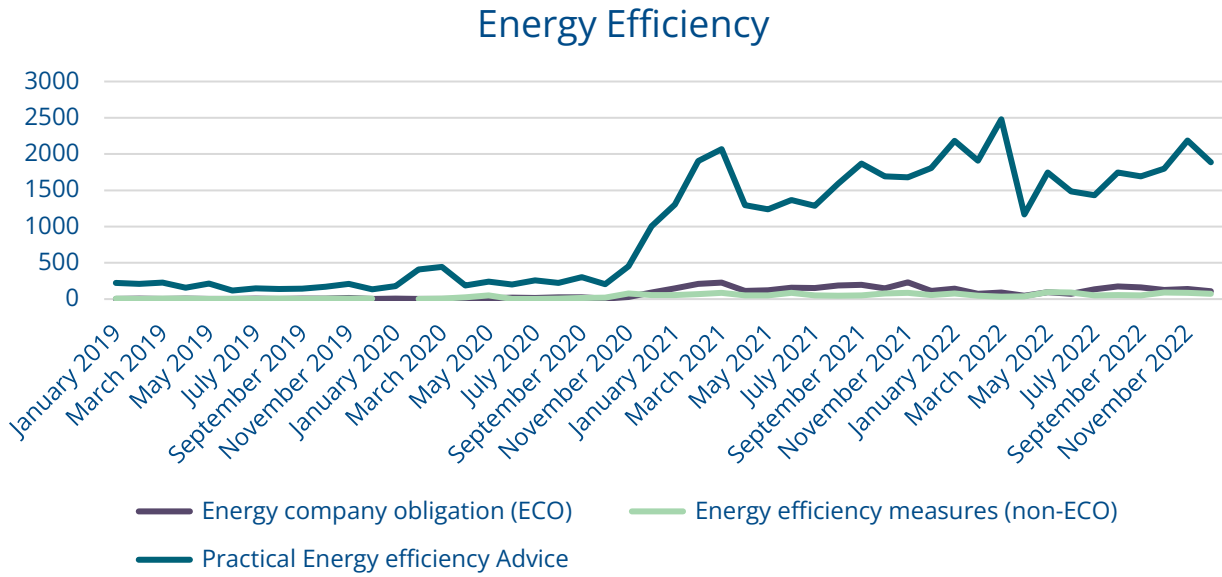


Figure 6: A rise in energy efficiency advice.

Clients seeking support regarding issues with their utilities also increased. The number of enquiries had been slowly increasing throughout 2020 but saw a sharp spike in March 2021. The number of fuel debt enquiries has more than tripled over the last four years, from 7,934 in 2019 to 28,707 in 2022. This can be attributed to changes in our contracts following a new financial year.

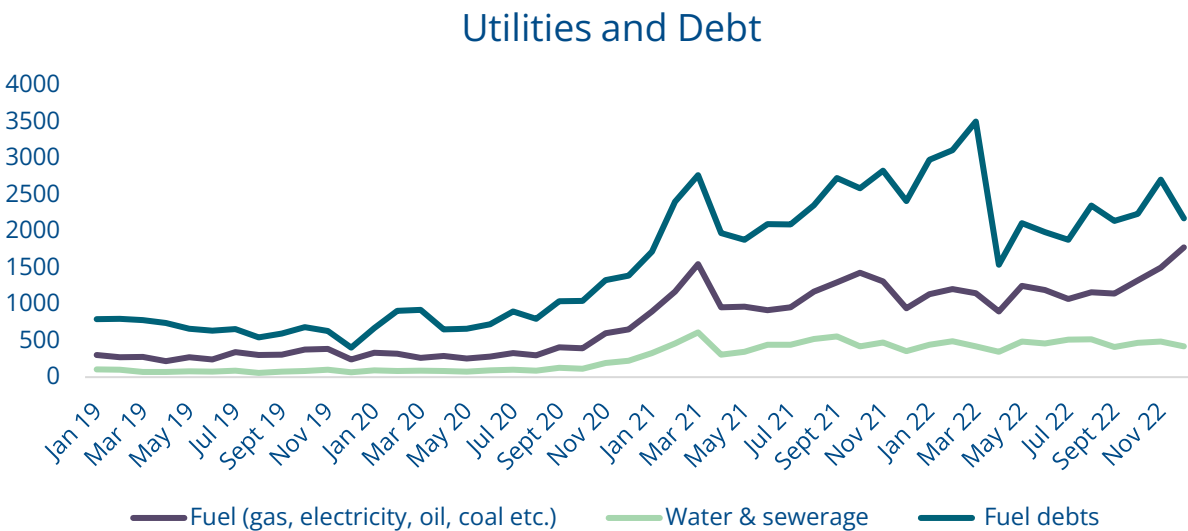


Figure 7: Utilities and debt enquiry rates are rising compared to previous years.

1.5 Clients seeking extra financial support

The Covid-19 pandemic meant that many people in employment had to claim benefits to supplement their wages after being put on furlough, pausing self-employment, or even becoming unemployed. Therefore, more people needed advice on benefits entitlement and help with claiming Universal Credit (UC). In response to the pandemic, the Government introduced an uplift to UC and Working Tax Credit of £20 a week. This provided an additional safety net during this unprecedented time. The Government ended the support from October 2021. This meant that many households lost at least £1,000 of additional income to their budgets and caused hardship to the most vulnerable.

Moreover, over the past two years living costs have increased sharply, with the inflation rate reaching a peak in October 2022. This affects the affordability of essentials and utility bills. Therefore, many tried to find various ways of maximising their household budgets. We addressed this through additional benefit checks and advice on government support schemes such as the Cost of Living Payments, fuel payments, the Council Tax rebate and more.

As new issues arose, we added additional coding to capture the need for additional support. Figure 8 suggests that since January 2021, our services have advised nearly three times more people on PIP claims and Council Tax reduction. The figure also shows that in 2022 more clients needed advice on localised welfare support. In November 2021, we introduced new codes for general benefit entitlement. The evidence highlights that people need additional financial support through the winter months. Unfortunately, we see clients where we're unable to advise on income maximisation or spending reductions as they're already claiming all the right benefits and have taken all steps to minimise their outgoings.

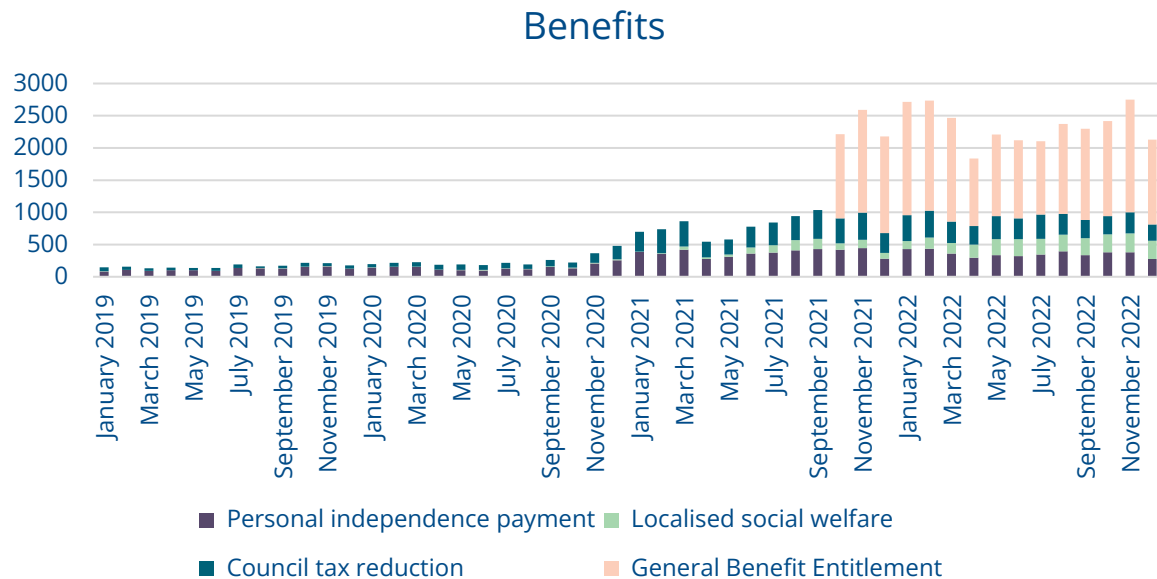


Figure 8: shows the significant rise in the number of clients looking to carry out benefits calculations.

Case study: End of £20 uplift causes hardship to a cancer patient

Michael is a cancer patient who was hoping to move to suitable accommodation, but the end of the £20 Universal Credit uplift hit him at the wrong time. Losing £1,040 a year affected his transition to a new home.

Michael is close to his pension age and was diagnosed with blood and bone cancer a couple of years ago. He applied for Universal Credit as soon as he found out about the illness. His monthly benefits award was sufficient, but his deteriorating health required moving to a new, completely unfurnished home from a social housing association.

He lived in a non-residential part of the caravan park but is unable to live there anymore. Cancer has severely impacted his health, ability to move around and access remote camp toilet facilities without a struggle. On top of this, his caravan was small, damp and far away from the camp bathroom facilities. He had to use a mobility scooter to access local facilities. He said everything takes him longer than a healthy person. "If something takes 20 minutes for a healthy person, it takes me 2 hours."

After receiving help from Citizens Advice Plymouth, he was ready to move to a new home but didn't know if he could make ends meet after the uplift ended. He said:

"I can survive on what I am getting, but that £20 a week extra they have given us because of coronavirus helped. Moving to a bungalow for health reasons, it's gonna hurt even more now. And I don't know if I can actually manage."

Case Study: Maladministration in PIP appeal process leaves client short of money

Ami is close to retirement age and is struggling to make ends meet after losing his job due to an ongoing health condition. He made an application for Personal Independence Payment (PIP) a year ago but still hasn't received the award that reflects his circumstances. The stress of trying to get his award updated has exacerbated his condition. He contacted us for help to make an appeal.

Ami initially applied for PIP at the beginning of 2022. He completed the application without support from an advice organisation and found the form very daunting. The PIP assessor awarded the enhanced rate for the mobility element but none of the daily living element. Ami did not feel the award was reflective of the information provided in his application, so he requested a Mandatory Reconsideration (MR) by himself. Unfortunately, the MR was rejected so Ami appealed the decision.

He received a letter from the DWP to say they would let him know when the appeal tribunal would take place and where to send any further evidence. The letter also stated it would be several months before the tribunal took place.

However, to his surprise, the next time Ami heard from the DWP was a letter informing him of the outcome of the tribunal. His daily living points had been increased but he was still below the threshold to get the daily living component. At this point, he tried calling the DWP to discuss the reasoning behind their decision but each time he tried he was unable to get through.

Not knowing what to do next, Ami contacted us for support with appealing the tribunal's decision and was referred to our partners for further help. Nine months later, he is still appealing the decision and feels he doesn't have enough money to cover the loss of income due to his health condition. He added "I feel very sorry for anyone starting the journey."

Case study: A long waiting time for PIP causes hardship

Abby contacted our service as she's struggling with energy bills and the prepayment meter money runs out faster than ever before. She turned to Citizens Advice multiple times and requested help with addressing increased living costs.

Abby and her partner are benefit claimants who struggle to make ends meet. Tom hasn't been working for a couple of years due to his health condition and has been signed off work by his GP. Moreover, his dyslexia means that he cannot read or write. He applied for PIP in March 2022 but didn't have any communication from the DWP until the end of December. This has caused hardship in the household as they struggle to manage on their Universal Credit award.

When Abby got through to the Citizens Advice Plymouth advisers, she was struggling to keep her prepayment meter topped up and had no money for food. She said that she's spending over £30 a fortnight on gas. She contacted her energy provider who topped up their PPM, but she will have to pay this back in instalments. The provider also stated that she's got energy debt which means that additional money is taken out from the PPM.

Abby's family urgently needed some money for food and fuel. Throughout 2022, she made multiple applications for foodbank and fuel vouchers and the Household Support Fund. She believes that money from PIP would help them with managing increasing living costs and long waiting times are pushing them to destitution.

2. How the cost of living is impacting different groups

While the cost-of-living crisis may be affecting everyone, the impact is not the same for each person or household. With the use of our data, the report explores in detail how the crisis is affecting different groups.

2.1 Cost-of-living impact on gender

It is becoming more difficult for all genders to cope with the current situation, with many needing additional financial support. We're seeing a consistent increase in the number of women contacting our services with issues relating to living costs (Figure 9). The proportion of men seeking advice on these issues has decreased from 35% to 28%. An ONS survey reveals that 81% of women surveyed were more likely to be worried about the rising costs of living.⁵ Furthermore, Legal & General reports that women are more likely to be worried about rising costs and take actions to address the impact of the crisis on their household.⁶ These facts could have an impact on our client trends.

Women are more vulnerable to the constantly rising living costs for various reasons. Reports suggest that working women have a lower annual income than men. Young Women's Trust reports that on average women earn about a fifth (22%) less than men.⁷ Moreover, when compared to their male counterparts, women also tend to work part time hours or undertake unpaid care work for either their children, family members or even non-relatives. A report by Lancaster University states that 26% of women are trapped in jobs that have unpredictable pay, no set hour guarantee, and no access to employment rights and protection such as sick pay, compared to 14% of men. This inequality is not only experienced in low-paid roles, but in higher level roles as well.⁸ All of these factors could have contributed to the increased number of women needing additional support to manage household budgets.

⁵[Worries about the rising cost-of-living. Great Britain: April to May 2022](#)

⁶[Women more vulnerable to cost-of-living crisis](#)

⁷[Young women are at the sharp end of the cost-of-living crisis](#)

⁸[New study shows working women at sharp end of cost-of-living crisis](#)

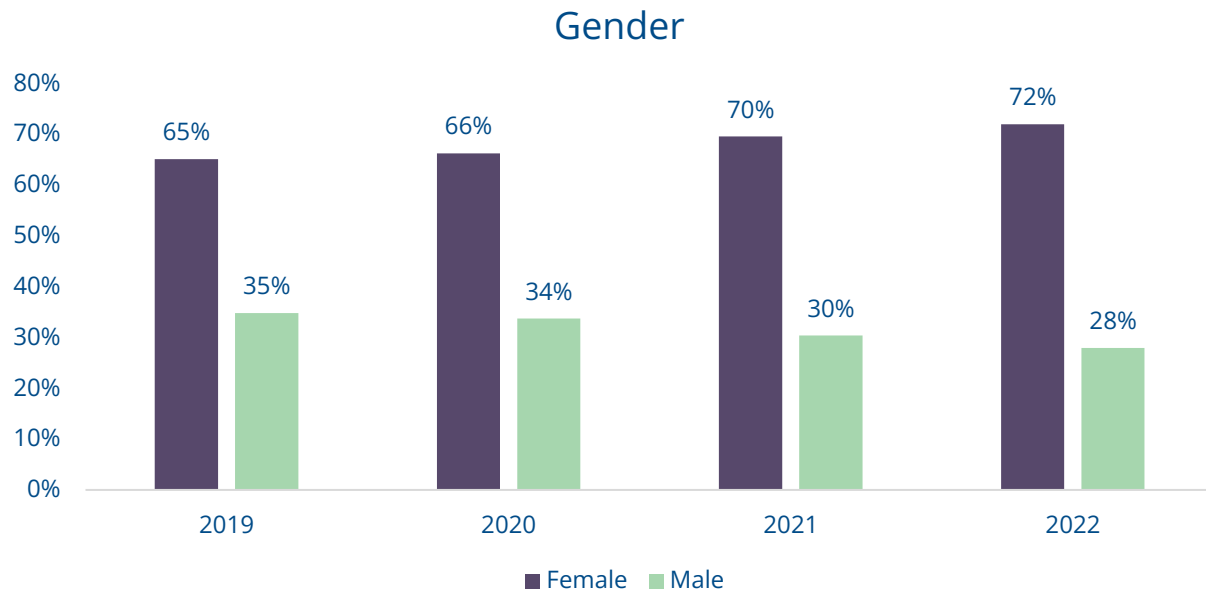


Figure 9: More females seek advice than males for cost of living issues, and this trend is increasing.

Case study: A mother of four ended in hardship due to maternity leave

Swathi is a single mother of four who lives in food and fuel poverty. She's claiming benefits and doesn't receive any child maintenance. Her monthly budget is in a deficit of £365 before debt repayments. Needing money for food and fuel, she applied for the Household Support Fund.

When Swathi contacted us, her youngest child was just 8 months old, and she had had no wages for two months. She was unable to return to work as she was still breastfeeding her baby.

She has built some debts and a small amount of rent arrears due to being on a lower income and unable to afford repayments. As a prepayment meter customer, she was unable to top up her electricity and gas. She was looking for debt advice and access to the Household Support Fund.

2.2 Working age groups need help addressing living costs

The cost of living is undoubtedly affecting clients of all ages across the country. However, some people's personal finances have been affected more than others. Figure 10 reveals that since 2019, working age groups 15 to 44 years have increasingly sought support with issues relating to costs of living. An increase of 3 percentage points was reported in three age groups: under 25s, 30-34 and 35 to 39 years, however, there has been some decrease in age categories 55 to 65+. This decrease may have been caused by the closure of face-to-face services in 2020.

The pandemic also affected all age groups differently. The youngest and oldest workers were most likely to lose their jobs or be furloughed. Moreover, young adults under the age of 25 are disproportionately impacted by the pay gap. This has a significant knock-on effect on young parents working on the minimum wage and spending a higher proportion of their wages or benefits on rent, food, and fuel bills. This leaves them more vulnerable to this crisis. Since 2020, lower income households have seen a 24% increase in the price of their baskets of goods and services.⁹

Statistics extracted from an ONS report state that people in their early 30s to late 40s should see a 12% rise in their household living costs. They are expected to spend about £57 extra on household expenditure.¹⁰

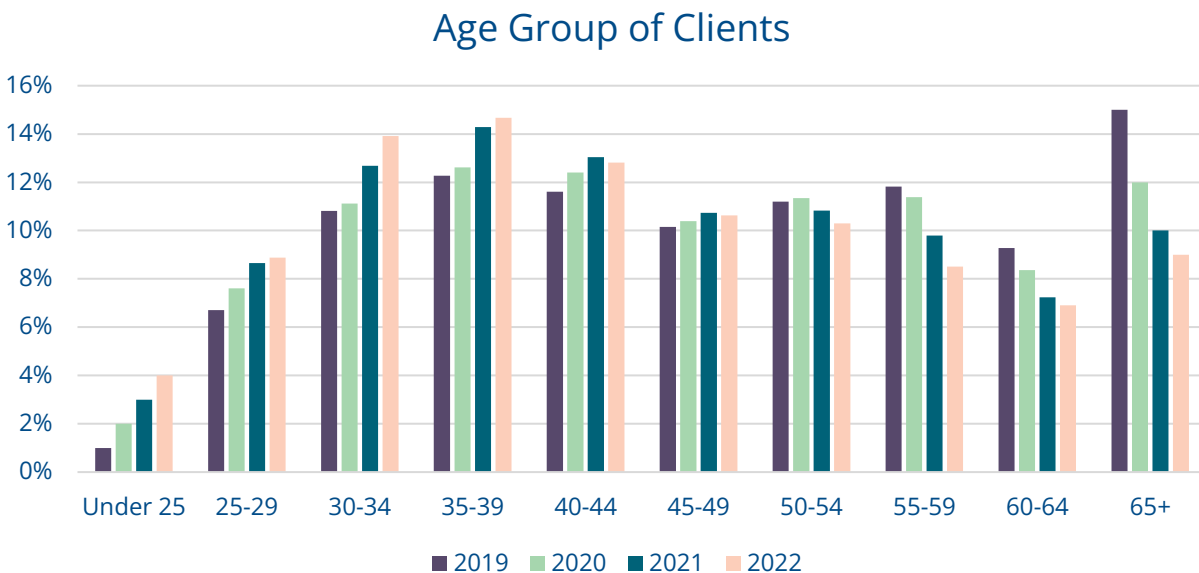


Figure 10: Clients in their 30s seeking support for cost of living.

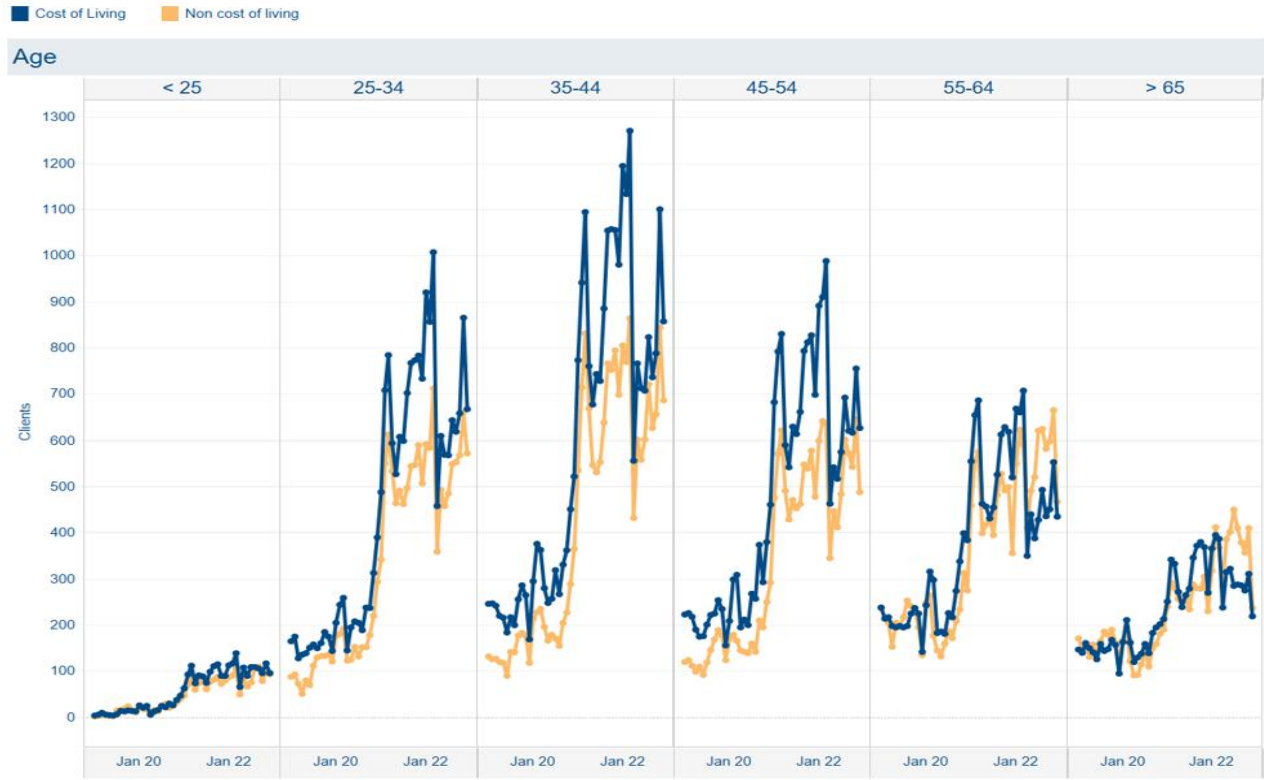
⁹ London's Cost of Living Tracker – the unequal impact of inflation

¹⁰ UK cost of living statistics 2022

A comparative analysis of groups (Picture 1) reveals that the need for addressing problems related to living costs has changed over the time. Most age groups have turned to our service to address these issues. However, since January 2022, age categories 55+ have requested more support with problems that weren't related to rising living costs. The analysis suggests that younger age groups tended to seek more help with living costs during the winter periods and after the announcements about the fuel price cap.

Issues for age categories under 25 significantly increased in March and November 2022. The age group 25-34 had significant changes through winter months January to March through all years. Age groups 35 - 44 and 45 -54 reported more turbulent months. Their numbers reached peaks in March, September, October and November 2021, January to March and then November 2022.

Overall, cost of living issues dropped in some months in 2022. This could have been impacted by governmental support in the form of the Council Tax Rebate and Cost of Living Payments.



Picture 1: Cost of Living issues vs Non-cost of Living issues in age groups

Case study: A working student is unable to make ends meet

Noah is a single parent in his 30s who's also a mature student working part-time. He's struggling financially due to the increase in household living costs.

He was claiming Child benefit, Tax Credits and Child Tax Credits but was still struggling financially. Noah also tried to increase his hours but found this very difficult due to caring responsibilities.

Noah was advised on income maximisation and referred for further advice from our benefits adviser.

Case study: A young family has no money to furnish their home

Peter is a young adult who has just moved from temporary accommodation to a social housing property after being homeless. He lives with a partner and a one-year-old. He has mental health problems, and his partner is unable to work due to their current health condition.

Their main income comes from benefits, and they have no money left to furnish the social housing property which has no floor covering. They were able to use only one room in their new home as the other rooms have bare flooring and no furniture. The couple had to buy fresh food daily due to have no fridge freezer to store food. This was significantly impacting the budget of this young family.

Peter felt very stressed about the situation and decided to turn to Citizens Advice to get help with charitable grant applications for a fridge freezer, bedroom carpet and cot for their child. Peter also received help with applying for the Household Support Fund and is awaiting an outcome.

2.3 Families with dependent children needing more support with the cost-of-living

The current cost of living crisis is impacting household finances in different ways. Unfortunately, we see more households with nothing left to cut back on. Rising energy bills added a significant cost pressure for households helped by our advisers.

Figure 11 shows that the impact of rising costs on different household types has changed over the last four years. Until 2022, 1 in 3 of clients presenting with issues relating to the cost of living were from single person households. As prices of groceries and toiletries increased, families found it increasingly hard to manage their budgets. In 2021, we reported a sharp rise in households with dependent children, overtaking single households. Couples with dependent children recorded a smaller rise. The other household types needed less support.

In addition, the ONS research found that 9 in 10 parents with dependent children reported increased outgoings and were more likely to use credit than those without children. Average weekly spending for single parent households following the cost-of-living crisis was 87% of disposable income compared to 64% for households without children.¹¹

Our comparative analysis of household types (Picture 2) shows that issues related to living costs affected these groups differently over the past four years. It suggest single households needed more assistance during the Coronavirus pandemic. Since 2021, households with children have been impacted more by rising living costs, and the gap between cost of living and non-cost of living issues has deepened.

¹¹ [Parents more likely to report increases in their cost-of-living](#)

Household Type

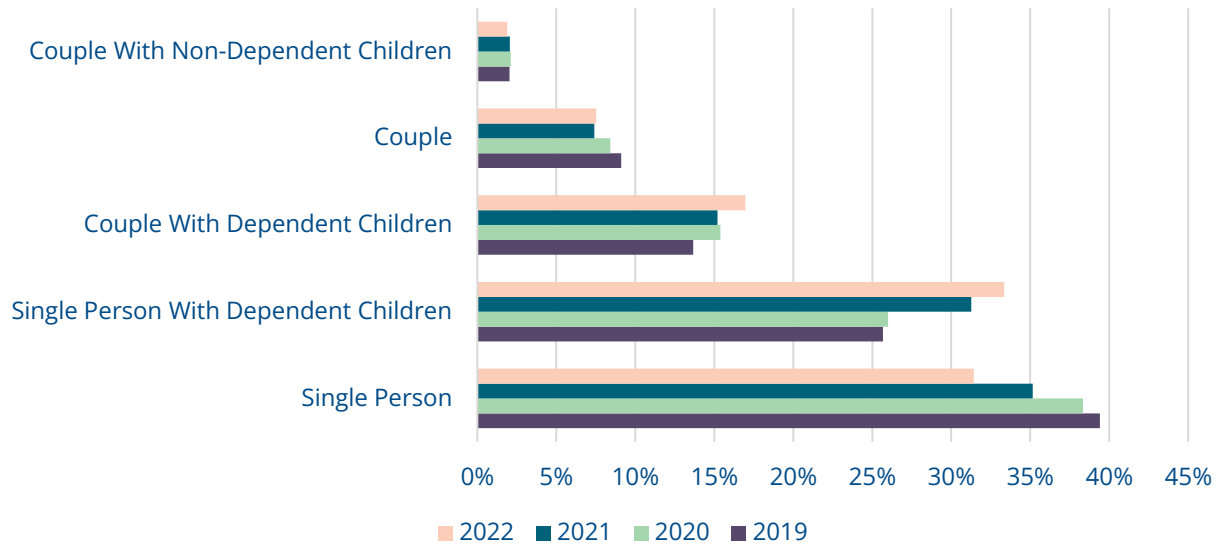
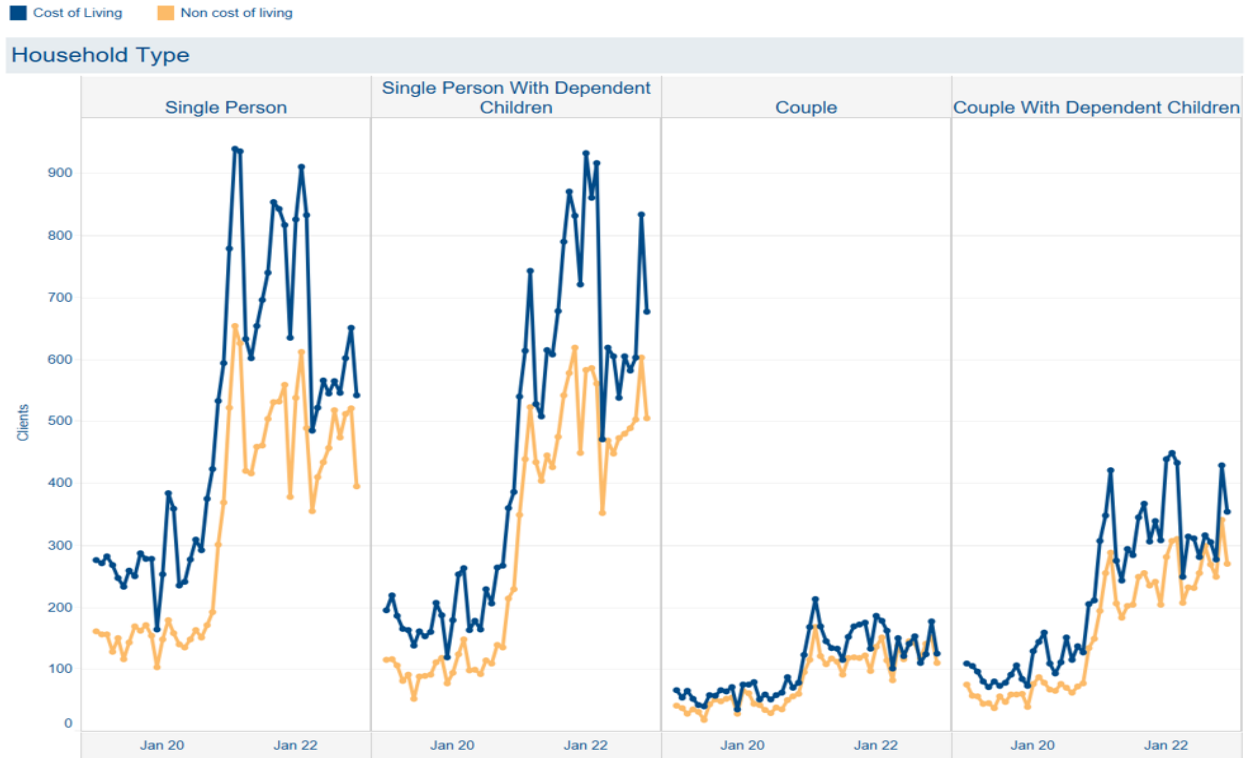


Figure 11: There has been an increase with all household types, but single person with dependent children have seen the highest increase in enquiries.



Picture 2: Cost of Living issues vs Non-cost of Living issues in household types

Case study: A single mum of 3 is struggling to top up PPM and buy food

Jane has contacted our service multiple times as she is struggling with the cost of living due to a huge rise in energy costs.

She is a single mum of three who looks after the household. When she contacted us, she had only 60p left of her emergency credit for electricity. Jane was very worried about how she will cook food for her children. Jane topped up her gas meter with £20 and not long after found out she was already on emergency credit for gas. She is also on emergency credit for her electric meter. She is hesitant to put on her cooker fearing it will use up her remaining credit.

As the money from her prepayment meters was running out very quickly, Jane contacted her energy provider and requested the emergency top up for both gas and electricity. Due to this, the provider couldn't help for the rest of the year. She said she had been taking money from what they spend on their food to try to cover her energy, but this is not sustainable.

Jane requested foodbank voucher and submitted an application to the Household Support.

Case study: Living on the breadline despite reduced spendings

Amanda is a single mother who's unable to work due to severe mental health problems. Her Universal Credit doesn't cover her full rent which causes her further financial struggles. Amanda lives from payment to payment and can't afford to pay all her bills.

She was signed off work due to poor mental health following an attack by her ex-partner. Her health condition affects her ability to face challenges in her life - she tends to bury her head in the sand because she gets badly triggered by money stress.

Amanda applied for PIP and was awarded 0 points. The PIP money would help her to manage her living costs. She feels she was let down by the system. "I don't feel I was listened to and that my other information was taken into account."

On top of this, her old private rented property is hard to heat up, and the energy bill has more than doubled. She does everything she can to reduce her spending. She says: "I try not to put my heating on. We put extra jumpers on, have a hot water bottle each and bring duvets down if it's cold. Keeping food in our belly is more important than heating."

She has received a grant from the Household Support Fund and has been referred for further advice.

2.4 Clients with disabilities & long-term health conditions needing more support with the cost of living

From 2019 to 2022, 80,668 clients contacted Citizens Advice Plymouth about issues relating to the cost of living. More than one third of these clients had long-term health conditions (30%) or disability (4%). Rising costs continue to take a heavier toll on people with health conditions because they face additional costs such as transport to medical appointments, medication, specialist equipment, having different dietary requirements, requiring home adaptations and more. Moreover, many will accrue extra costs due to storing their insulin in the fridge, heating their home because some conditions make it harder to regulate body temperature, and charging their mobility scooters. Switching the power off can have serious consequences for their health and wellbeing.

Figures coming from the government also reveal that the employment rate of disabled people is 54% compared to 82% of non-disabled people. Furthermore, when compared to non-disabled people, disabled people who are able to work are often paid less.¹² Economics Observatory notes that just under half of people living in poverty in the UK are disabled or are living with people with disabilities.¹³

Additionally, disabled people are often excluded from economic participation, especially employment; the incomes in such households are expectedly low and do not correlate with their high expenditures.¹⁴ Therefore, they are most likely to seek out support to cover their outgoings.

Figure 12 gives more detail on a comparative analysis of the number of clients with disabilities and health conditions that have visited us over the years. 4,219 disabled clients turned to us in 2019 and this has risen exponentially with 10,735 clients with disabilities and health conditions contacting us in 2022. This may suggest that disabled people who are unable to work need additional support from charitable grant and government schemes as their disposable incomes might be low.

The analysis also suggests that disabled people need more advice on issues not relating to costs of living. According to Picture 2, requests from people with health conditions reached a peak in February and March 2022, whereas people without long-term health conditions (LHT)/disability needed extra support with issues relating to living costs throughout 2021.

¹² [Cost of living: Impact of rising costs on disabled people](#)

¹³ [How is the cost-of-living crisis affecting disabled people in the UK?](#)

¹⁴ [Costly Differences](#)

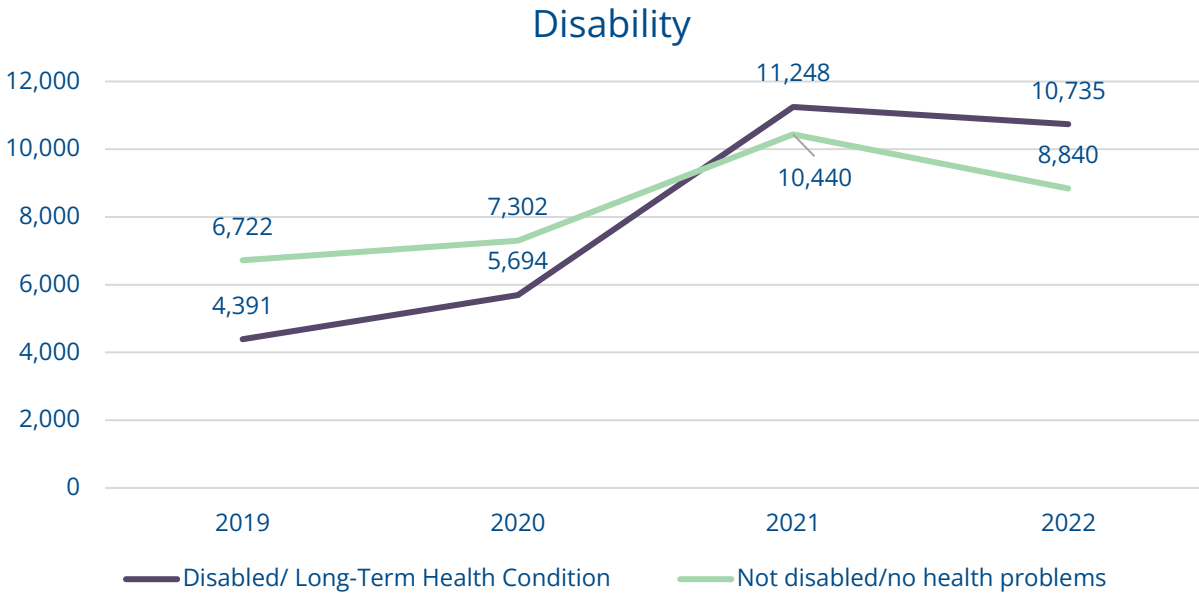
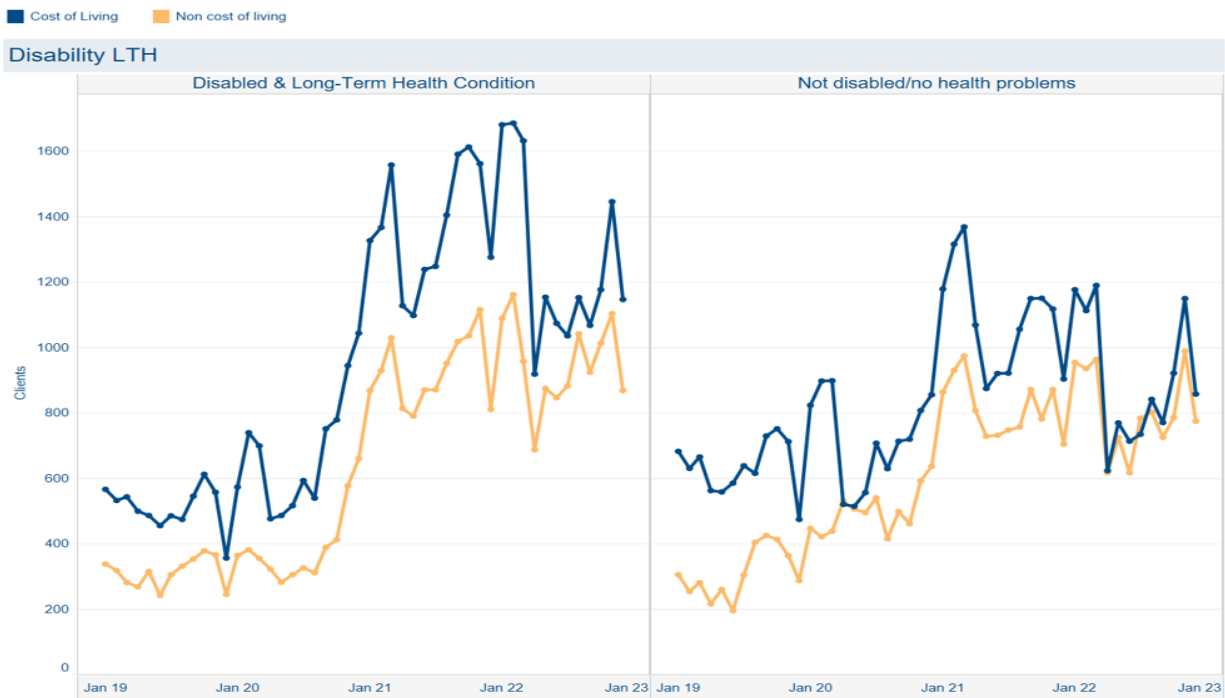


Figure 12: People with a disability or a long-term health condition have been making more enquiries since the Covid-19 crisis



Picture 3: Cost of Living issues vs Non-cost of Living issues in groups with long-term health conditions/disabilities and no health conditions

Case study: Ann is choosing between hospital appointments and heating

Ann is a single mother of a young adult who is still a dependent. She has multiple health conditions that require hospital visits. As she's unable to work, benefits are her sole source of income. Increasing costs are leaving her in financial hardship.

Ann must often choose between paying for her bus fare to the hospital for her medical appointments and topping up her prepayment meters for gas and electricity, or buying food. She has previously contacted her energy supplier who gave her some emergency credit that will have to be paid back. The supplier said they won't be able to provide any further help until the emergency credit is paid off.

As Ann has a lot of hospital appointments, additional bus fare costs are leaving her even shorter of money. Ann applied for the Household Support Fund because she didn't have any money left and her next Universal Credit payment was due in 7 days' time. She was awarded a supermarket voucher and a fuel top up voucher.

If we break down disability types (Figure 13), we see that the number of clients with multiple impairments had significantly increased since 2019. In 2022, this group accounted for 40% of those with disabilities, more than 1 in 4 clients had LTH/disabilities, 20% had physical impairments and only 2% of clients had other disability such as visual impairment or having learning difficulties. In 2020 and 2021 the number of clients with mental health struggles doubled from nearly 1,500 clients to almost 3,000 clients, though this has fallen slightly in 2022 to just over 2,000 clients.

These changing trends could have been caused by multiple factors; in March 2020 we closed our face-to-face services and moved to telephone and online advice. This could have presented an access barrier for many of our vulnerable clients, particularly those with learning difficulties or hearing impairments. On the top of this, throughout the Covid-19 pandemic, people's mental health has deteriorated¹⁵, and therefore more people could have multiple health conditions. Furthermore, due to worsened mental health people are more likely to be less resilient to the stress associated with financial strain in the current cost-of-living crisis. Money and Mental Health Policy Institute states that people with poor mental health are three and a half times more likely to experience financial difficulty and debt¹⁶. In addition, Economics Observatory notes that disabled people who have multiple impairments alongside mental health issues often face a higher risk of unemployment.¹⁷ All

¹⁵ [The continuing impact of COVID-19 on health and inequalities](#)

¹⁶ [Annual Impact Report](#)

¹⁷ [How is the cost-of-living crisis affecting disabled people in the UK?](#)

these factors can lead to increasing demand for our services amongst groups with LTH or disabilities.

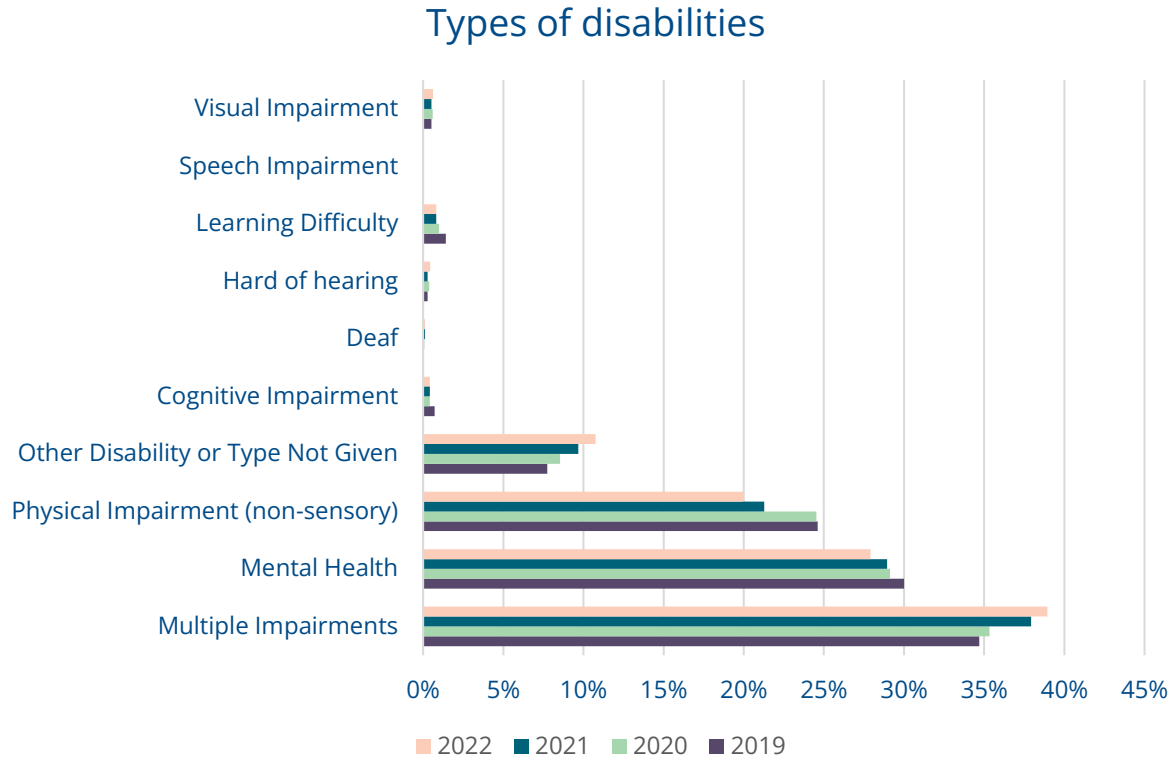


Figure 13: Majority of clients contacting us suffering from multiple impairments.

Case study: A pensioner with cancer must choose between heating and eating

Alan is a pensioner whose income comes from Pension Credit. He has cancer and other health conditions. Due to his suppressed immune system, he is more susceptible to feeling cold and a lack of heating could have very serious consequences for his health.

He is really struggling due to the rising cost of living and often must choose between heating and eating. He is often 'going cold' because he cannot afford to turn the heating on. He has received all the relevant cost of living payments from the government, but they still haven't covered the full cost of his heating.

He turned to us as he needed help with accessing grants for white goods as 'the cooker was on its last legs' and his fridge and freezer were 'older than he is'. He didn't know where to turn for help, so he contacted one of our specialist services.

The caseworker helped Alan to apply for two charitable grants and a grant from Macmillan to address increasing living costs. His applications were successful, and Alan received £350 of financial support and both cooker and fridge-freezer.

2.5 Social housing tenants struggle with increasing costs

Our analysis reveals that nearly half of those needing advice on cost of living issues were renting from social housing associations or local councils, 1 in 3 rented privately, only 10% had mortgages, 6% owned the property and 4% didn't have a fixed abode.

The data also suggests that in 2022 the number homeless clients increased fourfold and the number of people staying with relatives/friends nearly tripled. Figures for homeowners and those buying their homes doubled in 2021 when each category went up by 130% compared to the previous year. The situation stabilised in 2022. Hikes in numbers of homeowners could have been caused by the increased energy price cap and mortgage rates rises throughout 2022. Moreover, the higher mortgage repayments by private landlords also had an impact on the private rented sector and rent prices. The support for private rented households claiming benefits (Universal Credit or Housing Benefit) may still be insufficient as the Local Housing Allowance rates have been frozen since 2020. This means that these private renters needed to make up the rent shortfall and cut spending on essentials or other bills. The current situation could be exacerbated over the coming months as more mortgaged households move from low fixed rates to higher rates and rents increase once again.

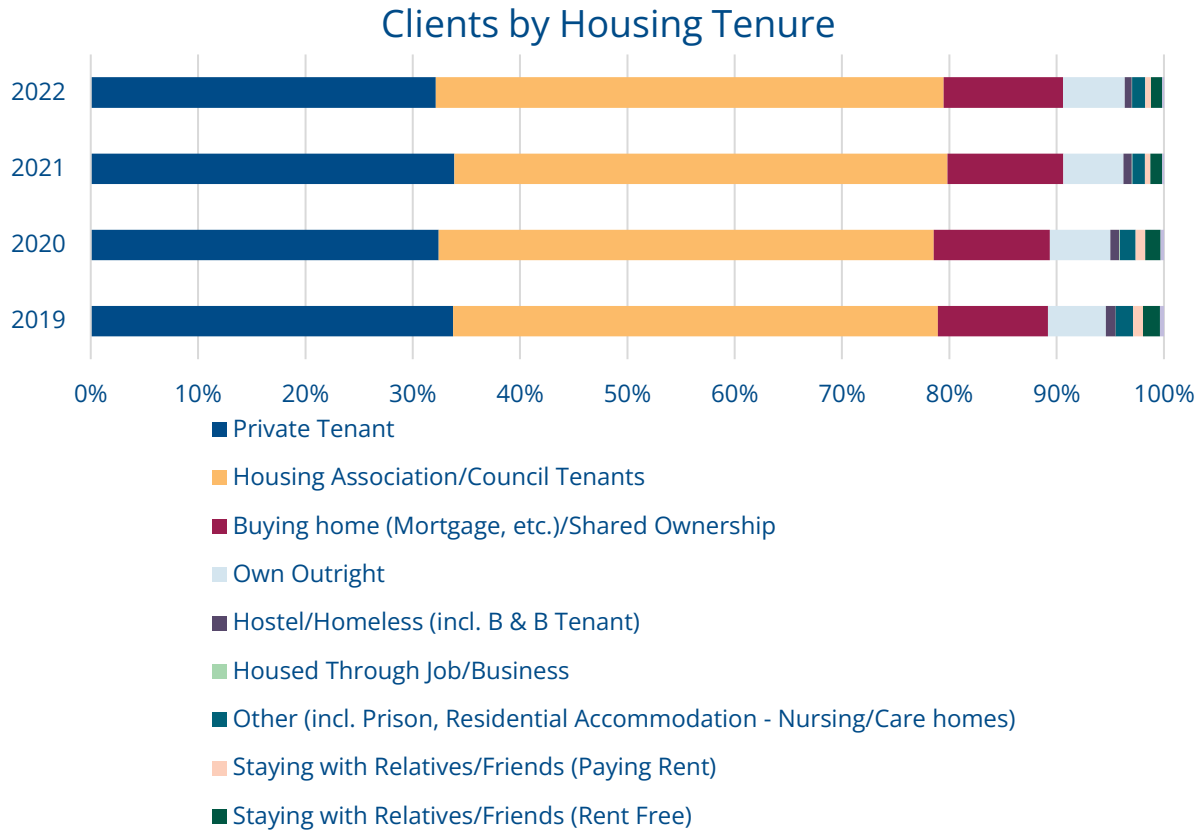


Figure 14: Housing association/council tenants make up 46% of clients.

2.6 Clients in employment needed more help in 2022

The Covid-19 pandemic had a dramatic effect on the labour market and standards of living. The restrictions put in place to stop the spread of the virus meant that many had to reduce economic activities. Many employers furloughed their staff which led to an income reduction of 20%. On top of this many companies ceased trading, leaving people jobless. This meant that more people had to claim unemployment benefits. According to The Commons Library, the number of people claiming these benefits doubled between March and May 2020, and two years after the start of the pandemic employment levels are still lower than they were before it began. Moreover, low paid workers were more likely to work in sectors most affected by the pandemic, such as hospitality and non-essential services. Therefore, they were more likely to be furloughed or have reduced incomes.¹⁸ The

¹⁸ [Coronavirus: Impact on the labour market](#)

pandemic also impacted self-employed groups when many had to pause their trades and apply for the Self-Employment Income Scheme.

Although employment levels increased throughout 2021 and 2022, the pandemic impacted households' financial wellbeing. Furthermore, the ongoing crisis is putting further strain on households, which has knock-on impacts on other elements of their living standards.

Our analysis reveals that in this period employed clients needed more help with addressing cost of living issues than other occupation groups, as nearly 1 in 3 of our clients were in some sort of employment or self-employed. One quarter of clients was permanently sick or disabled and 18% were unemployed and seeking paid employment. Furthermore, the data shows that the number of employed people has increased by 3 percentage points since 2019; people in full-time employment represented 13% of our client base with issues relating to the cost of living. The number of permanently sick and disabled clients has decreased by three percentage points since 2019. This could have been impacted by the increased government support for benefits claimants and other forms of support.

Figure 15 gives more detail on different occupation types seeking advice on living costs. It demonstrates that in 2021 and 2022 all groups needed extra support to address considerable hikes in living expenses and costs of essentials.

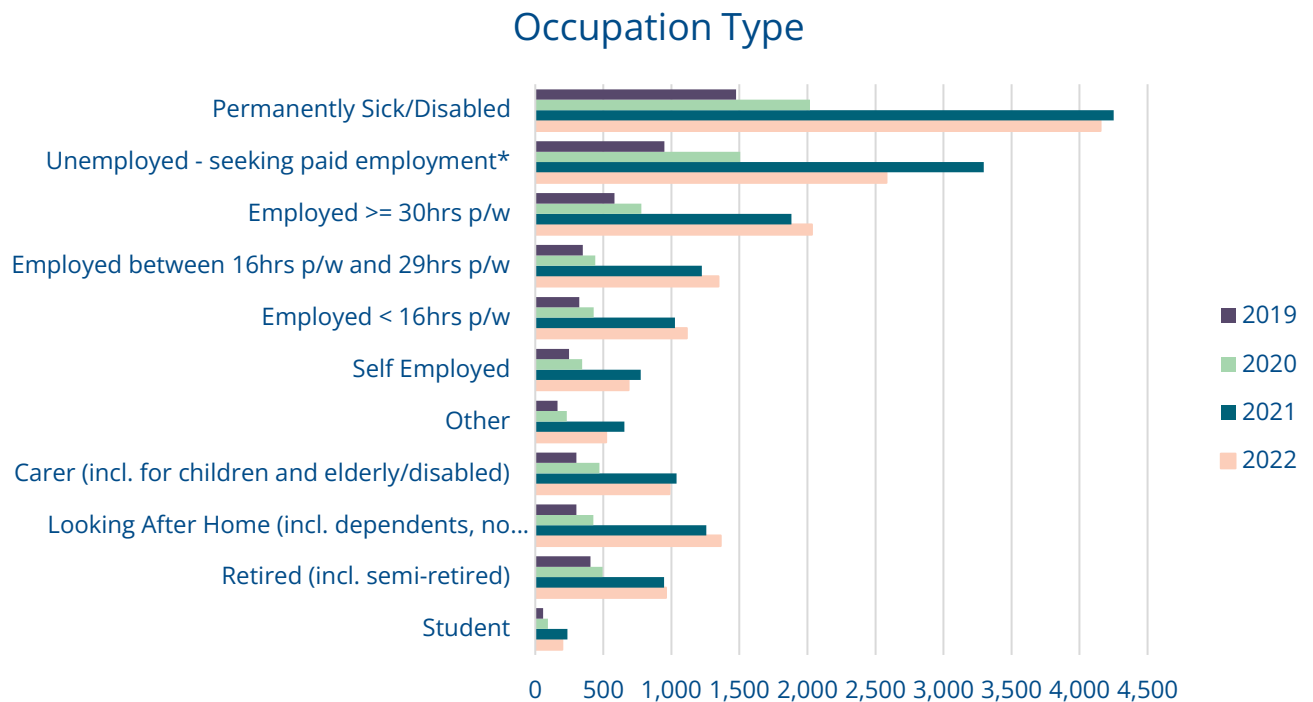


Figure 15: Occupational types impacted by living costs * (incl. on Govt scheme for employment, volunteer)

Summary

The report summarises the cost of living issues presented by our clients over four years, 2019 to 2022, and how needs changed due to global and national events during this period.

The past couple of years have been very turbulent for the British economy and have had a significant impact on how people are able to manage their personal finances. The Covid-19 pandemic as well as the ongoing cost-of-living crisis deepened poverty levels and economic inequalities and put further strain on households. This is reflected in the number of clients seeking advice to address increased living costs.

Undoubtedly, the cost of living is having an effect on everyone, yet the impact is not the same. Our clients often take a wide range of actions to reduce their expenditure on essentials and energy usage. Even with government support schemes, people's budgets won't stretch enough, and therefore they seek support from charities and localised welfare.

Over the past four years, we have seen that the key cost of living areas clients contacted us about were charitable support & foodbank use, energy and other debts, worries about their ability to keep up with energy price increases, and disability benefits such as Personal Independence Payment.

Increasing fuel costs forced over 30 energy companies to cease trading. Customers of these providers were transferred to other companies. This could lead to "unexplained debts" and higher energy bills.

Our research highlights that people on pre-payment meters are more affected by energy hikes than those with direct debits. Often energy providers force people with energy debt onto pre-payment meters, which can push them into further debt due to a higher price per unit and standing charge. Over the researched period, our advisers assisted over 18,000 unique clients with issues relating to having prepayment meters fitted to pay off arrears.

Worries about increases in energy prices led to more people wanting to find new ways of saving money on their utility bills. We reported a sharp increase in demand for practical energy efficiency advice, from 2,089 in 2019 to 21,711 in 2022. In line with this, more clients also wanted to maximise their budgets by claiming all benefits.

We addressed this through additional benefit checks and advice on government support schemes such as the Cost of Living Payments, fuel payments, the Council Tax rebate and more.

The different demographics were impacted differently by the pandemic and the cost-of-living crisis. Women were more likely to seek advice on issues relating to the cost of living

than men and those coming from disadvantaged backgrounds experienced adverse consequences due to price hikes.

Key findings:

- 80,668 clients contacted Citizens Advice Plymouth about issues relating to the cost of living.
- Energy debts had the highest enquiry rates accounting for nearly 1 in 2 enquiries.
- 11,048 unique clients were advised on issues relating to PPM – an average of 230 every month.
- Nearly 3 in 4 of our clients were female in 2022, and there has been a significant decrease in male clients over the 4-year period.
- 9 in 10 clients affected by issues related to the cost of living were of working age.
- 1 in 3 clients presenting with issues relating to the cost of living were from single person households.
- The number of clients with disabilities and health problems/issues have increased by 14 percentage points since 2019. In addition, the number of clients with multiple impairments has increased.
- Nearly half of those needing advice on cost of living issues were renting from social housing associations or local councils, 1 in 3 rented privately, only 10% had mortgages, 6% owned the property and 4% didn't have a fixed abode.
- More people in employment needed help with living costs as nearly one third of our clients were in some sort of employment or self-employed, one quarter were permanently sick or disabled and 18% were unemployed and seeking paid employment.