

FUEL POVERTY IN OCTOBER 2026

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Summary

We have carried out a series of analyses of fuel poverty over recent years,³ and also explored the potential impact of social tariffs.⁴ Since then, fuel prices have fallen, but they are still above pre-crisis levels; they increased in the first two quarters of 2026, and with the Iranian and Ukraine wars, are expected to increase again. Indeed, the price cap is predicted to increase by about 16 per cent from January 2027. At the same time, all mitigations have ended, and the winter fuel allowance for pensioners is no longer universal. The government has slightly mitigated the fuel price increase by cutting VAT on electricity bills from October 2026.

This paper presents an analysis of who will be affected by fuel poverty in October 2026, based on analysis of the ONS Living Costs and Food Survey 2024/25. We use a threshold of households spending more than 10 and 20 per cent of their net income after housing costs on fuel. The analysis describes their characteristics, fuel poverty rates, and fuel poverty gaps.

We find that although there is a clear association between fuel poverty and net income, with fuel poverty concentrated in the lower-income deciles, some richer households also spend more than 20 per cent of their income on fuel, and almost 15 per cent of households in fuel poverty are not income poor. Couples without children and pensioner couple households are less likely than average to be fuel poor, and couples with two or more children and lone parent households are more likely to be fuel poor. Multivariate analysis suggests that low income is the main driver of fuel poverty.

Background

Since August 2022, we have been producing analyses of household fuel poverty based on the secondary analysis of the ONS Living Costs and Food Survey (LCFS).⁵ Among these was a paper on social tariffs which compared the impact of a simple progressive social tariff – lower tariffs for lower consumers (paid for either by higher tariffs for higher consumers or by the taxpayer) – with policies providing direct support by increasing the incomes of social security recipients. Broadly, we concluded that enhancing social security incomes was a better strategy, though far from perfect. To summarise: the problems are that not all the fuel poor are small consumers; not all social security recipients are in fuel poverty; not all households in fuel poverty are social security recipients; and neither the government nor fuel providers know who the ‘vulnerable customers’ are.

In this paper we extend and update our previous analyses to identify which population groups are most likely to be fuel poor after October 2026.

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³ <https://cpag.org.uk/policy-and-campaigns/briefing/who-are-fuel-poor>

⁴ J Bradshaw and A Keung, *Is a social tariff for energy feasible and effective?*, University of York, 2022
<https://cpag.org.uk/sites/default/files/2023-08/Exploring%20social%20tariffs%20for%20energy.pdf>

⁵ See J Bradshaw and A Keung, ‘Rising fuel poverty’, *Poverty*, CPAG, 173, 2022, and A Keung and J Bradshaw, ‘Fuel poverty estimates for April 2023 following the Autumn Statement, including social security mitigations’, CPAG, 9 December 2022

Methods

Fuel poverty is driven by low income and high energy costs. The latter can be further attributed to high unit price of energy and poor thermal efficiency of some dwellings. In order to identify which households are most affected by fuel poverty, we use the latest available household data from the ONS Living Costs and Food Survey 2024-25.

There is no single agreed measure of fuel poverty.⁶ Our earlier analyses used a variety of thresholds based on the percentage of net equivalent income spent on fuel (10 per cent, 20 per cent, 25 per cent and 30 per cent). Following convention, we tended to focus on those spending more than 10 per cent on fuel. The End Fuel Poverty Coalition has suggested that these households should more accurately be referred to as living in 'fuel stress', and that fuel poverty should be limited to a higher threshold. In this paper we decided to report both 10 and 20 per cent thresholds but concentrate on the 20 per cent definition.

The analysis is based on the LCFS for 2024/25, and we seek to present the situation in October 2026. This presents us with problems.

We have had to make assumptions about how much household energy prices/expenditure will have changed between mid-2024/25 and mid-2026/27 and, more problematically, we have to make an assumption about how much real net incomes after housing cost will have risen. Only time will tell how accurate these predictions are, but having consulted the End Fuel Poverty Coalition and others, we have not made any changes in fuel prices, on the grounds that price cap is virtually the same in October 2026 as it was in October 2024, though it has moved up and down in between. The inestimable Resolution Foundation (Alex Clegg and Mike Brewer) advised us that over the period, median income for pensioners rose by 6.3 per cent and for the rest of the population by 6.6 per cent. We have therefore assumed net incomes after housing costs increased by 6.5 per cent.

Fuel poverty gaps are estimates of how much fuel expenditure for a household needs to fall in order to escape fuel poverty.

Results

The situation in 2024/25: fuel poverty using the >20% threshold

Most fuel poverty – nearly 80 per cent – is concentrated in the bottom two deciles of the income distribution. There are, however, rates of fuel poverty in all deciles, and the median poverty gaps are highest in the upper deciles. The largest proportion of fuel poor are found among families with children and pensioner households. Single households have the highest fuel poverty rate followed by families with children. Couples with four or more children have the largest fuel poverty gaps (note this is before the abolition of the two-child limit). London and Northern Ireland have the highest fuel poverty rates, but the gaps are highest in the West Midlands and Northern regions. Council tax bands are not a very good predictor of fuel poverty rates, though about half of households in the bottom two bands are fuel poor. The inactive households represent over half of the fuel poor with the highest fuel poverty rates among the unemployed. Social housing tenants have the highest levels of fuel poverty with private tenancies representing 36 per cent of the total number of households in fuel poverty.

⁶ The official definition of fuel poverty

(<https://assets.publishing.service.gov.uk/media/67e51e2cbb6002588a90d5d5/annual-fuel-poverty-statistics-report2025.pdf>) is based on the English House Conditions Survey and involves a dwelling thermal efficiency rating. We cannot replicate this and indeed have criticisms of it (see Bradshaw, JR 2024, 'New Fuel Poverty Statistics', *Blog fuel poverty statistics*, pp. 1. <https://www.york.ac.uk/policy-engine/cost-of-living/news-andblogs/2024/blogfuelpovertystatisticsfor2024/>). The main criticism is that better insulated households are excluded from fuel poverty, despite the fact there are often very poor households living in social housing and spending more than 10 or 20 percent of net income on fuel.

Fuel poverty — fuel expenditure > 20% of income (2024-25)

	Count (000)	Fuel poor %	Fuel poverty rate (%)	Mean gap	Median gap
Income decile					
1	1954.1	59.3	68	25.5	19
2	676.2	20.5	23.5	17.4	11.4
3	323.3	9.8	11.3	12.7	7.6
4	141.2	4.3	4.9	27.7	21.9
5	61.2	1.9	2.1	21.3	21.5
6	65	2	2.3	30.4	19.5
7	5.7	0.2	0.2	38.9	38.9
8	35.6	1.1	1.2	21.1	26
9	30.5	0.9	1.1	47.1	46.1
10	0	0	0		
Household type (brief)					
Single	788.9	24	16.9	18.4	15.3
Couple	406.3	12.3	7.2	28.9	22
Household with children	1049.3	31.9	15.3	22.7	14.4
Pensioners	677.1	20.6	8.7	23.1	16.6
Multi-unit household	371.4	11.3	9.9	26.1	21.5
Household type					
Single	788.9	24	16.9	18.4	15.3
Single with 1 child	112.9	3.4	20.7	25.5	22.3
Single with 2 or more children	172.5	5.2	31.6	19.3	14.1
Couple	406.3	12.3	7.2	28.9	22
Couple with 1 child	139.7	4.2	5.8	15.8	7
Couple with 2 children	268.1	8.1	10.9	16.2	11.1
Couple with 3 children	213.2	6.5	30.3	30.2	21.3
Couple with 4 or more children	142.8	4.3	60.5	32	29.2
Multi-unit household	371.4	11.3	9.9	26.1	21.5
Pensioner single	316.9	9.6	8.6	18.7	14.8
Pensioner couple	360.1	10.9	8.7	26.9	17.3
Region					
North East	85.4	2.6	7.2	20.3	18.2
North West and Merseyside	452.9	13.8	13.9	22.6	12.7
Yorkshire and the Humber	241.3	7.3	10.2	23.3	16.2
East Midlands	224.7	6.8	11	20.7	16.7
West Midlands	293.9	8.9	12	21.9	21.3
Eastern	228.7	6.9	8.6	25.4	16.8
London	684.2	20.8	19.3	21	18.7
South East	319.8	9.7	8.2	20	14
South West	191.8	5.8	7.6	34.2	16.6
Wales	133.2	4	9.9	24	21.9
Scotland	316.8	9.6	12.3	25.6	18.5
Northern Ireland	120.3	3.7	15.2	18.3	16.2
Council tax band					
Band A	842.6	25.6	15.6	20.6	15.3

Band B	746.6	22.7	13.3	20.2	13
Band C	471.7	14.3	7.9	20.5	16.6
Band D	443.9	13.5	8.6	20.3	17.3
Band E	347.3	10.5	11.4	30.3	16.6
Band F	191.2	5.8	12.1	30	23.9
Band G	115	3.5	10.9	44.3	38.1
Band H	14.3	0.4	10.8	45.4	51.2
Household accommodation not valued separately	120.3	3.7	15.2	18.3	16.2
Employment status					
Employed	790.7	24	5.6	22.8	12.8
Unemployed	211.1	6.4	31.5	25.3	19
Inactive	1705.6	51.8	15.6	23.4	17.7
Not recorded	585.5	17.8	19.5	20.5	16.7
Tenure type					
Local authority	510	15.5	24.8	25.2	17
Housing association	433.6	13.2	19.2	21.3	16.6
Private rented	861.2	26.2	15.9	18.3	16.3
Owned/mortgaged/outright	1446.4	43.9	7.7	25.5	17.3
Rent free	41.7	1.3	13.8	16.1	11.5
Income poverty					
No (>=60% median income)	559	17	2.5	22.8	15.6
Yes (<60% median income)	2734	83	42.2	22.9	16.8

The results presented in the Table below are for 2024/25 using the 10 per cent ‘fuel stress’ threshold, and are very similar in their pattern to the previous table. They are just much larger – 33.7 per cent of households are in in fuel stress and the gaps are wider. Many more households are in fuel stress but not in income poverty – 21 per cent.

Fuel poverty — fuel expenditure > 10% of income (2024-25)

	Count (000)	Fuel poor %	Fuel poverty rate	Mean fuel poverty gap	Median fuel poverty gap
Income decile					
1 (lowest income)	2602	26.9	90.6	26	20.3
2	1924	19.9	66.9	19.2	14.9
3	1628	16.8	56.9	16.3	11.8
4	1190	12.3	41.4	17.2	9.1
5	885	9.2	30.8	16.9	10.7
6	543	5.6	19	19.6	10.8
7	350	3.6	12.2	18.4	12.6
8	266	2.7	9.2	23.4	8.4
9	169	1.8	5.9	40.1	19.4
10 (highest income)	107	1.1	3.7	26.8	18.3
Household type (brief)					
Single	1389	14.4	29.8	17.7	15
Couple	1209	12.5	21.5	21.7	15

Household with children	3065	31.7	44.6	22.2	16.5
Pensioners	2542	26.3	32.6	19.3	11.7
Multi-unit household	1458	15.1	39	21.8	15.9
Household type					
Single	1389	14.4	29.8	17.7	15
Single with 1 child	256	2.6	46.8	19.7	13
Single with 2 or more children	381	3.9	69.8	20.8	16.6
Couple	1209	12.5	21.5	21.7	15
Couple with 1 child	641	6.6	26.8	17.9	12.8
Couple with 2 children	1088	11.3	44.4	19.9	15.5
Couple with 3 children	483	5	68.5	29	21.7
Couple with 4 or more children	217	2.2	91.8	37.2	26.4
Multi-unit household	1458	15.1	39	21.8	15.9
Pensioner single	1256	13	34.2	15.5	9.7
Pensioner couple	1285	13.3	31.2	23	14.4
Region					
North East	400	4.1	33.5	17.4	12
North West and Merseyside	1122	11.6	34.3	22	17
Yorkshire and the Humber	714	7.4	30.1	20.6	14.1
East Midlands	712	7.4	34.7	20.1	16.4
West Midlands	925	9.6	37.8	20.8	15.3
Eastern	784	8.1	29.4	23	13.2
London	1180	12.2	33.2	21.2	18.8
South East	1187	12.3	30.4	18.9	12.4
South West	840	8.7	33.4	20.1	12.3
Wales	513	5.3	38	18.2	10.5
Scotland	917	9.5	35.6	22.5	15
Northern Ireland	370	3.8	46.7	20.4	15.8
Council tax band					
Band A	2285	23.6	42.4	18.8	13.8
Band B	2043	21.1	36.5	19.5	15
Band C	1725	17.8	29	15.8	10.8
Band D	1477	15.3	28.6	18.7	14.7
Band E	912	9.4	30	28.6	19.4
Band F	505	5.2	32.1	28.9	20
Band G	297	3.1	28.1	40	32.3
Band H	51	0.5	38.1	36.1	20.9
Household accommodation not valued separately	370	3.8	46.7	20.4	15.8
Employment status					
Employed	3205	33.2	22.8	19.6	12.8
Unemployed	376	3.9	56.1	23	21.2
Inactive	4583	47.4	41.9	20.6	13.9
Not recorded	1498	15.5	49.8	22.7	17.1
Tenure type					
Local authority	1227	12.7	59.7	21.7	14.9
Housing association	1107	11.5	49.1	17.7	11.7
Private rented	2127	22	39.4	19.2	15.4

Owned/mortgaged/outright	5063	52.4	27.1	21.8	14.7
Rent free	138	1.4	45.5	18.2	13.5
Income poverty					
No (>=60% median income)	4720	48.8	21.2	18.6	11.3
Yes (<60% median income)	4943	51.2	76.3	22.7	17.5

Fuel poverty in October 2026

We now present the same results having taken account of our estimates of movements in fuel prices (nil) and incomes (6.5 per cent) between October 2024 and October 2026. By 2026 we estimate that 85 per cent of the fuel poor are also income poor and the overall fuel poverty rate is 10.3 per cent, a little lower than in 2024/25. But the general pattern of fuel poverty by demographic groups is similar.

Fuel poverty — fuel expenditure > 20% of income (2026, +6.5%)

	Count (000)	Fuel poor %	Fuel poverty rate (%)	Mean gap	Median gap
Income decile					
1	1889	64	65.8	25.5	19
2	583	19.7	20.2	17.4	9.9
3	190	6.4	6.6	16.9	10.4
4	130	4.4	4.5	25.7	17.9
5	59	2	2	17	16.3
6	53	1.8	1.9	30.2	21.5
7	6	0.2	0.2	31.9	31.9
8	20	0.7	0.7	27.8	31.6
9	24	0.8	0.8	49.7	49.1
10	0	0	0		
Household type (brief)					
Single	746	25.3	16	18.7	15.3
Couple	351	11.9	6.2	31.8	21.5
Household with children	914	30.9	13.3	23.6	15.6
Pensioners	583	19.7	7.5	24	17.5
Multi-unit household	359	12.2	9.6	24.2	21.6
Household type					
Single	746	25.3	16	18.7	15.3
Single with 1 child	113	3.8	20.7	24.3	20
Single with 2 or more children	156	5.3	28.6	19.4	14.1
Couple	351	11.9	6.2	31.8	21.5
Couple with 1 child	116	3.9	4.8	16.4	8.7
Couple with 2 children	213	7.2	8.7	17	10.6
Couple with 3 children	189	6.4	26.9	31.5	21.9
Couple with 4 or more children	126	4.3	53.4	34.2	27.3
Multi-unit household	359	12.2	9.6	24.2	21.6
Pensioner single	267	9	7.3	19.8	15.9
Pensioner couple	316	10.7	7.7	27.6	17.8
Region					
North East	81	2.7	6.8	19.1	18.2
North West and Merseyside	420	14.2	12.9	22.5	12.2

Yorkshire and the Humber	209	7.1	8.8	24.8	18.1
East Midlands	210	7.1	10.2	19.9	14.3
West Midlands	286	9.7	11.7	20.6	20
Eastern	204	6.9	7.6	25.3	22.9
London	642	21.7	18.1	21.2	19.1
South East	249	8.4	6.4	23.3	16.3
South West	161	5.5	6.4	38.7	15.8
Wales	110	3.7	8.2	26.4	21.6
Scotland	284	9.6	11.1	26.2	17.9
Northern Ireland	97	3.3	12.2	20	19.5
Council tax band					
Band A	795	26.9	14.8	20.2	15.2
Band B	660	22.4	11.8	20.9	16.5
Band C	416	14.1	7	21.7	19.6
Band D	380	12.9	7.4	21.9	24.6
Band E	323	10.9	10.6	29.5	16.2
Band F	162	5.5	10.3	33	23.5
Band G	106	3.6	10	44.9	35.6
Band H	13	0.4	9.4	49.8	68.4
Household accommodation not valued separately	97	3.3	12.2	20	19.5
Employment status					
Employed	652	22.1	4.6	25.1	15.2
Unemployed	211	7.1	31.5	24.4	18.2
Inactive	1565	53	14.3	23.7	17.9
Not recorded	526	17.8	17.5	20.5	17.7
Tenure type					
Local authority	483	16.3	23.5	24.9	17.4
Housing association	417	14.1	18.5	20.8	16.2
Private rented	760	25.7	14.1	19	15.5
Owned/mortgaged/outright	1257	42.6	6.7	26.8	19
Rent free	36	1.2	11.9	16	8.7
Income poverty					
No (>=60% median income)	440	14.9	2	23.5	17.9
Yes (<60% median income)	2513	85.1	38.8	23.5	17.3

The results are also presented again for the 10 per cent threshold in the table below.

Fuel poverty — fuel expenditure > 10% of income (2026, +6.5%)

	Count (000)	Fuel poor %	Fuel poverty rate (%)	Mean gap	Median gap
Income decile					
1	2600	29	90.5	25.5	19.6
2	1829	20.4	63.5	18.9	14.5
3	1476	16.5	51.6	16.1	12.1
4	1066	11.9	37.1	16.9	9.3
5	787	8.8	27.4	16.2	10.6

6	458	5.1	16	20	10.3
7	311	3.5	10.8	16.9	13.4
8	204	2.3	7.1	25.6	10.8
9	150	1.7	5.2	40	14.5
10	88	1	3.1	25	24.2
Household type (brief)					
Single	1360	15.2	29.2	17.2	14.3
Couple	1123	12.5	19.9	21.5	14.3
Household with children	2896	32.3	42.1	21.6	15.9
Pensioners	2286	25.5	29.3	19.5	11.8
Multi-unit household	1304	14.5	34.9	21.9	16.1
Household type					
Single	1360	15.2	29.2	17.2	14.3
Single with 1 child	240	2.7	43.8	19.8	12.6
Single with 2 or more children	358	4	65.5	20.9	15.7
Couple	1123	12.5	19.9	21.5	14.3
Couple with 1 child	600	6.7	25.1	16.9	11.9
Couple with 2 children	1015	11.3	41.4	19	14.5
Couple with 3 children	472	5.3	67	27.9	19.7
Couple with 4 or more children	211	2.4	89.3	36.9	25.4
Multi-unit household	1304	14.5	34.9	21.9	16.1
Pensioner single	1143	12.7	31.1	15.4	9.6
Pensioner couple	1142	12.7	27.7	23.6	15.3
Region					
North East	378	4.2	31.6	16.6	11.4
North West and Merseyside	1036	11.6	31.7	22.2	16.4
Yorkshire and the Humber	666	7.4	28	20.3	12.5
East Midlands	683	7.6	33.3	19.1	14.9
West Midlands	849	9.5	34.7	20.7	15
Eastern	734	8.2	27.5	22.5	13
London	1128	12.6	31.7	20.9	19
South East	1115	12.4	28.6	18	11.7
South West	722	8	28.6	21.5	14
Wales	456	5.1	33.8	18.3	10.5
Scotland	854	9.5	33.2	22.3	14.2
Northern Ireland	349	3.9	44	19.4	17.7
Council tax band					
Band A	2188	24.4	40.6	18.2	12.7
Band B	1903	21.2	34	19.4	14.8
Band C	1579	17.6	26.5	15.6	10.6
Band D	1346	15	26.1	18.6	14.3
Band E	851	9.5	28	28.3	19.9
Band F	433	4.8	27.5	30.9	22.5
Band G	269	3	25.4	40.9	29.7
Band H	51	0.6	38.1	32.6	19
Household accommodation not valued separately	349	3.9	44	19.4	17.7
Employment status					
Employed	2875	32.1	20.4	19.5	13.4

Unemployed	352	3.9	52.5	23.5	20.3
Inactive	4268	47.6	39	20.4	14
Not recorded	1473	16.4	49	21.4	15.8
Tenure type					
Local authority	1175	13.1	57.2	21.3	14.2
Housing association	1058	11.8	46.9	17.2	11.8
Private rented	2045	22.8	37.8	18.5	15.2
Owned/mortgaged/outright	4577	51	24.5	21.8	14.5
Rent free	113	1.3	37.3	19.9	12.4
Income poverty					
No (>=60% median income)	4149	46.3	18.7	18.2	10.6
Yes (<60% median income)	4819	53.7	74.4	22.3	17.4

In the next table we present the results of logistic regression analysis of fuel poverty at the >20% threshold. This analysis includes income decile, region, household composition, tenure and employment status. The regression reveals that low-income decile contributes most to explaining fuel poverty. After income is taken into account, very little else matters.

Logistic Regression Results: Predictors of Fuel Poverty at the >20% threshold

Variable category / term	Coefficient (β)	Odds Ratio (OR)	p-value
(Intercept)	-5.0039	0.007	< 0.0001
Income decile			
1 (lowest income)	5.7400	311.06	< 0.0001
2	3.6237	37.47	< 0.0001
3	2.3085	10.06	< 0.0001
4	1.8967	6.66	< 0.0001
5	0.9795	2.66	0.0037
6	0.8692	2.38	0.0052
7	-1.4131	0.24	0.1200
8	-0.1842	0.83	0.7550
9	-0.0745	0.93	0.8860
10 (highest income)	-13.7455	< 0.001	< 0.0001
Region			
North East	-0.3007	0.74	0.3550
North West and Merseyside	0.2698	1.31	0.2030
Yorkshire and the Humber	0.0070	1.01	0.9760
East Midlands	-0.0562	0.95	0.8120
West Midlands	0.0703	1.07	0.7750
Eastern	0.2029	1.22	0.4260
London	0.3658	1.44	0.0895
South East	-0.2697	0.76	0.2490
South West	-0.6331	0.53	0.0058
Wales	-0.2355	0.79	0.5180
Scotland	0.0750	1.08	0.6640
Northern Ireland	0.5045	1.66	0.0154
Household composition			
Single	-0.3044	0.74	0.0289
Couple	0.0301	1.03	0.8540
Household with children	0.2833	1.33	0.1330

Pensioners	-0.6412	0.53	0.0002
Multi-unit household	0.6322	1.88	0.0017
Housing tenure			
Local authority	-0.1281	0.88	0.5950
Housing association	-0.1840	0.83	0.4380
Private rented	-0.0577	0.94	0.8020
Owned/mortgaged/outright	0.4701	1.60	0.0215
Rent free	-0.1004	0.90	0.8840
Employment status			
Employed	-0.5230	0.59	0.0004
Unemployed	0.3443	1.41	0.1840
Inactive	0.0250	1.03	0.8760
Not recorded	0.1536	1.17	0.4940

Conclusion

We have to acknowledge that this analysis has been pretty much upstaged by the recent announcement of what may happened to the price cap in January 2027. So why do we not model the results for then? Our view is that it is too much of a stretch from 2024/25 to January 2027, especially with a budget in between. There are uncertainties about the accuracy of the estimates for fuel prices and what will happened to household net incomes by then.

Meanwhile the results provide the best picture available on the current distribution of fuel poverty in UK households. With winter approaching it remains a serious challenge for low-income households.