

Citizens Advice calls for end to 'postcode lottery' on social tariffs



Our unmissable weekly email of all the gossip, rumours and covert goings-on inside the Square Mile

Sign up

I would like to be emailed about offers, event and updates from Evening Standard. Read our [privacy notice](#).

A “postcode lottery” of social tariffs is leaving households missing out on almost £2 billion worth of support to pay their essential bills, according to a report.

[Citizens Advice](#) found identical households are receiving “completely different” levels of support depending on where they live because of a lack of consistency and effort to promote social tariffs among suppliers.

The service warned that badly designed social tariffs which have “patchwork” support available in different areas were falling short in keeping people connected to essential services.

Putting money back into the pockets of people who need it most starts with the government ending unfair postcode lotteries in

social tariffs and putting the onus on suppliers to ensure that people are getting the help they're entitled to.

It said a low income household could be missing out on an average saving of at least £350 a year – with £1.9 billion sitting unclaimed across water and broadband schemes alone.

The advisory service said the [Government](#) could take “immediate” action “without having to spend a penny” by ensuring suppliers proactively offer social tariffs to their low-income customers, aided by better data-sharing between government departments and firms.

It has also called for an end to a postcode lottery for water and broadband social tariffs, making them consistent across markets in line with other schemes such as energy.

Citizens Advice found half of [British](#) adults – or 25 million people – cut back their spending on essential bills such as water, broadband, car insurance and energy in the last year.

Almost one in seven said they had stopped their spending or cut it back to a level that has had a detrimental impact on their lives, including people disconnecting from home broadband and relying on public WiFi instead, or cancelling car insurance and not being able to get to work.

An estimated 2.8 million households are expected to spend a fifth or more of their disposable income on water, energy and broadband costs over the next 12 months – a 27% increase since 2021-22, according to research by the [Institute for Public Policy Research](#) (IPPR).

Citizens Advice said its frontline staff reported that many in need of support had no idea that social tariff schemes even existed, while those who were aware had encountered difficulties accessing them.

One Citizens Advice adviser from Dover, [Deal](#) and District,

said: "One of the water companies in our area has social tariffs, and you can also apply for extra financial support.

"But you have to really jump through some high hoops for the social tariff. It's not something that any of my clients have ever been able to do without help. They have needed me to put in the application, to do the legwork, but they're the lucky ones that have that support."

Citizens Advice chief executive Dame Clare Moriarty said: "Worrying numbers of people continue to be forced to take drastic measures, like cutting back their spending on water and energy, in the face of unmanageable essential costs.

"Social tariffs have a crucial role to play in shielding low-income households from unaffordable bills. But, for too long, people have been in the dark about extra financial support available to them, which could ultimately affect if someone keeps warm, or falls into debt on their water bill.

"Solutions to this are hiding in plain sight. Putting money back into the pockets of people who need it most starts with the government ending unfair postcode lotteries in social tariffs and putting the onus on suppliers to ensure that people are getting the help they're entitled to."

Henry Parkes, principal economist at the IPPR, said: "Growing numbers of households are spending inordinate amounts on the essentials, highlighting that although inflation may have slowed, higher prices are here to stay, with those on the lowest-incomes squeezed the most.

"Alongside other bold policy action, effective social tariffs could make a real difference in tackling this crisis in living standards."

Yonder surveyed 2,093 British adults between June 24-25.