Energy bills expected to increase by another £900 this autumn, ScottishPower boss warns

The boss of a major Scottish energy company has called for action "now" to help the poorest households with energy bills, warning of another £900 increase this winter.

Keith Anderson, the chief executive of ScottishPower, called for ten million families to receive bill discounts of £1,000 in October.

The energy price cap <u>rose by 54% in April</u>, taking the average household bill to £1,971 a year.

Mr Anderson believes the amount could go up to £2,900 in October, when another increase to the price cap is expected.

"We need to act and we need to act quickly, because that will create huge amounts of pain and difficulty for a whole load of families across the whole of the UK," he told Sky News.

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"I think [with] £1,000 on top of what the government have already done, then we start to get bills closer to where they used to be," he added.

He called for support to be targeted to those who are most vulnerable, such as those on universal credit or with prepayment meters.

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He said in order to have the scheme ready for October it would need to be agreed by July.

"We need to find the answer now," he said.

He said the government's plan to give households £200 towards their energy bills — a discount which they will need to pay back — will not be enough.

The government has also given many households a £150 discount on their council tax.

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Mr Anderson said his proposed £1,000 discount could be paid back by all households through their energy bills over the next decade — or recovered through taxes.

Asked if ScottishPower is at risk of going under like some other energy companies, he said: "We're a big company. We can survive and we can get through this. But what we're saying is, with the rises we're seeing and the price going to that level we can't do this on our own.

"So I can't help customers, on my own, deal with this price and deal with, in effect, for over a period of 18 months, what would be a 200% increase in their energy bill.

"That requires the government, the regulator and the industry all to work together to help sort this out. And yes, that will also help companies survive this process."

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A government spokesman said: "We recognise the pressures people are facing with the cost of living, which is why we have set out a £22bn package of support, including rebates and energy bill reductions. We also urge energy companies to support their customers as we manage the impact of high global gas prices.

"We are also supporting vulnerable households through initiatives such as the £500m Household Support Fund and the Warm Home Discount, with the energy price cap continuing to insulate millions of families from high global gas prices."