## Millions across Great Britain see energy bills reduced as £1.8 billion is paid out in first month of government scheme

- £1.8 billion was paid out last month through the government's Energy Bills Support Scheme (EBSS), reducing energy costs for over 27 million households across Great Britain
- £136 million worth of vouchers have been provided to traditional prepayment meter customers, with government urging households to redeem them
- a second instalment of the EBSS payment will reduce November bills, adding to wider government support to protect against soaring energy prices

Over 27 million households across Great Britain received money off their energy bills last month as the Energy Bills Support Scheme (EBSS) provided £1.8 billion in payments.

New figures released today show the EBSS successfully provided a £66 discount for 97% of eligible households in England, Scotland and Wales in its first month.

This is the first payment made through the EBSS since it launched in October and will see households receive a £400 discount on energy bills paid in 6 monthly instalments. The second instalment of the EBSS will reduce households' November energy bills, which brings the total amount spent on the scheme so far to £3.8 billion.

Vouchers were sent to all 2 million customers with traditional pre-payment meters. The government today urged consumers to redeem vouchers as soon as possible, after figures showed only around two thirds had already done so. Suppliers will tell customers where to redeem them, for example at a Post Office branch or a PayPoint shop. Payzone outlets are unable to accept the vouchers.

Secretary of State for Business, Energy and Industrial Strategy, Grant Shapps, said:

The government is committed to supporting people facing unique stresses with the cost of living and rising energy costs. Today's figures show how we are making a difference in over 27 million homes across Great Britain.

All vouchers have now been sent to customers who should have them, so I urge everyone who uses a traditional prepayment meter to make

sure they receive their voucher from their supplier and redeem them promptly so they get the energy bill support they are entitled to.

Exchequer Secretary to the Treasury, James Cartlidge, said:

We are facing a global energy crisis driven by Putin's illegal invasion of Ukraine, and we know this is a huge challenge for people here in the UK.

That's why we have taken direct action, ensuring millions of households are protected this winter.

From December onwards, the amount discounted from energy bills will increase to £67 as the scheme continues to provide support to households over the winter months.

Administered by energy suppliers, the scheme is designed so customers receive the rebate in the same way that they pay their energy bills, such as via direct debit, credit, smart meters and traditional prepayment meters. For the small minority who have not yet received the discount for October, this was down to factors such as issues around a customer's bank details where they pay via direct debit, and customers on pre-payment meters who are yet to redeem the vouchers.

Gillian Cooper, Head of Energy Policy for Citizens Advice, said:

As winter starts to set in, this financial support should help millions of people to keep their heating and lights on. It's vital it reaches everyone who needs it.

Most people should get the payment directly, but if you use a traditional prepayment meter, you'll be sent monthly vouchers that you can redeem at your local shop or Post Office. If you haven't received the first 2 payments, contact your energy supplier as soon as possible.

Earlier this year, the government introduced new powers that mean intermediaries, such as landlords, must pass on savings made under the EBSS and other energy support schemes to end users, who don't pay their energy bills directly, for example tenants.

Those on traditional prepayment meters are sent monthly vouchers by their supplier via text, email or post with suppliers having contacted customers in advance of the scheme launching to advise how the discount will be applied.

Vouchers expire after 90 days to ensure it helps people over the winter months but can be reissued by the supplier on request. Suppliers must make several attempts to contact customers who have not redeemed their vouchers,

with the scheme also allowing for consumers to transfer EBSS payments from electricity meters to gas meters. All vouchers must be redeemed by 30 June 2023.

The EBSS comes in addition to wider government support to help households with the cost of living this Winter. As well as discounts provided through the EBSS, the government's Energy Price Guarantee (EPG) will save a typical household around £700 this winter, based on what energy prices would have been under the current price cap — reducing bills by roughly a third. The EPG will continue to provide support for another 12 months from April 2023, and with energy prices forecast to remain high, this equates to an average of £500 support for households in 2023 to 2024. An additional £1,200 of support in direct payments is being provided to vulnerable households this year, with £26 billion worth of targeted support to help protect the most vulnerable announced by the Chancellor for the next financial year.

The government's Energy Bills Support Scheme is being provided in monthly instalments over 6 months from October 2022, totalling £400 in all. The non-repayable discount is applied automatically to consumers' energy bills. See more details on the design and delivery of the Energy Bills Support Scheme, including how support is delivered to customers who pay for energy as part of all-inclusive bills.

Today's figures show the delivery of EBSS in England, Scotland and Wales during 1 to 31 October 2022. The data is published on GOV.UK: <u>Transparency data — Energy Bills Support Scheme</u>: payments made by electricity suppliers to customers.

The first full month of delivery statistics showed £1,834,261,440 worth of payments were delivered through the government's Energy Bills Support Scheme (EBSS), providing support with energy bills for 27,791,840 households across Great Britain.

In total, 97% of payments due to customers have been delivered by suppliers. The reasons why payments may not have been delivered include vouchers being provided to prepayment customers that have yet to be cashed, and issues related to a customer's bank details including payment bounces. Customers may receive their payments at different rates due to suppliers' different operating mechanisms, customer bases and geographic coverage.

The figures show £3,822,585,343 has so far been allocated to energy suppliers to deliver EBSS payments during October and November. This includes a contingency payment of 1.5% for the October 2022 payment. Some suppliers are provided with an additional contingency payment where they have provided evidence to support this need.

The data has been provided by electricity suppliers, who were asked to provide data on their payments to eligible customers up to 1 November 2022.

Further data showing additional breakdowns by region, local authority and constituency will be released in December due to a lag in collecting this data from suppliers.

The government is also working to develop an Alternative Funding scheme to provide £400 of equivalent support with energy bills for the small minority of households in England, Scotland and Wales that are not able to receive support under the EBSS. More details, including eligibility criteria and which groups will be in scope, will be announced as soon as possible.

Households in Northern Ireland will receive a £400 discount on their energy bills through the Northern Ireland Energy Bills Support Scheme (NI EBSS) this winter. Details will be announced shortly.

## See also

The Energy Bills Support Scheme forms part of the government's £37 million Cost of Living Support package, providing <u>Help for Households</u> with rising prices, targeted at those most in need.