Ofgem consultation on Debt Relief Scheme

Submission from Feeding Britain (December 2025)

About Feeding Britain

Feeding Britain is an award-winning charity with a vision of a UK where no one goes hungry. We support a national network of 141 regional and local anti-hunger partnerships comprising more than 700 frontline organisations – ranging from community centres and schools, to local authorities and social enterprises.

By piloting innovative and effective new projects, and showing how severe or chronic food insecurity can be prevented, we are designing a road map for eliminating hunger from the communities we serve. By sharing this knowledge with others, and using it to work for systemic changes at a national level, we will ensure hunger becomes a thing of the past.

Consultation response

We wish to see the implementation of Phase 1 of the Debt Relief Scheme. Many individuals that we support face the unacceptable choice between heating and eating due to pressure on their finances. 6 million homes are living in fuel poverty across the UK[1], and the DRS will go some way to assist these households. Our network organisations have broadly expressed support for Phase 1 of the DRS to proceed. Some have argued that the proposed debt threshold be reviewed, and highlighted the need for other measures to help low-income households to be provided alongside the DRS:

- Citizens Advice, North East Derbyshire "support the introduction of Phase 1 of the Debt Relief Scheme but would seriously urge Ofgem to reconsider the window of eligibility - problems exacerbated by the energy crisis have not gone away and energy debt has increased significantly since March 2024 putting increased pressure on households struggling to stay afloat. […] The proposed minimum £100 debt threshold […] may unintentionally penalise clients who have made efforts to pay down their arrears. Many of our clients reduce their balances through borrowing, going without essentials, or consolidating debt. They do this to avoid potential disconnection or, if they are on pre-pay meters to ensure that they have access to energy. For such clients, debt is deducted from top-ups so the value they add to their meter is reduced. If they fall just below £100 before the cut-off point, they may become ineligible despite facing ongoing hardship. A fair scheme must avoid causing disadvantage to those who have acted responsibly or whose balance fluctuates due to billing cycles or seasonal usage. […] As part of the implementation of this scheme we would like to see Ofgem introduce a requirement for suppliers to proactively identify financial vulnerability at a much earlier stage, intervene while arrears are still modest, and ensure repayment plans are genuinely affordable. Without stronger proactive obligations, the same patterns of unmanageable debt will continue, and the need for repeated large-scale debt-relief

[1] FBF-Fuel-Crisis-Report-2024_Digital.pdf

interventions will persist. […] While debt relief is essential to provide a fresh start, it cannot independently resolve the wider affordability issues that gave rise to these arrears. Many of our clients remain unable to afford their ongoing energy consumption even after debts are cleared. Sustained protections (such as improved affordability assessments, fair repayment plans, protections for households with medical energy needs, and broader measures to reduce energy costs) are essential to prevent clients from cycling back into debt."

- New Parks Community Mission: "Our charity offers conditional support for the implementation of Phase 1, acknowledging the necessity of a mechanism to clear historic energy debt accrued by means-tested benefit from April 2022 and March 2024. […] The eligibility criteria for debt relief and essential social support must transition from a narrow focus on means-tested benefits to a universal, evidenced-based assessment of financial need. […] A long-term, structural social tariff for both energy and water must be implemented for all financially vulnerable households."
- Advancing Community Empowerment: "We welcome any efforts to further alleviate fuel poverty, which is impacting more and more people, irrespective of their financial circumstances. People are having to make decisions between eating and heating, and we are making more and more referrals for fuel poverty. The continued rise in fuel costs is causing extreme difficulties. For example, one family have seen their bills go up from £165 per month in 2021, to £564 per month. When you are on limited income, this is a huge impact on income and safety."
- Isle of Wight Pantries: "Energy debt is often the trigger for crisis support. Several households accessing our pantry report that persistent arrears prevent them from engaging with suppliers or moving to more suitable tariffs. Historic debts (2022–2024) continue to overshadow budgeting. Even when usage has reduced, older debt makes repayment plans unaffordable, forcing choices between food, heating, and transport. […] Automatic eligibility is essential. Many residents struggle with forms, digital access, or confidence when dealing with suppliers. Using DWP data will make this support reach those who need it without creating barriers."
- Be Enriched: "While emergency vouchers provide short-term relief, they cannot address underlying debt. Additionally, vouchers are restricted to account holders named on the energy bill, excluding people in shared, HMO or informal living arrangements who still bear the cost of energy. This leaves a significant gap in support for some of the most vulnerable. […] A large proportion of those we support use card or key meters. When they fall into debt, emergency funds often go toward clearing negative balances before any credit can be applied, meaning families remain without heat or power for extended periods. Writing off historic debt would allow these households to start afresh and use emergency support effectively."
- Chesterfield Foodbank: "We regularly support households experiencing financial hardship, and energy debt is one of the most common issues people share with us. Many tell us they reduce heating, avoid using appliances or switch to cold meals because they cannot afford to keep up with bills. The impact on wellbeing, nutrition and household stability is clear, and this pattern has become more prominent since 2022. Writing off historic energy debt for those on the lowest incomes would remove a significant barrier for many households, helping people move towards stability rather than remaining trapped in crisis."