

Media Outlet: Energy Choices**Date:** 10.04.13**DUU:** Unknown**URL:** <http://www.energychoices.co.uk/news/household-in-debt-to-energy-suppliers-rise-sharply-100413.html>

Households in debt to energy suppliers rise sharply

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By Martin Fagan

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Brits owe a collective £637 million, 33% up on last year.

Rapidly rising energy bills have hammered family finances to the point where 20% of UK households are now in debt to their energy supplier.

Over five million households - or 20% of UK households - are now believed to owe their energy supplier money, compared to under four million - or 14% - last year.

Collectively, consumers now owe an estimated £637million - £159million more than last year, a rise of 33%, according to new research.

Of those in debt, 41% owe more than they did a year ago, while 9% owe less, the data from by price comparison service uSwitch.com found.

While the average amount owed to suppliers has fallen by £8 to £123 following price cuts early last year, this winter's price hikes coupled with the coldest March on record could see the average energy debt shoot back up again.

Of those owing their supplier money, 22% are turning a blind eye in the hope the amount they owe will reduce naturally over time.

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However, a further 22% intend to pay it off with a lump sum, while 45% plan to reduce their debt by increasing their regular direct debit payment.

Worry over mounting debt is leading 8% to agree a repayment plan with their supplier, while 2% expect to go so far as to move onto a pre-payment meter.

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Energy expenses are not the only heating headache for households recovering from the recent cold snap - tradesmen review website RatedPeople.com said it has seen a 160% increase in boiler repairs in the first two weeks of March, compared with the same period last year.

Commenting on the research, Chris Eagle, energy expert at EnergyChoices.co.uk, said: "As soaring energy bills account for an increasing proportion of household budgets, it's no wonder many families are in debt to their energy supplier.

"The last year has seen a million more households unable to meet the costs of their energy consumption, which is a worrying development, but hoping energy bills will fall and become more affordable is an unrealistic assumption.

"Energy bills will continue to rise, so the best way to take the edge off rising bills is to sign up to a more competitive tariff - some energy companies are offering fixed rates until spring 2015, which gives peace of mind for the next two winters."