

Standing charges: domestic retail options

About Marie Curie

Marie Curie is the UK's leading end of life charity. We are here for anyone with an illness they're likely to die from, and those close to them. We bring 75 years of experience and leading research to the care we give at home, in our hospices and over the phone. We are the largest charitable funder of palliative and end of life care research in the UK and campaign inside and outside Parliament for the policy changes needed to deliver the best possible end of life experience for all.

Marie Curie's Response

Marie Curie welcomes the opportunity to respond to Ofgem's options paper on standing charges.

We have provided an overarching written response to the consultation rather than responding to each question as not all questions are relevant to people with a terminal illness and their close carers, and others are technical questions that we are not well-placed to answer.


Terminal illness, poverty and energy need

Every year, 90,000 people in the UK die in poverty. Rather than spending the last months, weeks, and days of life focusing on what really matters, like making memories with family and friends, too many people are confronted with stress of being unable to make ends meet, and the impossible decisions that accompany this.

Terminal illness is often associated with a loss of income, particularly for people of working age. This can cause an increase in energy need in a variety of ways, causing a double shock. These energy needs can include:

- More time spent at home
- Greater need to use heating to maintain body temperature, in some cases even in warmer months
- The cost of running medical devices, from ventilators to dialysis machines to powered beds

Marie Curie's 2023 report *One Charge Too Many* looked at the cost of a range of medical devices and found that a household that includes a person with a terminal illness may see an additional monthly energy cost equivalent to



"Without this equipment my husband would not have been able to spend his last days at home with his family, but we had to cut back on other things as the gas and electric prices increased so much."

- Gail

6.9% over an average household if they have an electric bed, 15.8% if they are receiving at-home dialysis, 20.6% if they are on a ventilator, and as much as an extra 37.8% more than the average household if they are receiving oxygen concentration. People needing multiple devices will, of course, see these extra costs stack up.

This combination of poverty and higher energy need not only adds financial worry – it can also have direct impacts on someone's health if they're forced to reduce their energy usage because of the cost. As well as reducing the quality of life of someone with a terminal illness, this can lead to higher costs to the health service, through worsening health or being unable to die at home and needing palliative in-patient care instead.

In the worst cases this can be a matter of life and death – research by University College London and the Institute of Health Equity estimates that as many as 21.5% of excess winter deaths may be attributable to cold homes.

Standing charges – Ofgem's approach

Marie Curie recognises the current distributional impacts of standing charges on low-income households. These can also impact terminally ill people, for example if someone spends time as an inpatient at a hospital or hospice and returns to find they have nonetheless incurred a considerable charge over that period. We therefore welcome Ofgem's attention on this issue.

We are particularly concerned, however, about the potential impact of changes to bills on low-income consumers with high energy need (which might translate into higher usage and/or higher unmet energy need). While the impact of moving between £20 and £100 of operating costs from standing charges to unit rates is relatively low, in the modelled scenario closest to that of someone with a higher energy need due to terminal illness, Ofgem's analysis finds that this would still add up to £78 a year to the energy bill. Based on the other consumer archetypes presented in the analysis, if this household also had electric (rather than gas) heating, the impact would presumably be higher still.

We welcome Ofgem's recognition of this group as one that merits particular concern, and its commitment to continue to work with government to mitigate the changes for vulnerable groups. In summary, Marie Curie's wider recommendations on energy affordability are:

- Extend eligibility for the Warm Home Discount to people with a terminal illness
- Maintain eligibility for the Winter Fuel Payment for all pensioners with a terminal illness, and expand it to people of working age with a terminal illness
- Introduce a social tariff for energy that people of a terminal illness people are able to access
- Introduce a consistent up-front rebate scheme for the cost of running medical devices

It is also important that Ofgem co-ordinates the timing of changes with any such mitigations, including where those mitigations are not directly its responsibility. There is otherwise a risk that additional costs are loaded onto households including a terminally ill person with the intention of them being offset by other reforms, which ultimately never arrive, or arrive some time later – which will mean that terminally ill people are affected by

the additional cost, and die before the mitigation is in place. If such measures are delayed, Ofgem should either postpone changes to standing charges or explore what mitigations it has the power to directly implement, which could include exempting households including a person with a terminal illness from standing charges.

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