

SPEAK FOR

Debt Justice



The UK Government Needs to ACT NOW TO prevent the energy crisis becoming a DEBT crisis

As the colder months draw in, our cost of living crisis shows no signs of abating, with inflation continuing to rise much faster than wages and benefits.

SPEAK is a network of students and young adults who campaign and pray on issues of global justice.

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URGENT DEBT ACTION NEEDED

As the colder months draw in, our cost of living crisis shows no signs of abating, with inflation continuing to rise much faster than wages and benefits. That's little surprise given how long it has been in the making, driven by the structural inequalities of power and wealth that leave millions of people insecure and exposed to economic shocks.

Even before this crisis, the household debt which weighs down people on the lowest incomes was on the rise. This year, with average household income now due to fall by an unprecedented 1.5-2.25%, that debt crisis will be worsening as people are forced to juggle bills, delay payments, and borrow more to try to make ends meet.

Despite the introduction of the Energy Price Cap Guarantee, average bills are set to almost double from £1,277 in March to £2,500 in October. After a decade and a half of falling incomes, this remains too high for a significant proportion of UK households to absorb. That means even more people being pushed into energy debt.

Six in ten of all low-income families (60%) - amounting to almost 7 million households - had gone without one of the essentials since the start of 2022, or, had cut down on or skipped meals, or gone hungry in the previous 30 days. This is equivalent to every family in the north of England.

One in five (21%) low-income households, the equivalent of 2.3 million families, were going without enough food and were unable to keep their homes warm.

A third (33%) of those who said they were going without essentials, said they had experienced having to go without four or more (2.3 million households).

One tenth (10%) reported going without six or more types of essential.

Source: Joseph Rowntree Foundation & Debt Justice-<https://www.jrf.org.uk/press/new-evidence-'year-financial-fear'-being-endured-uk's-low-income-families>

An energy debt write-off is especially urgent for many of the 4.5 million pre-payment meter (PPM) users who are at risk of disconnection in the coming months. Suppliers can install PPMs by force after energy debt has built up and penalise people with higher ongoing costs. Daily 'standing charges' continue to add up and need to be re-paid, even when the meter runs out of credit and no energy is being used.

In July, Citizens Advice saw record numbers of people who were unable to top up their PPMs, leaving them unable to heat their homes, cook food, or even switch on the lights. Pre-pay energy costs should be brought down to the level of the standard dual fuel rate and the cost absorbed by energy suppliers—and there should also be a ban on the installation of new PPMs, to phase out this punitive two-tier approach.

The failure of Bulb Energy alone could cost billpayers an extra £150 each this year. We shouldn't be forced to pay the costs of market failure while shareholders accrue the benefits. Instead, the big five energy suppliers should be brought into public ownership and/or a permanent public energy supplier created out of the infrastructure and customer base of those failed energy companies already being supported by the government. Public ownership would present a vital challenge to the failing for-profit provider model and genuinely diversify the energy supply market.

There is more that can be done, too. We need to insulate our leaky homes, which have left us vulnerable to rising prices. A 'Great Homes Upgrade' would use public investment and improve regulatory standards to reduce our reliance on gas and bring down energy bills in the future.

The government's current energy plan could cost up to £150 billion and still leaves energy bills almost doubled for millions of households this year. **Bearing down on prices is urgent and necessary, but households in energy debt need more. Cancelling all energy arrears would cost little in comparison and give households in energy debt a chance of getting through this bleak winter.**

Points for prayer

- 1.) Please pray for the UK Government to see how important this issue is to cancel debts of those in poverty, especially energy poverty, and to change the unjust corporate structure. Please pray for debt justice in the UK.
- 2.) Please pray for a just system that supports vulnerable people rather than just benefiting unaccountable profit-driven corporations.
- 3.) Please pray for wisdom for those acting locally to have vision for new local economic systems and sharing of resources that help people to create new ways of sharing and supporting each other through these challenges.
- 4.) Pray for help for us not to respond in fear or to allow the creation of Central Bank Digital Currency in a way that can result in more unaccountable control of the money system and centralisation of unjust power structures. Pray for creative spirit and positive action to prevail over fear and local people to make new participatory democratic money systems.
- 5.) Pray for practical wisdom to respond to the immediate needs of those in our communities struggling. Pray for help as many of us seeking to respond and support are struggling with our own economic challenges. Pray for a spirit of mutual support and solidarity to prevail!

1. Send a letter to the UK Prime Minister and to your MP via email or through printing out this postcard and sending it. www.writetothem.com or Email: rishi.sunak.mp@parliament.uk
2. Encourage others in whichever group you are part of to spend time praying and to send this letter, but also to talk about what you can do locally as a group to encourage more resource sharing and support people in debt in your areas. What new year's resolutions can you and your group make? Are there local transition towns or LET schemes looking at other ways of sharing?
3. Support our campaign financially to make an incredible difference to the work of SPEAK. <https://www.speak.org.uk/donate>
4. Check out our partner's web site: <https://debtjustice.org.uk/campaigns/end-the-debt-trap>

Dear Prime Minister,

I am writing to express my concern that 25 million people, half of all adults in the UK, are now in debt or worried about falling into debt. Nearly ten million people are heavily in debt. Credit card borrowing has increased at record rates and energy debts have topped £1 billion. The Joseph Rowntree Foundation reports that:

- Six in ten of all low-income families (60%) - amounting to almost 7 million households - had gone without one of the essentials since the start of 2022, or had cut down on or skipped meals, or gone hungry in the previous 30 days. This is equivalent to every family in the north of England.
- One in five (21%) low-income households, the equivalent of 2.3 million families, were going without enough food and were unable to keep their homes warm.

So I am asking you to:

- 1/ Keep a cap on energy prices, to lower that cap and to commit to keeping a cap in place for longer.
- 2/ Use your influence to ensure a fair write-off of all unfair debts to struggling UK households.
- 3/ Please ensure a ban on the installation of new Pre-Payment Meters (PPMs), to phase out this punitive two-tier approach. An energy debt write-off is especially urgent for many of the 4.5 million pre-payment meter (PPM) users who are at risk of disconnection in the coming months.
- 4/ Invest in the 'Great Homes Update'. We need to insulate our leaky homes, which have left us vulnerable to rising prices.

Signed

Date

Name

Address

www.speak.org.uk/

STAY INFORMED KEEP INVOLVED



ATTACH
STAMP
HERE



Contact the SPEAK Network Support Team to order the resources and information you need:

- Post this card
- email: admin@speak.org.uk
- Visit: www.speak.org.uk

Name: _____

Home Address: _____

Tel/Mob: _____

Email: _____

**PLEASE SEND TO:
SPEAK
St Margaret's House
Settlement
21 Old Ford Road
London, E2 9PL**

I would like to get involved in or find out more about SPEAK's work by....

(Please tick the appropriate boxes below)

- Receiving Pray and Post Cards for regular prayer and campaign action
- Being a 'SPEAK LINK' – Distributing Pray & Post Cards to a group

(Please give name & size): _____

- Setting up a SPEAK group
- Contacting a SPEAK group in my area
- Booking a SPEAK speaker for a group meeting

(Please give name & size): _____

- Working or volunteering for the SPEAK Network Support Team
- Making a donation to SPEAK
- Praying for SPEAK

**SEND TO
Rishi Sunak MP,
Prime Minister,
10 Downing St,
London SW1A 2AA**