

Research to inform policy from the University of York School for Business and Society

# AN INESCAPABLE CRISIS: FUEL POVERTY AND THE PRIVATE RENTED SECTOR

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## Summary

**Households in the Private Rented Sector (PRS) have been especially impacted by the energy crisis.** Some PRS tenants, especially those on low incomes and benefits, have faced homelessness as a result of escalating energy and housing costs, whilst others, higher up the income scale and in full time employment, have shown 'symptoms' of fuel poverty for the first time. This can be attributed to a combination of poor housing conditions, high energy prices and rents, and limited regulation and enforcement within the sector.

**Living in the PRS during the crisis has had significant social, financial, and psychological impacts**, with tenants giving up tenancies, drastically reducing energy use, and making long-term decisions that affect family and relationships.

We emphasise **the need for urgent policy action** to improve PRS energy efficiency and regulation, a move that would benefit public health, social inclusion, and contribute to Net Zero goals.

## Recommendations for policy

1. Address the energy efficiency of the PRS as a matter of urgency.
2. Remove barriers to energy efficiency improvements: Policy changes are needed to encourage sector wide energy efficiency improvements. These should include (but are not limited to) addressing the 'split incentive' issue, where landlords bear the cost of energy efficiency upgrades but tenants benefit from lower bills.
3. Improve understanding of the PRS and the sector's landlords: To enable more nuanced, and better targeted policy, there needs to be better knowledge of the PRS. This includes who landlords are and what properties they own, and recognition that the sector is made up of multiple types of landlord with differing motivations and approaches. The Renters' Rights Bill 2024 plans to introduce a PRS database with mandatory registration for landlords. This is a good place to at least begin this process.

## Context

While fuel poverty research frequently highlights the PRS and private landlords as a key driver, only a few studies have focused directly on it. Further, there is a notable lack of research on the impact of the energy crisis on fuel poverty, despite growing concerns about its reach and severity ([Snell and Pleace 2024](#); [NEA 2024](#)).

Given that a large proportion of fuel-poor households live in the PRS, and the sector is particularly vulnerable in the ongoing crisis, it is crucial to understand how tenants are affected.

## Research design

This research is based on 19 qualitative interviews with tenants living in England in the PRS, and 20 qualitative interviews with experts working in the housing and energy sectors. The expert interviews were conducted during the first stage of this body of work that focused on fuel poverty and homelessness, and the data re-analysed with a specific focus on issues relating to the PRS.

## Findings

### An inescapable crisis

Many of the tenants we spoke to on low incomes or benefits described being “pushed over the edge” by the energy crisis, with no flexibility in their budgets due to rising rents, energy, and food costs. Some had given up their tenancies to avoid eviction or cope with unsustainable rents, opting for house-sharing, moving into HMOs, and informal arrangements such as staying with friends and family.

Our participants described the shock and impact of rapidly rising energy costs, prompting many to take drastic measures to manage their bills. Some households had already made so many cuts that they couldn’t reduce costs further. The mental burden of rising energy and rental costs was reported throughout the interviews. What is notable is that many of these experiences were shared by people in full-time employment, a group typically not considered fuel poor, highlighting the widespread nature of the crisis.

### Negotiating the crisis

Formal fuel poverty support was largely unavailable to tenants who worked, with most ineligible for existing schemes on the basis of their income. As a result, many used strategies to cope, such as reducing energy consumption and seeking additional income through extra work or selling items. Some relied heavily on family and friends, particularly for financial support and free childcare. Moving to a different PRS property was rarely a viable option due to high rents and a lack of trust in private landlords.

### Long reaching consequences

We found that the crisis was having enduring consequences that went well beyond housing and energy issues. Some tenants described delaying starting a family and in one case deciding not to have a second baby as a result of their situation. Others described staying in problematic relationships as they couldn’t afford to split up due to a lack of alternative affordable housing and limited emergency housing services.

### Landlord-tenant relationships

We found significant issues in tenant-landlord relationships. Tenants in lower-end PRS properties faced poor housing quality, with problems like damp, mould, and inefficient heating systems that landlords neglected or refused to fix. In at least one instance a landlord had prevented their tenant from accepting free energy efficiency improvements via a government scheme. Tenants were often reluctant to request repairs or complain due to fears about rent increases or eviction. Concerns were also raised about landlords who did undertake energy efficiency improvements (often via grants) but then increased rents, leaving tenants to bear the financial burden. In many cases tenants told us they preferred to accept substandard living conditions rather than risk further rent hikes or eviction.

## Implications

### A new landscape of fuel poverty

The cost-of-living crisis has changed the fuel poverty landscape. Whilst the crisis has been catastrophic for those on the lowest incomes with evidence of homelessness and other forms of destitution ([JRF 2023](#); [Snell and Pleace 2024](#)), and these effects have been felt relatively quickly, it has also had a more gradual, but exponential reach higher up the income scale ([Hirsch 2024](#); [Keung and Bradshaw 2022](#); [NEA 2024](#)).

It is clear from our work that households in the PRS have been exposed to additional, compounding factors that social rented sector (SRS) tenants are less likely to experience (e.g. rent increases, evictions, disrepair), and tenants in the PRS sector have had limited agency over these issues. Indeed, very few of the tenants involved in our research qualified for the enhanced support made available during the crisis (that was largely tied into low-income benefits) and were left on their own to manage these additional costs.

### The impact of energy efficiency regulation

Many PRS Tenants have experienced the cost-of-living crisis within the context of living in housing with below average energy efficiency. In many cases living in properties that need significant work to upgrade, and that are so expensive to heat that often the only measure available is to ‘switch off’ heating systems. Whilst this is frequently an issue present in households experiencing fuel poverty, the exacerbating factor for PRS tenants to date is that they have less agency over this compared to those living in the SRS who are covered by the Decent Homes Standard, or owner occupiers who have the agency to make changes (assuming of course that they have the resources to do so).

We argue that the limited regulation of the sector in England sits at the heart of this issue, and has become more prominent, and more contentious, as a result of the cost-of-living crisis (see also [Citizens Advice 2024](#); [NEA 2024](#)). Taking energy efficiency standards within the PRS - at the time of our empirical research the previous Government had cancelled plans to introduce a requirement to improve energy efficiency standards within the PRS to EPC C by 2028, perpetuating poor housing conditions. The limited regulation that does exist is subject to loopholes, especially when it comes to setting spending limits for landlords with properties that do not meet EPC E. As we wrote this briefing, the new Government announced a new target of EPC C by 2030, with a consultation opened until May 2025 on how to achieve this. Whilst this should be welcomed, we are concerned about the long timeline.

### Further information

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