

# Debt consolidation experts comment on energy package



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**Press Release Summary: The government's 'energy package' may help some people stay warm and avoid debt this winter, but leading charities agree it does not go far enough to address the immediate financial problems caused by high energy prices.**

Press Release Body: Responding to the government's '£1 billion energy package', debt consolidation experts [Debt Advisers Direct](#) reminded consumers of recent comments by leading charities Help the Aged and the National Housing Federation.

Despite enabling households 'to take advantage of help that could save them over £300 every year on their energy bills', the package met with a lukewarm reception: "Individual changes which have been flagged by the Prime Minister are sensible and move in the right direction," said Mervyn Kohler, Special Adviser at Help the Aged. "However, they are too little, too modest and will take too long to address the urgent plight of many pensioners today."

**The energy package includes:**

- Free loft and cavity wall insulation for some; half-price insulation for others.
- Increased Cold Weather Payments (paid during particularly cold periods) from £8.50 to £25 per week.
- An increased Winter Fuel Payment (either £50 or £100 more).
- Potentially discounted tariffs by the end of the year for 'around 600,000' customers, many of whom will have a price freeze this winter

"The measures announced by Gordon Brown may provide some help, but must be seen in context," a spokesperson for [DebtAdvisersdirect.com](#) commented. "The average annual energy bill is widely expected to be more than £1,400 next year – more than twice what

it was in 2005. While everyone appreciates the importance of long-term improvements to energy efficiency, recent price increases of up to 35% have left many with immediate financial problems.”

To quote from The Press Association website: ‘Soaring energy bills will push one in 10 households into debt with their fuel supplier by the end of next year, experts have warned. The National Housing Federation said hikes in the cost of gas and electricity would force many low-income families to have to choose between heating their homes or eating this winter.’

The right debt solution, however, could help borrowers afford both. “Part of the problem today is the sheer number of price rises we’ve seen in the past year,” said the **DebtAdvisersDirect.com** spokesperson. “Not just energy prices, but others such as food, rent and petrol.”

“People with credit commitments can be hit particularly hard by this – even after they’ve paid their rent / mortgage, food, fuel, etc, they still need to find the money to service their ongoing unsecured debt repayments. In many cases, this is simply impossible, and reducing those monthly debt payments is the only way forward. This is where debt consolidation can make a big difference.”

A [debt consolidation loan](#) is a simple idea. By consolidating multiple unsecured debts into a single, large debt, borrowers can reduce the amount they’re paying each month: “Their monthly repayments may have seemed reasonable when they first took out credit, but the recent increases in basic living costs have dramatically reduced the average consumer’s disposable income.”

Debt consolidation gives borrowers a chance to re-assess their finances and the speed at which they can pay off their debt by calculating how much they can afford to put towards their debts in today’s economic environment. “As with any debt solution, a debt consolidation loan comes with both pros and cons, so it’s vital to seek professional [debt advice](#) before making a decision.”

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