

Fuel Direct

Fuel Direct (also referred to within the Department for Work and Pensions as 'third party deductions from benefit') is an option available to those in receipt of certain benefits – Income Support, Income-based Job Seekers Allowance, Pension Credit or Employment and Support Allowance - and who have an existing fuel debt. It is generally considered a payment method of last resort for customers who qualify and who have major problems in budgeting.

It is necessary to secure the agreement of both the Department for Work and Pensions and the fuel supplier.

Fuel Direct involves the direct deduction from benefit for both current consumption and for debt recovery. A standard debt recovery rate is set at a 'per week' rate although this can double if there are debts for both gas and electricity.

Contact your local Department for Work and Pensions (DWP) for further information.

Advantages:

- ✓ This scheme should protect people from disconnection
- ✓ The scheme ensures that further debt is unlikely (however if the amount set for ongoing consumption is too low for the consumer's usage needs further debt may build up)
- ✓ Unreasonably high debt repayments are avoided – there is a maximum repayment level per debt set by the government
- ✓ The cost of fuel is spread equally throughout the year, as with the regular payment scheme.

Disadvantages:

- Money is taken directly from benefits, which reduces the household's budgeting flexibility.

This payment method suits:

- ✓ Customers who receive benefits
- ✓ Those with a fuel debt
- ✓ Those who have difficulty budgeting or who may forget to pay a bill on time
- ✓ Customers without a bank account.



Suite 4a
Ingram House
227 Ingram
Street
Glasgow
G1 1DA

Tel: 0141 226
3064

Fax: 0141 221
2788

Email:
eas@eas.org.uk

Website:
www.eas.org.uk

*"Working to
end fuel
poverty and
achieve
warm, dry
homes for
all."*