

Payments Council urges older people to prepare finances for a challenging winter

- Less than a quarter of older people are using telephone banking, helping ensure they can safely manage their finances when icy conditions set in. Only 31% of current account holders over 65 use internet banking, compared with 61% of under 65s^[1].
- 84% pay off their credit card in full (more than any other age group)^[2], however about 60% don't clear this bill by direct debits – which can help ensure no late fees and penalties, lower interest rates and potentially avoid any interest charges at all
- 38% have not checked if they are on the best rate for their utility bills in the past year – changing tariff could save in the region of £310 per year^[3]
- Around 40% aren't aware how to reclaim money if they have overpaid a utility company

Now that the last of the Big Six energy companies has hiked its prices, research from the Payments Council shows that UK over-65s could save hundreds of pounds by taking advantage of money management measures that will help them prepare their finances for the winter – including simply changing the way they pay.

It is estimated that for every one per cent rise in energy bills, an extra 40,000 households fall into fuel poverty^[4], and over 3.5 million older people (in 2.8 million households) already live in fuel poverty in the UK.^[5] Every year, more than 30,000 older people die from preventable causes over the winter months, and additional deaths from cold weather contribute to 1 in 20 of all fatalities each year.

To help alleviate some of the additional pressures the cold season brings, the Payments Council, supported by consumer champion Esther Rantzen, has produced a leaflet as part of the Pay YOUR way campaign to help explain the many payment options available and the differences between them simply and clearly.

The research pointed towards many over 65s being savvier than their younger counterparts about some money management measures: with 79% knowledgeable of energy efficiency grants compared with just 57% of the overall population; and 87% having loft insulation compared with 71% of the overall population. However, there were several key areas identified where older people in particular could be saving money and hassle this winter:

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- Around 40% aren't aware how to reclaim money if they have overpaid a utility company

Esther Rantzen CBE, supporting Payments Council's drive to encourage more people aged 65 and over to prepare their finances for the winter, said:

[1] Payments Council data, 2010

[2] UK Consumer Payments 2010 (Payments Council)

[3] Energyhelpline.com

[4] Fuel Poverty Advisory Group

[5] Age UK

[6] Payments Council data, 2010

[7] UK Consumer Payments 2010 (Payments Council)

[8] Energyhelpline.com

“The winter can be a particularly difficult time for people financially. Christmas is coming, fuel bills are higher than ever this year and older people in particular are vulnerable to fuel poverty and a heightened risk of falling ill. But it doesn’t need to be a time for worry. If every single one of us is well-informed about being prepared for the winter financially, we can make choices that will help us survive the winter – and save time, money and hassle at the same time.”

Sandra Quinn, Payments Council Corporate Communications Director said:

“Getting a flu jab isn’t the only thing older people should think about to prepare for winter, you should also think about protecting your finances too; that’s why we’re urging people to go to our website (www.payyourway.org.uk) to find out more.”

Find out more about how to prepare yourself financially for the winter and about the range of payment methods available to you by visiting the Payments Council's website www.payyourway.org.uk or contact your bank to find out how to get started with telephone and internet banking.

You can pick up a Pay YOUR Way leaflet from your local Citizen’s Advice Bureau.

For further information, or to arrange an interview with a spokesperson, please contact Georgie Easton or Jacqueline Culleton on 020 7403 2230 or email georgie@forster.co.uk / Jacqueline@forster.co.uk

- 1 Fuel Poverty Advisory Group
- 2 Age UK
- 3 Payments Council data, 2010
- 4 UK Consumer Payments 2010 (Payments Council)
- 5 Energyhelpline.com

ABOUT THE PAYMENTS COUNCIL

The Payments Council is the body with responsibility for ensuring that payment services work for all those that use them in the UK. This unique role ensures that we listen to a wide range of stakeholders to drive innovation in payments and implement change so that individuals and businesses have access to payments for their current and future needs. We are, by nature, a collaborative body so we work with the financial institutions in the payments industry as well as listening to the voices of our external stakeholders. The Payments Council has three core objectives: to have a strategic vision for payments and lead the future development of co-operative payment services in the UK; to ensure payment systems are open, accountable and transparent; and to ensure the operational efficiency, effectiveness and integrity of payment services in the UK.

The Payments Council was set up in March 2007 and currently there are 30 members; the Board has 11 industry representatives, four independent Directors and an independent Chairman. The principal UK payment schemes – Bacs, CHAPS and Cheque & Credit Clearing Companies, LINK ATM Scheme as well as the Belfast Bankers' Clearing Company Limited – have all entered into a contract with the Payments Council to set out their respective rights and duties. Under the contract, schemes are required to report regularly and the Payments Council Board is able to make decisions that are binding on scheme members in order to implement its strategy. Payments Council also has 23 associate members.

For more information visit www.paymentscouncil.org.uk

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