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This is the inaugural **'Household Premiums Report'**, commissioned by the Keep Me Posted campaign and conducted by the Centre for Economics and Business Research (CEBR). The research, which is based on a range of official statistics, aims to establish the financial impact to consumers who do not use the internet to purchase household goods and services.

Keep Me Posted is a campaign group of over 50 charities and consumer groups calling on Government, regulators and businesses to protect the consumers' right to choose, without charge, how they receive important financial information and statements from their service provider.

OFFLINE HOUSEHOLDS PAY £440 MORE PER YEAR

- **Households who do not use the internet pay an average of £440 more a year for their goods and services, equivalent to 4.4 per cent of their average household income**
- **This equates to 5.4 per cent of the average household income for older people aged 65 plus and the most vulnerable people in society***
- **Households that cannot take advantage of lower energy and telecoms tariffs for switching to online-only services miss out on a potential annual saving of £139**
- **7 million people in the UK have never used the internet, with the vast majority (72 per cent) being the poorest 10 per cent in society**
- **Almost half (48 per cent) of those 65 years of age and over have never used the internet**

Digital divide equivalent to £440 a year for consumers who do not use internet

Research published today by the Centre for Economics and Business Research (CEBR) reveals that households that do not use the internet pay, on average, £440 more a year for goods and services. This represents 4.4 per cent of their average household income and rises to 5.4 per cent for the poorest 10 per cent in society, typically the elderly and vulnerable. This occurs because consumers who do not have access to or are unable to use the internet, cannot benefit from the savings often available when purchasing goods and services online (Notes to Editors: Table 1).

Internet access has almost doubled over the past decade, with the number of users increasing from 46 per cent of the UK population in 2003 to 83 per cent in 2013. However, there are still seven million people in the UK who have never used the internet; this includes an estimated five million people who are elderly or vulnerable.

Older people aged 65 plus and the most vulnerable* lose 5.4 per cent of household income in higher 'offline' costs

The report establishes that it is the UK society's poorest and oldest that are most affected by higher offline costs. Of the seven million people who have never used the internet, 72 per cent (five million people) are in the UK's lowest average household income band, receiving £128 or less each week.

Lower online energy and telecoms tariffs account for potential annual savings of £139

Households that cannot take advantage of lower energy and telecoms tariffs including discounts for giving up paper statements and incentives only available to those who manage their accounts online miss out on a potential annual saving of £139.

The lower pricing associated with online accounts, is often unavailable to those who manage their household bills 'offline'. The same restrictions commonly apply to customers who either choose to pay by cash or cheque and those who because of their circumstances have a pre-payment tariff or meter arrangement with their utility provider.

The CEBR study shows that the biggest average saving from buying a product online was found to be communications services, which offer savings of around 30%, or £88 on average when bought online.

The issue is brought to life in a recent report published by the Nationwide Foundation in conjunction with Sliced Bread**. One of the featured case studies highlighted the financial impact that paying for paper bills can have in a low income household:

“Yeah, you get charged for paper bills. So if you haven't got a direct debit, for [cable services provider] it's like £2 [per month] for a paper bill... which I know it's only £2 but it all adds up at the end of the day.”

“When you’ve got five or six of them at £2, that’s a weeks shopping when you’re on benefits, you know.”

Judith Donovan CBE, Chair of Keep Me Posted campaign said: “Much progress has been made in ensuring that as many of us as possible can access the internet and the economic and social benefits it undoubtedly offers. However, the digital divide remains a big problem.

“A significant number of people have never, and probably will never, access the internet. Yet, this is where the impact on household budgets is the greatest. For example, the elderly and most disadvantaged in our society are typically out of pocket by around 5 per cent of their household income. It is clear that, whatever your household income, there is cost for those who manage their affairs ‘offline’, be that through choice or circumstance. The Keep me Posted campaign is call on service providers to give their customers the choice of receiving their bills and statements on paper at no extra charge”

Ends

The Keep Me Posted campaign is calling for organisations to offer consumers the right to choose by adopting the campaign's six point 'right to choose' charter, pledging to:

- **Offer all customers the right to choose paper bills and statements**
- **Ensure there is no charge for choosing to have paper bills and statements**
- **Only take away paper bills and statements after the customer agrees**
- **Only change the frequency of paper bills and statements after a customer agrees to the change**
- **Ensure customers are not denied online access if they choose paper bills and statements**
- **Allow customers who have moved to online billing to move back to paper without charge**

Editor's Notes:

*Vulnerable households have been defined for the purpose of this research as those in receipt of at least one of the principal means tested or disability related benefits'. These means-tested benefits include income support, housing, disabled and child benefits.

Table 1: Average 'offline premium': money that could be saved when buying goods and services online

Income Decile	'Offline premium': money that could be saved online (£)	Gross saving as a proportion of income (%)
10%	360	5.4%
20%	470	4.3%
30%	620	4.0%
40%	720	3.5%
50%	860	3.4%
60%	900	2.8%
70%	1040	2.7%
80%	1280	2.7%
90%	1450	2.3%
100%	2040	2.5%

Table 2: UK citizens who have never used the internet broken down by income decile

Income Decile	Never used the internet	% of total
10% (including people who are economically inactive, and the unemployed)	5,073,800	72.3%
20%	702,600	10.0%
30%	380,900	5.4%
40%	414,800	5.9%
50%	248,300	3.5%
60%	135,400	1.9%
70%	39,500	0.6%
80%	8,500	0.1%
90%	5,600	0.1%
100%	5,600	0.1%
Total	7,015,000	100%

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BROADCAST SPOKESPERSON AVAILABLE

Judith Donovan CBE, Chair of the Keep Me Posted campaign, is a Yorkshire businesswoman who is currently Chair of the Strategic Mailing Partnership and the Eden Project, having previously been Vice Chair of Postwatch and Chair of the Direct Marketing Association. She has also been a Millennium Commissioner and a non-exec Director of the Health and Safety Executive.

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