

Rt Hon. Claire Coutinho MP
Secretary of State for Energy Security and
Net Zero
55 Whitehall
London
SW1A 2HP

From: Sarah Cardell
Chief Executive

25 March 2024

Dear Secretary of State,

Competition and consumer interests in the home heating market

Thank you for your letter of 14 March and for our conversation on 31 January where we discussed your concerns regarding the home heating market.

The CMA's work to date, especially over the last two years, evidences our commitment to taking action to contain cost of living pressures and to help accelerate the UK's transition to a net zero economy. The CMA has, as you note, already taken forward work on [consumer protection in the green heating and insulation sector](#). This led to our [report](#) identifying some of the key concerns from a consumer protection perspective; a [consumer guide](#); and a set of [good practice principles](#) for standards bodies. We have also launched a consumer protection [investigation](#) into Worcester Bosch over concerns that it may be misleading people in its marketing of its home boilers as 'hydrogen-blend ready'. We have additionally written to other businesses in the sector to warn them that they could be in breach of consumer protection law, and to remind them of their legal obligations.

Your letter asks the CMA to consider carrying out a review of competition in the home heating market. Given the many factors at play in this market – some of which you outline in your letter – such work would normally be undertaken using our markets tools, which are used to consider why particular markets may not be working well. Markets work is resource-intensive and takes time to complete. For example, market studies can take up to 12 months and market investigations up to 18 months. In deciding whether to initiate such work, we would consider the priorities set out in our [Annual Plan 2024-25](#), and our prioritisation principles, both of which

help to ensure we direct our finite resources to where they will have greatest impact for people, businesses and the wider economy. The decision to initiate market studies and investigations is reserved to the CMA Board.

With this in mind, we will review your request carefully and consider potential work in this area alongside potential work in other priority markets for potential initiation during the second half of the year. This timing reflects the CMA's already extensive portfolio of current work. In markets, this includes the recent launch of a market study into infant formula, and an ongoing consultation on a market investigation reference into the veterinary services market.

Any potential work in this area would need to account for the important role of government in shaping conduct and outcomes in the green heating sector, in line with its policy objectives. Accordingly, it is likely that the output of any CMA work would include recommendations back to government to address any relevant issues that may be identified.

Thank you for extending the support of your officials. We welcome continued engagement with them on these issues.

Yours sincerely,

Sarah Cardell
Chief Executive