



Department for
Energy Security
& Net Zero

Warm Home Discount

Government Response to: Expanding the Warm
Home Discount Scheme 2025 to 2026

Acknowledgements

DESNZ would like to thank all stakeholders who took part in the Expanding the Warm Home Discount Scheme 2025 to 2026 consultation and provided their views on the proposals.



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Ministerial Foreword

It is now over three years since Russia's invasion of Ukraine, and the British people continue to pay the price of our country being exposed to fossil fuel markets controlled by petrostates and dictators. As a result, wholesale gas prices have risen to their highest level in two years.

Every day we remain stuck on gas is another day families, businesses and, indeed, the public finances are at risk from these kinds of price spikes. That is why sprinting to home-grown, clean energy is the only way to end our exposure and our vulnerability as a country. In the meantime, we are determined to do all that we can to protect people.

We want to provide greater help to the most vulnerable in time for next winter. The Warm Home Discount currently gives around 3 million families a £150 rebate on their energy bills. The current system provides help to some of those on means-tested benefits but excludes millions of people in homes not classified as hard to heat, as a result of criteria introduced by the last Government in 2022. These criteria mean there are families in almost exactly the same circumstances with some receiving help and others not.

That is why we consulted on proposals to abolish this restriction, meaning all households receiving means-tested benefits would be eligible for bill support next winter - from 3 million families in the current system to more than 6 million with these proposals, so that one in five families in Britain could get help with their bills, including an additional 900,000 families with children and a total of 1.6 million households in fuel poverty.

This Government is determined to do everything in our power to help people struggling to pay their energy bills and support the most vulnerable in our society. That is why we are working closely with Ofgem to accelerate proposals on a debt relief scheme that will support households that have built up unsustainable energy debt through the crisis and have no way of paying it. This will be an important first step to cut the costs of servicing bad energy debt, and, under these plans, the target would be to reduce the debt allowance paid by all bill payers to pre-crisis levels.

We are also continuing to push forward our plans to upgrade homes, transforming our ageing building stock and helping people find ways to save money on energy bills. Through our Warm Homes Plan, we are investing £13.2 billion in line with the Manifesto commitment, this includes an initial £3.4 billion to support heat decarbonisation and household energy efficiency over the next 3 years, including support to tackle fuel poverty. As part of this, we have allocated £1.29 billion funding under the Warm Homes: Social Housing Fund, and £500 million under the Warm Homes: Local Grant to install energy efficiency upgrades and low carbon heating to low income, social and private homes across England. In line with the Warm Homes Plan, this investment supports the electrification of heat as a key pathway to decarbonisation. We are also working to ensure that landlords invest in energy efficiency upgrades that will make homes warmer and bring down costs for tenants, lifting people out of fuel poverty and helping to give them the security and comfort of a home they can afford to heat.

This Government is moving at speed to deliver clean power by lifting the onshore wind ban in England, consenting nearly 3 GW of solar, setting up Great British Energy, delivering a record-breaking renewables auction, making it easier to build the next generation of new nuclear power stations, and implementing the reforms to the planning system, the grid and renewables auctions set out in our Clean Power 2030 Action Plan.

This Government will do whatever it takes to stand up for working people, now and in the future, protecting families and businesses from the consequences of global events, driving

Warm Home Discount: Expanding the Warm Home Discount Scheme, 2025 to 2026

forward our plans to bring down bills for good and doing everything in our power to support those most in need.

Contents

Ministerial Foreword	3
Contents	5
General information	6
Purpose of this consultation	6
Quality assurance	6
Executive summary	7
Overview of the proposals	7
Consultation responses	8
Conclusion and next steps	10
Consultation questions and government responses	11
Summary of responses (question 1)	11
Summary of responses (question 2)	14
Summary of responses (question 3)	15
Government response (to questions 1-3)	16
Summary of responses (questions 4-6)	18
Government response (to questions 4-6)	19
Summary of responses (question 7)	20
Summary of responses (question 8)	21
Summary of responses (question 9)	22
Government response (to questions 7-9)	23
Conclusion and next steps	24

General information

Purpose of this consultation

This document sets out the UK Government response to the consultation: Expanding the Warm Home Discount Scheme 2025/26, which ran from 25 February to 24 March 2025. The consultation sought views on expanding eligibility and increasing the spending in the scheme to further support to those on the lowest incomes and most at risk of falling into fuel poverty, to ensure that the scheme continues to deliver help to those who need it most.

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Consultation reference: Expanding the Warm Home Discount Scheme 2025/26.

Quality assurance

This consultation has been carried out in accordance with the government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

Executive summary

Overview of the proposals

The Warm Home Discount makes a key contribution to the Government's statutory duty to reduce fuel poverty, providing direct energy bill support for households in, and at risk of falling into, fuel poverty. Under the proposals consulted on, we would expand this support, reducing energy bills for those newly in receipt of the rebate helping with the cost of living for millions more households and preventing fuel poverty.

In England and Wales, under the current eligibility criteria, households are eligible if the person named on the energy bill (or their partner or legal representative) are:

1. In receipt of the Guarantee Credit element of Pension Credit (Core Group 1); or,
2. In receipt of a means-tested benefit **and** live in a property assessed to have a high-cost to heat score (Core Group 2),

all on the qualifying date for that scheme year.

Whilst Core Group 1 applies in the same way across Great Britain, in Scotland there is no Core Group 2. Instead, households outside of Core Group 1 apply through their suppliers who are responsible for administering the scheme, including managing the application process and communications with customers. This Group in Scotland is called the Broader Group.

We consulted on removing the high-cost to heat threshold that is currently applied to those on means-tested benefits and, in Scotland, proportionally increasing the size of the scheme so more households on means-tested benefits can receive support through their energy supplier's scheme. We estimate this could bring 2.7 million more households into the scheme.

Across England, Wales and Scotland, energy suppliers provide additional support through Industry Initiatives, which are energy-related and financial measures that suppliers can deliver to their own customers or working with industry partners. These measures include energy efficiency measures, energy advice, boiler and central heating replacements, financial assistance payments, debt write-off, and benefit entitlement checks.

Industry Initiatives also fund support for people living in park homes at risk of fuel poverty, through the Park Homes Warm Home Discount Scheme. **We consulted on allowing other types of households without a direct relationship with an energy supplier to receive support through the Park Homes Warm Home Discount Scheme.**

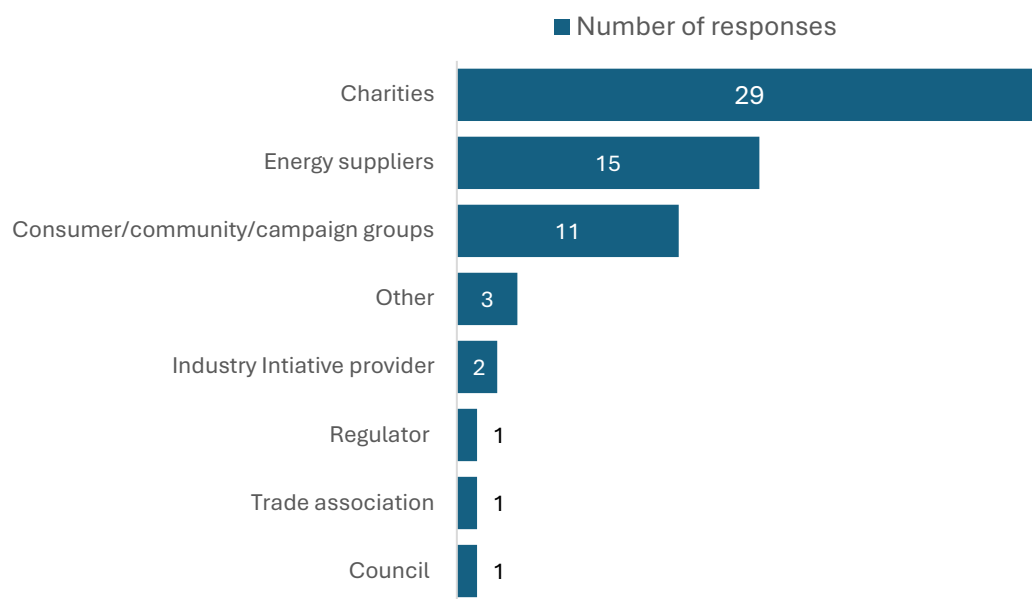
Consultation responses

The consultation was published on Gov.uk and ran from 25 February to 24 March 2025.¹ We received 122 individual responses to the consultation (see Table 1). Responses were received from 63 organisations, as listed in the Annex. This included 15 from energy suppliers and 40 from charities, community and consumer bodies (see Figure 1). There were also 59 responses from members of the public.

Table 1: Consultation respondents

Types of respondents	Number of respondents	Proportion of total
Individuals	59	48%
Organisation	63	52%
Total	122	

Figure 1: Number of responses by organisation type



*Where "Other" includes an advice service, a non-departmental public body and a postal service.

¹ Expanding the Warm Home Discount Scheme, 2025 to 2026

<https://www.gov.uk/government/consultations/expanding-the-warm-home-discount-scheme-2025-to-2026>

This document summarises the responses for each question, grouped where relevant, and outlines the Government's response.

There was general support for the Government's proposals to:

- **In England and Wales, remove the high-cost to heat threshold that is currently applied to those on means-tested benefits** - however, there were concerns raised, particularly by energy suppliers, about the timing and practicalities of bringing new Regulations to make this policy change midway through a scheme year and so close to the scheme opening for winter 2025/26.
- **Allow households without a direct relationship with an energy supplier to receive support through the Park Homes Warm Home Discount Scheme** – while there was strong support for making the scheme accessible to those without a direct relationship with an energy supplier (98% of those who responded to the question, agreed), 78% of those who responded disagreed that this extension could be done within the existing Industry Initiatives budget.
- **In Scotland, proportionally increase the size of the scheme so more households on means-tested benefits can receive support through their energy supplier's scheme** – the majority of respondents were in favour of implementing this proposal, although the majority of energy suppliers who responded anticipated challenges or had concerns with expanding funding through the broader group in this way. Most respondents would like to see one GB-wide scheme from winter 2026/27.

Conclusion and next steps

The Government has reviewed the consultation responses, and our conclusions are:

- **In England and Wales, proposal to remove the high-cost to heat threshold that is currently applied to those on means-tested benefits** - Given broad support, the Government intends to proceed with this proposal.
- **Proposal to allow households without a direct relationship with an energy supplier to receive support through the Park Homes Warm Home Discount Scheme** – Given the concerns raised about the impact of pressure on the existing Industry Initiatives budget the Government has decided not to proceed with this proposal for winter 2025/26.
- **In Scotland, proposal to proportionally increase the size of the scheme so more households on means-tested benefits can receive support through their energy supplier's scheme** – given the general support for this, the Government intends to proceed with this proposal.

The Government will lay regulations for the scheme to be extended in England and Wales and for the budget for the Scottish Broader Group to be increased proportionately for winter 2025/26. These reforms will take place from the date the new Regulations come into force (likely September 2025), so that households will receive their rebates over the winter.

Consultation questions and government responses

Consultation questions

- 1 The high cost to heat threshold currently means that the scheme for those on means tested benefits is limited to those with the highest costs of heating. Taking account of the cost to bill payers from expanding the scheme, do you agree that we should remove the high cost to heat threshold, so that as many households on means tested benefits as possible receive the WHD?

Responses: Agree: 95%

Disagree: 5%

Summary of responses (question 1)

The majority of organisations that responded (95%) were broadly supportive of the proposals to expand eligibility by removing the high-cost to heat threshold, though several energy suppliers did raise concerns around the timing of the consultation and potential delivery issues this may cause.

Limitations of the current scheme

Several respondents who were supportive of the proposals to expand the scheme provided comments on the inadequacies of the current scheme to support the need for change. These included:

- The current scheme is delivering support to only a minority of low income households.
- The current high-cost to heat threshold criteria does not consider current property condition or how the person may live in their home and their energy needs.
- Deeming a property high-cost to heat means that smaller properties are generally not eligible, so there is a perception that those with the lowest incomes are being excluded because they can only afford smaller homes.
- The algorithm that calculates the high-cost to heat threshold uses housing data that may be out-of-date or not take in to account the condition of insulation and building elements that affect how high heating costs may be in reality.

Merits of implementing the proposal

Several suppliers considered that implementing the proposed expansion by removing the 'high-cost to heat threshold' is likely to be a relatively straightforward way to achieve wider reach, given the timescales involved. The majority of respondents agreed that the proposal will enable a greater number of lower income households to access energy bill support over winter

2025/26 which is welcome given that many of their customers are continuing to struggle with high energy costs.

Several energy suppliers commented about the complexity of the high-cost to heat threshold and how recipients see it as unfair that one year they could receive a rebate, yet in another year they may not because the threshold was raised, despite their personal circumstances not changing. Removing the high-cost to heat threshold would therefore make the scheme fairer and more consistent, as well as making it much easier for customers to understand whether they are eligible for the scheme and would reduce the need to contact the WHD Helpline. It was also stated that it would make it easier for suppliers to advise their customers on eligibility and make the scheme simpler to deliver and administer, which is particularly important for smaller suppliers.

Several charities and consumer groups commented that the proposal would help more vulnerable elderly people, who currently struggle to afford to heat their homes. Currently those in receipt of the Savings Credit element of Pension Credit and not the Guarantee Credit element and who live in a property deemed low-cost to heat are not eligible for the rebate. Many respondents commented that removing the threshold and bringing in this cohort was a positive and necessary step.

Likewise, several charities and consumer groups supported the proposal because it would allow more low income households with children to benefit from the rebate, as well as many families in general who currently miss out on support, helping address the gap in support for low income, vulnerable working age households. One respondent pointed out the additional benefit that the proposal would take more households out of fuel poverty, allowing them to heat their homes more sufficiently thereby reducing those households' susceptibility to cold related diseases, improving social outcomes and potentially reducing associated cost burdens on the NHS.

Concerns raised about the proposal

While the majority of respondents agreed with the proposal to remove the high-cost to heat threshold, there were concerns raised.

Some stakeholders raised concerns that the proposed changes do not go far enough to support households next winter. For example, for those already in receipt of the rebate, the proposed changes will provide no additional support. Additionally, fuel poor households not in receipt of means-tested benefits would not receive support. Where these households were on a default tariff covered by the price cap, they would pay towards the price cap allowance for the Warm Home Discount without being direct beneficiaries.

Several respondents were concerned that relying solely on means-tested benefits to determine eligibility effectively excludes many households that are financially struggling, but do not qualify for, or claim, these benefits. One supplier stated that with over a third (37%) of fuel poor households not in receipt of a means-tested benefit, there will still be a sizable percentage of fuel poor households who miss out on WHD support.

There were concerns that the current scheme's design is not sufficiently targeted at fuel poor households and the proposed extension to remove the high heat threshold could make this worse. One supplier commented that, whilst the reach of the expansion for winter 2025/26 would potentially increase by 44% (3.4m to 6.1m households), only around 500k of these households (18%) are estimated to be fuel poor (by the LILEE definition). Therefore, the number of fuel poor households benefitting would be proportionally less than non-fuel poor households. However, other respondents noted that this dynamic did not apply to alternative definitions of fuel poverty, for example the 10% metric (households spending more than 10% of

their income after housing costs are considered as being Fuel Poor), which is preferred by some fuel poverty and consumer advocates.

Several charities and consumer groups raised that some people may require additional heating as a result of a disability or health condition, but that this would not be considered in the eligibility criteria. Among these responses, some called for disability benefits (Disability Living Allowance, Personal Independence Payments, and Attendance Allowance) to be included in the criteria. A couple of charities called for people with terminal illnesses to be automatically eligible for a rebate. Concerns were also raised about the Government's recently announced health and disability benefit reforms, which may further exacerbate the challenges faced by this cohort. They felt that only using means-tested benefits could risk overlooking vulnerable households who may not qualify for means-tested benefits but still face high heating costs.

Several energy suppliers raised concerns about the timing of the consultation, because bringing new Regulations in midway through the scheme year would leave little preparation time for suppliers and the wider industry, as well as challenges in relation to the auditing requirements and with the management of customer applications. Several suppliers were also concerned that they would have additional administration costs in managing the scheme.

There were also concerns about the implications the additional cost of the proposal would have on fixed tariffs. Where those tariffs have already been agreed, suppliers would not be able to incorporate the additional cost. This would potentially mean that fixed tariff prices going forward would have to be made more expensive to account for the increase, which would reduce customer choice. To avoid this, it was suggested that the Government should ensure that suppliers can recover the costs of this expanded scheme by facilitating its inclusion in the price cap within the scheme year rather recovering it in April 2026.

Summary of individual responses

There was widespread support (86%) for removing the high-cost to heat threshold, with many individual respondents agreeing that this change would benefit more households on means-tested benefits. Additionally, there is a strong sentiment that the scheme should be expanded to include all pensioners, not just those on pension credit.

Many respondents thought that the high-cost to heat threshold was flawed, because it only uses data provided by the Valuation Office Agency and may be inaccurate or out-of-date and doesn't consider high heating costs due to poor insulation or reliance on more expensive electric heating. Several respondents also commented that the high-cost to heat threshold is not fair and they felt unfairly penalised because it excludes poorer households with smaller homes which are deemed low-cost to heat. It was suggested that a fairer assessment method could be implemented, with many advocating for evaluations based on actual energy usage and income data rather than the housing structure data.

It was also stated by several individuals that increased costs on bills resulting from the expansion may push edge-case households (those whose income is just above the threshold to receive a means-tested benefit) into greater need.

Several respondents emphasised the importance of considering the struggles faced by single parents, those with chronic diseases and people with disabilities and specific medical conditions that necessitate higher energy use, in managing their heating costs.

Consultation question

- 2 If you think we should keep the high-cost threshold, do you have any evidence to suggest what an appropriate level could be to ensure that households who need support do not miss out on the WHD while managing the cost for other bill payers?

Responded 24% of organisations, 59% of individuals

Summary of responses (question 2)

Two respondents commented that they did not think the expansion of the WHD through the removal of the high-cost threshold would be the most impactful way of improving the scheme but instead would prefer to see the rebate doubled for existing recipients. They also raised concerns that this might be a 'once-only' event, given that the Regulations expire after winter 2025/26, stating that it would cause confusion with customers if the eligibility criteria were relaxed next winter and then re-engineered in the following year under the new regulations, resulting in some customers receiving the rebate just for one year. There was the view that energy affordability should be reviewed holistically, to ensure those consumers who are most in need of the support receive it, rather than just those on means-tested benefits.

One respondent commented that, if the high-cost to heat criteria were to remain, then the methodology should be improved by utilising Energy Performance Certificates to measure the fuel affordability of a household rather than data from the Valuation Office Agency.

Summary of individual responses

There was widespread opposition to maintaining the high-cost to heat threshold within individuals, with many respondents arguing that it is discriminatory and restricts access to support. Some stated that the threshold fails to account for individual circumstances, such as the type of heating and the design of the property, which can significantly affect heating costs, and instead the threshold should be based on the energy efficiency of the home.

Suggestions for alternative threshold levels include setting it at 15% over the average use or defining a high cost as paying more than £600 per year for energy usage. Several respondents agreed that eligibility should be based on income-related benefits rather than a high-cost threshold or that households with members receiving disability benefits should be prioritised.

Some respondents indicated they lack sufficient knowledge about the high-cost threshold to comment, while others were uncertain or did not have a view on the matter.

Consultation question

- 3 Specifically for energy suppliers: do you foresee any practical challenges or have any delivery concerns with expanding the spending target in this way, for this group of customers to this timeline?

Energy suppliers who responded	12	80%
Energy suppliers who did not respond	3	20%
Total energy suppliers	15	

Summary of responses (question 3)

All energy suppliers who responded to this question anticipated practical challenges or delivery concerns with expanding the spending target in this way.

Recovery of Additional Spend/Financing of Expansion

A significant majority of suppliers raised concerns about financing the expansion. Eight suppliers/trade bodies specifically referenced the need to recover the costs of an expanded scheme during delivery, rather than from the April 2026 price cap. It was also noted that potential expansion aligned with the proposed Ofgem debt relief scheme, with suppliers potentially having to carry the costs for both until spend could be recovered.

Several suppliers proposed factoring the costs of the expansion into the price cap as early as possible (July or October 2025). However, it was noted by several suppliers that some fixed rate tariffs have already been sold without factoring in the increased levy, and accruing the cost of expansion before April 2026 might lead to higher fixed tariffs in the future due to policy uncertainty risk premiums. It was suggested that the government could provide a bridging loan to suppliers until April 2026 or proactively stagger customer payments across the delivery window.

A further concern raised was that suppliers with a significantly larger proportion of customers eligible for the rebate than their market share may have cashflow problems until reconciliation takes place in March 2026.

One supplier requested that the reconciliation timeframe be specified at the start of the scheme year, while another suggested an initial reconciliation to take place before the first rebates are issued for winter 2025/26, while another requested an interim reconciliation before December 2025.

One supplier referenced the pressure on budgets caused by the need for additional staff, while a smaller supplier emphasised that financial concerns were particularly acute for smaller suppliers who might need to upgrade their systems without the certainty of having regulations in place.

Communications

Several suppliers stated the need for clear communication between the Department and suppliers, and with customers, if the expansion went ahead, with requests for an FAQ document to be included on gov.uk. Several highlighted the risk of supplier resources being further stretched if there was confusion from customers about the expansion.

Timelines/Resourcing/Administration

The majority of suppliers were concerned about the tight timeline for the changes, and consequent resourcing and administration challenges, including increased workloads/a lack of time to train staff. While a few suppliers mentioned that they felt their systems could cope with the increased number of eligible customers, some noted that the expansion would mean greater administrative burdens. Two suppliers emphasised the need for sufficient lead time and the need for a 'realistic implementation window', for example moving the scheme start and end dates to the summer.

Generally, the need for clarity on the changes as soon possible was emphasised, with one supplier stating that a decision on expansion would be required by the end of July.

Data

One supplier mentioned the need for better data sharing between suppliers, government departments, Ofgem and the WHD Helpline, while another stressed the need for 'accurate, real-time data sharing' between these organisations. One supplier mentioned the need for DESNZ to share as much data on the number of recipients, likely allocation, and approach to Industry Initiatives as possible up front.

Other Responses

Three organisations who were neither energy suppliers nor trade bodies responded to the question. They stressed the need for good communication, working alongside third-sector organisations, that delivery partners must be able to demonstrate significant scale and reach to effectively manage the increased scope of the expansion to reach communities across the UK.

Government response (to questions 1-3)

The Government has considered the responses and, in view of the feedback and overall support for these reforms, has decided to proceed with implementing the proposal to remove the high-cost to heat threshold. This will bring an estimated 2.7 million more households into the scheme for winter 2025/26.

While the current scheme provides help to some of those on means-tested benefits, it excludes millions of people in homes not classified as hard to heat. Evidence provided to this consultation suggested that the current methodology leaves families in almost identical circumstances with some receiving help and others not. It also excludes many households in smaller properties because their home is not classified as high-cost to heat.

We note that expanding the scheme this way is not the perfect solution, because not every fuel poor household is in receipt of means-tested benefits, and because as the scheme expands to more households, the efficiency with which fuel poor households are targeted will reduce and those cliff-edge households just miss out on additional help. However, the expansion would still increase the number of fuel poor households reached by the scheme from 1.1 million to 1.6 million². On balance, while this isn't perfect, we believe this proposal goes a good way to support households in, or at risk of, fuel poverty for next winter while we continue to explore ways to improve the design of the scheme beyond the current regulations which expire in 2026.

² Note: estimates of numbers of fuel poor households in scope of the WHD (and the proposed expansion) have been revised down since the consultation document was published, as the latest [fuel poverty official statistics](#) showed a lower overall rate of fuel poverty.

The Government's objective is to focus support towards those on the lowest incomes and in or at greatest risk of fuel poverty, while balancing the impacts on other consumers. Disability benefits are not means-tested and so are not an indicator of being on a low income. Supporting everyone on disability benefits would make the scheme more expensive and would increase the risk of a meaningful net increase on other households' bills.

That said, expanding the scheme to all means-tested benefits could result in a significant share of disability recipients being eligible for a rebate; analysis of DWP's benefit statistics on Stat-Xplore³ suggests that over 40% of people on disability benefits are also on means-tested benefits. Analysis suggests that the excluded group of households receiving a disability benefit are less likely to need support with their energy bills than the cohort targeted by the proposed expansion. The official Fuel Poverty statistics show that 13% of DLA / AA / PIP receiving households who do not receive a means-tested benefit are fuel poor, compared to 23% of all households receiving a means-tested benefit⁴.

Those on disability benefits will continue to be supported through Industry Initiatives, which include financial assistance payments. Suppliers are required to report to Ofgem the estimated value and proportion of their Industry Initiatives spending that supports fuel poor households where someone has a disability or significant health problems.

The Government has considered the issues raised by suppliers around the practical challenges and delivery concerns, particularly with the tight timeframe involved in the proposed expansion.

To ensure we can issue the increased number of rebates next winter, we will make an amendment to the England & Wales Regulations, to allow rebate notices to be issued to suppliers after 1 March 2026 (current Regulations do not allow a rebate notice to be given to an energy supplier after 1 March 2026). We believe extending this period to 31 March 2026 would allow sufficient time for suppliers to make those payments, without extending the scheme beyond the current expiry date of the regulations.

The Government will continue to work closely with energy suppliers on communications and data and to minimise practical challenges so delivery can be achieved as smoothly as possible for winter 2025/26. We will provide an FAQ document about how the changes will be implemented. We are also working with Ofgem to ensure that suppliers will be able to recover costs in a suitable timeframe.

Consultation question

- 4 Do you agree that the Park Homes Warm Home Discount Scheme should be broadened to include other household types where bills are not paid directly to an energy supplier?

Organisation responses: 46	Agree: 98%	Disagree: 2%
Individual responses: 43	Agree: 78%	Disagree: 8% (14% didn't know)

³ <https://stat-xplore.dwp.gov.uk/>

⁴ Based on Tables 34a and 34b of the 2024 fuel poverty detailed tables - see [Fuel poverty statistics - GOV.UK](#)

Consultation question

5 Who should this be broadened out to (for example, housing association/private tenants supplied via a landlord, houseboats at residential moorings, travellers on authorised fixed sites)?

Consultation question

6 Do you agree that this extension should be done within the existing budget for the Park Homes Warm Home Discount Scheme?

Organisation responses: 40	Agree: 22%	Disagree: 78%
Individual responses: 40	Agree: 37%	Disagree: 29% (34% didn't know)

Summary of responses (questions 4-6)

The majority of organisations supported broadening the Park Homes Warm Home Discount (WHD) Scheme to ensure fair access to affordable heating for all household types, particularly those who do not pay bills directly to an energy supplier. However, there were strong concerns about the impact on existing initiatives that have effectively reduced fuel poverty, and the administrative challenges of managing the expanded scheme, including potential financial implications for landlords.

Budget considerations were a significant factor in responses, with calls to increase funding to accommodate expanded eligibility without reducing support for existing services. There were also worries about increased fraud risk due to the lack of a central database shared across suppliers. It was felt that operational challenges, such as meeting minimum spend targets and ensuring timely implementation, needed to be addressed if this proposal was to progress.

Overall, while there was strong support for broadening the scheme, responses flagged that it would be essential to address funding, logistical, and compliance concerns to ensure effective implementation.

Concerning who the scheme should be broadened to, the majority of respondents supported broadening the Park Homes WHD Scheme to include various household types where bills are not paid directly to an energy supplier. Examples provided included tenants (both housing association / social and private) on sub-metered systems, private wire networks or communal energy contracts, houseboats, travellers on fixed sites, and vulnerable groups in hostel accommodation. Additional groups suggested for inclusion were households in some caravans or mobile homes that are outside of the current scheme, care homes, flats in commercial properties, and those using alternative fuels or off-grid energy sources.

Concerns and considerations included the potential impact on existing Industry Initiatives that provide long-term support beyond one-off payments, the need to avoid rushing the change to allow sufficient time to establish new initiatives, and the importance of fraud prevention measures to prevent duplicate rebates and ensure proper verification. There was also a suggestion that the rebate (in all cases, not just for the Park Homes WHD Scheme) should be

paid through the benefit payment system to avoid excluding those without a residential address or direct energy supplier relationship. One response noted that given the timescales, delivering an expanded Park Homes WHD scheme for winter 2025/26 may be challenging, so the proposal should be considered in future WHD policy development beyond March 2026.

Some respondents emphasised the need for clear proof that the rebate would benefit the specific tenant and not the property owner, especially in cases of multiple tenant occupation. Several respondents indicated they do not know enough about the Park Homes WHD Scheme to comment, while a few were unsure or did not have a view on the matter.

Overall, respondents emphasised the need for a fair and inclusive system that supports all households responsible for paying energy costs, regardless of their specific living arrangements. They also highlighted the importance of accessibility and ensuring that information on eligibility and how to access the schemes is widely available and in accessible formats.

Regarding maintaining the current budget for the Park Homes WHD Scheme, the majority of organisation respondents (78%) disagreed with using the current budget for the WHD Park Homes WHD Scheme. They argued the budget should be increased to reflect the actual number of eligible people, arguing that an insufficient budget could lead to discriminatory practices. Common themes included concerns about the fairness of a first-come, first-served basis and the need for additional resources for non-traditional properties. Specific suggestions included additional funding for full-time park home residents and a separate budget for moorings and housing associations. However, some respondents suggested combining WHD schemes for simplicity.

Overall, while some supported maintaining the existing budget, many advocated for increasing it to ensure adequate coverage for all households who would become eligible.

Government response (to questions 4-6)

The Government has considered the responses and in view of the feedback and objectives behind this expansion, has decided not to proceed with the expansion of the Park Homes WHD Scheme.

While there was clearly strong support in the responses to the consultation to provide support for households without a direct relationship with an energy supplier, we have also considered the concerns raised during the consultation period about the potential impact of expansion on the support provided through other Industry Initiatives if it went ahead without increased budget. Based on the responses received, we consider that any extension of the WHD to people without a direct relationship with an energy supplier cannot be achieved within the existing Industry Initiatives budget.

The Government must balance the needs of those at risk of fuel poverty with the impact on bills for other consumers and therefore cannot increase the budget for the Park Homes WHD Scheme at this time. We have therefore decided not to proceed with the proposed expansion of the Park Homes WHD Scheme.

While budgetary constraints are the primary reason for not proceeding with the Park Homes Scheme, substantial policy development would also be required to ensure its effectiveness. This work, while feasible, would have depended on the availability of sufficient funding. Nevertheless, we will consider how we can extend the scheme to people without a direct relationship with an energy supplier in future policy development beyond 2026 when the current Regulations expire.

The current Park Homes WHD Scheme will remain unchanged for winter 2025/26 and will be open for application to Park Home residents as normal.

Consultation question

- 7 Do you agree that we should retain the broader group in Scotland for the time being, and instead ensure that more people become eligible for rebates by increasing suppliers' non-core obligations in Scotland in proportion to any expansion of the scheme in England and Wales?

Organisation responses: 31	Agree: 81%	Disagree: 19%
Individual responses: 37	Agree: 48%	Disagree: 9% (42% didn't know or didn't have an opinion)

Summary of responses (question 7)

There were 31 responses from organisations to this question and a strong majority (81%) agreed with the approach set out in the consultation.

Those in agreement largely felt that the proposed changes in Scotland needed to be placed in the context of future reform of WHD post-2026 with several responses arguing that in future there should be a GB-wide automated scheme based around data matching. As such, the proposed approach was regarded by respondents as an interim measure recognising that implementation of a new scheme for winter 2025/26 would be challenging from a regulatory and operational perspective given the timescales.

Respondents felt that eventually aligning Scotland's eligibility criteria and data-matching processes with those in England and Wales would improve efficiency and reduce operating costs in the scheme in Scotland and be better-targeted. One reply said that schemes should be unified to ensure support is offered equitably across GB.

One trade association responded saying that they discourage mandating how the Industry Initiatives should be spent, believing that energy suppliers are best placed to optimise the use of Industry Initiatives to support their customers. They added that uncertainty about scheme eligibility and the funding available weakens supply chains and means avenues to support for customers do not have capacity or become unavailable. Other energy suppliers responded that increasing obligations in Scotland would mean a need to make efforts to identify eligible customers and that would increase administrative effort.

One energy supplier responded in similar terms, suggesting building in greater flexibility for suppliers with lower market shares in Scotland, such as through flexible eligibility criteria (e.g. customers in debt) or allowing suppliers greater flexibility to transfer their non-core spending obligations from the Broader Group to Industry Initiatives.

Some energy suppliers disagreed with the consultation proposal, though those that disagreed raised similar themes to those that agreed, seeing moving to the introduction of a Core Group 2 in Scotland being the better solution. Concerns were expressed that the consultation proposal would not be effective in increasing eligibility where suppliers had few customers in Scotland. One supplier added that the proposed approach of reallocating obligations to Industry Initiatives would create severe time pressures on suppliers to transfer obligations and

ensure funds are spent. One supplier making a similar point asked for clarity around Ofgem requirements.

Summary of individual responses

Nearly half (48%) of individual respondents agreed that the Broader Group should be retained in Scotland for the time being, with suppliers' non-core obligations increased in proportion to any expansion in England and Wales, as the fairest approach for now. Fewer than 10% disagreed; the remaining 42% did not express a view.

Some respondents emphasised the need to reform the scheme in England in the interests of introducing a tested and working scheme into Scotland, while several respondents suggested that the scheme should be comparable across GB to ensure fairness with one respondent agreed that any increase in budget used in England and Wales should also increase proportionately in Scotland under the Barnett Formula.

Overall, the majority of respondents supported retaining the Broader Group in Scotland and increasing suppliers' non-core obligation proportionally, with several calls for uniformity across the UK, while a few respondents did not agree with increasing suppliers' non-core obligations in Scotland.

Several respondents indicated they do not know enough about the differences in the Scottish scheme to comment, while a few are unsure or do not have a view on the matter.

Consultation question

- 8 Specifically for energy suppliers: do you foresee any practical challenges or have any delivery concerns with expanding funding through the broader group in this way? If concerns exist, do you have any suggestions for mitigating actions, such as expanding Industry Initiatives in Scotland?

Energy suppliers who did not respond	3	20%
Energy suppliers who responded	12	80%
Total energy suppliers	15	

Summary of responses (question 8)

Of the 12 responses from energy suppliers, 11 expressed concerns with expanding funding through the Broader Group in this way (there were also 2 responses from other organisations).

Many energy suppliers mentioned that, given the market share in Scotland is generally much lower than across GB, they already struggle to meet Broader Group targets in Scotland and have expressed concerns that allocating more funding to this group will make this even harder.

One respondent suggested that it may be more prudent to increase the spending limit on Industry Initiatives from £7m (as set in Regulations) by the apportioned increase to allow Industry Initiatives partners and suppliers can plan effectively, leaving the expected Broader Group minimum target at current levels.

Suppliers said their likely response would be to transfer extra funding to Industry Initiatives. However, given the deadline of 15 November (as set in Regulations), concerns were raised regarding the time available to transfer extra funds, inform Ofgem and the administrative costs this would bring.

A few respondents felt that the proposal to increase the funds allocated towards Industry Initiatives may lead to saturation in the market as suppliers use the same delivery partners to deliver funding. Concerns were also expressed around Industry Initiative partners ability to utilise increased funding by the deadline.

While the rationale was well understood for delivering the expansion by increasing the Broader Group obligation in Scotland proportionately, it was considered that allowing some expansion of Industry Initiatives in Scotland would be likely to help with delivery in Scotland while still directing support to those at risk of fuel poverty.

There was general appetite to replace the Broader Group with Core Group 2, as in England and Wales, and to introduce data matching so that payments are made automatically where possible.

Consultation question

- 9 Would notification of an addition to the non-core obligation under the Warm Home Discount (Scotland) Regulations within 25 days of the regulations coming into force (or by 31 July, whichever is earlier) result in any unmitigable impacts for suppliers?

Responded 23% of organisations

Summary of responses (question 9)

Of the 14 responses to this question, eight stated that this would result in impact on suppliers, responses were clear that notification regarding a change in non-core obligation would be required as soon as possible. Some suppliers commented that they already face challenges with meeting their non-core obligations and changes to Scottish Broader Group requirements may cause confusion for customers and challenges to maintain customer service requirements, increasing customer frustration. There was particular concern raised that smaller suppliers may not have sufficient time to adapt or upgrade their processes and systems.

One supplier felt the timeline would be tight, as they already struggle to meet the obligation. Consequently, increasing the obligation and shortening the time to prepare would risk their ability to support vulnerable customers effectively, given changes in budgets and modelling.

Ofgem commented that, if the non-core obligation is increased, suppliers will have to renotify their Broader Group proposals to the regulator. While that would not be too administratively burdensome, Ofgem emphasised the importance of allowing suppliers as much time as possible to prepare for any potential changes.

Government response (to questions 7-9)

The Government has considered the responses and has decided to proceed with increasing suppliers' non-core obligations in Scotland in proportion to any expansion of the scheme in England and Wales.

We note feedback from respondents that a GB-wide automated scheme would be preferable; however this would entail significant regulatory and operational change to the current scheme in Scotland. It is therefore not possible to do this in time for winter 2025/26. We intend to consider this further for future scheme development from March 2026. In the meantime, increasing suppliers' non-core spending obligation is the fairest way to ensure more people on qualifying benefits are able to receive the rebate in Scotland.

As non-core spending obligations have now been determined for each participating supplier for next winter, a separate calculation of an additional non-core spending obligation will be carried out once amended regulations come into force. Noting the impacts on suppliers raised in response to question 8 and 9, we will work closely with suppliers and Ofgem to ensure that they are informed about the changes and that any changes to non-core obligations are communicated promptly. We will also continue to work with them on future changes to the scheme in Scotland.

Conclusion and next steps

The Government thanks all of those who responded to this consultation or otherwise engaged with the proposals during the consultation process.

In light of the general support for the proposals to expand the WHD scheme, the Government will now proceed with regulatory amendments to remove of the high-cost to heat threshold that is currently applied to households where the bill payer (or their partner or appointee) is on means-tested benefits. We will also proceed with regulatory amendments to proportionally increase the size of the scheme in Scotland so more households on means-tested benefits can receive support through their energy supplier's scheme

Subject to the will of parliament, our intention is that these regulations should be in force ahead of winter 2025/26.

Annex: List of respondents

1. Abri
2. Act on Energy
3. Age Scotland
4. Age UK
5. Agility ECO
6. British Gas Energy Trust
7. Care & Repair Cymru
8. Centrica
9. Charis
10. Chartered Institute of Housing
11. Citizens Advice
12. Citizens Advice (Adviser)
13. Citizens Advice Central Dorset
14. Citizens Advice South Warwickshire
15. Committee on Fuel Poverty
16. Consumer Scotland
17. E (Gas & Electricity) Ltd
18. E.ON UK
19. Ecotricity
20. EDF
21. Effective Energy Solutions
22. End Fuel Poverty Coalition
23. Energy UK
24. Fair By Design
25. Friends, Families and Travellers
26. Fuel Bank Foundation
27. Fuel Poverty Action
28. Good Energy
29. Govan Community Project
30. Heat Trust
31. Independent Age
32. Joseph Rowntree Foundation
33. Marie Curie

34. Mencap
35. MSV Housing
36. National Bargee Travellers Association
37. National Energy Action
38. National Pensioners Convention
39. Octopus Energy
40. Ofgem
41. OVO Energy
42. Partick Housing Association
43. Post Office
44. Scope
45. Scottish Federation of Housing Associations
46. Scottish Fuel Poverty Advisory Panel
47. Scottish Power
48. Sero
49. Shared Lives (2 separate responses from members)
50. Shared Lives East Sussex County Council
51. SO Energy
52. South Tyneside MBC
53. StepChange
54. Switch 2 Energy
55. The MCS Foundation
56. Thinking Works
57. Thirteen Housing Group
58. Tomato Energy
59. Utilita
60. Utility Warehouse
61. 38 Degrees

This consultation is available from: <https://www.gov.uk/government/consultations/expanding-the-warm-home-discount-scheme-2025-to-2026>

If you need a version of this document in a more accessible format, please email alt.formats@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.