



# Green Home Finance Accelerator - A Community-Led One-Stop Shop for Finance and Retrofit

Discovery Phase Report  
October 2023

PEOPLE  
POWERED  
RETROFIT

ABCUL

Carbon Co-op

LOCO  
HOME RETROFIT

METRO  
MONEYWISE  
CREDIT UNION  
FRIENDLY | HELPFUL | PROFESSIONAL

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## **Disclaimer**

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## Executive Summary

### Introduction, aims and objectives

Credit Unions are not-for-profit, co-operative savings entities often based within a specific geographical location or meeting the needs of a thematic community of interest. The members of the Credit Union effectively own and, via a board and staff team, manage the organisation that holds their money. They are well established in the UK with more than a million members collectively holding over a billion pounds of assets.

Credit Unions have often been highlighted as a mechanism to support financial inclusion and wider social and environmental impacts. A number of the emerging One-Stop Shop providers in the UK share similar attributes, being co-operative or community based, not for profit and geographically located - attributes that have been identified as unique selling points in winning client trust and delivering retrofit services.

The hypothesis for the project was that the complementarity between co-operative and community One-Stop Shops and Credit Unions could generate new opportunities for retrofit lending products and services. Looking to Ireland, we saw emerging examples of Credit Union lending in response to a new, national retrofit programme.

We set out to explore these ideas in the following ways:

- By conducting desk-based research and site visits to explore Credit Union retrofit approaches in Ireland and the United States.
- By talking to retrofit One-Stop Shop clients, prospective clients, and Credit Union members, to understand their needs and priorities, perceptions and barriers with regards to retrofit and finance.
- By talking to the Credit Union sector in the UK, to understand how they view retrofit and what potential they see for lending to support energy efficiency works on their members' homes.
- By speaking to retrofit One-Stop Shop providers and reflecting on our organisational experience of retrofit service delivery.
- By carrying out a 'service design' process to design lending products.
- By analysing the ICT tools and services required to support the service, to verify that the lending products had been used appropriately and that they meet high quality standards.

The project consortium consisted of:

- People Powered Retrofit: A One-Stop Shop and lead partner,
- Carbon Co-op: A technology provider,
- Metro Moneywise: A payroll Credit Union,
- Association of British Credit Unions Limited (ABCUL): The UK federation for Credit Unions,
- Loco Home Retrofit CIC: An aspiring One-Stop Shop based in Scotland.

The only significant change from the original aims was that we designed two lending products - a Green Home Improvement Loan and a Retrofit One-Stop Shop loan - rather than one, triggered by uncovering the needs of different client demographic segments with distinct drivers and motivations.

The total project budget was £172,730.74 and the grant allocation was £120,911.52.

### **Key barriers and/or challenges**

In early discussions with the consortium we identified that Credit Union members lacked an understanding of what to do first in terms of retrofitting their home, i.e. they did not know where to start. However, Credit Union staff also faced barriers around understanding enough about domestic energy efficiency works to effectively advise members to address this. We also found Credit Unions have struggled to find effective partners who shared their values and that, without this, retrofit partnerships struggled to succeed.

Retrofit One-Stop Shop providers have avoided the provision of finance as part of their offer due to a lack of specific financial expertise and understanding, and fears about breaching Consumer Credit License regulations. One-Stop Shop clients generally fall into the 'Early Adopter' demographic group and are mostly 'self-funders', who may at first see no need for additional borrowing.

Those One-Stop Shop clients who do identify a borrowing need are often put off by the 'hassle factor' of approaching a lender, making an application and interacting with staff unfamiliar with retrofit, with many reflecting that simply maintaining a retrofit project takes up most of their attention.

### **Key findings from research and other activities**

A key conclusion we made from the research we carried out and affirmed by recent work from Citizens Advice<sup>1</sup> and NESTA<sup>2</sup> is that retrofit finance is not a solution in and of itself. It requires a holistic approach including bespoke advice, service design and delivery and appropriate verification to lead to a client commissioning retrofit work.

We found that Credit Unions in the UK have a high degree of interest in lending to support retrofit works, seeing it as an opportunity to take advantage of their savings assets and a good fit with their ethical stance. When we asked "How important is improving the energy efficiency of your home to you?" 90% of Credit Union members felt it was important to them in some way. 25% of Credit Union members are already borrowing for home improvements via Credit Union loans, indicating that there is already interest and motivation to borrow for measures that contribute to the home.

Speaking to People Powered Retrofit's replication partners, we found that retrofit One-Stop Shop providers are keen to use financial products to augment and extend their services.

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<sup>1</sup> [Citizens Advice \(2023\), 'Demand: Net Zero'](#)

<sup>2</sup> [Nesta \(2023\), 'Testing options for retrofit loans'](#)

Our regulatory research identified that an integration of Credit Union lending into a One-Stop Shop offer fell outside of Consumer Credit regulation and no additional licences were required. We tested a variety of connected and complementary approaches to verification to support both process and outcome verification for the loan products.

### **Key process learning**

The Discovery Phase was divided into an exploration stage and a service design stage. We found that this was a very effective approach to the Discovery Phase process. The exploration stage enabled the partnership to look outwards, engaging with providers overseas and with Credit Union and retrofit One-Stop Shop clients to better understand their experiences with retrofit finance - producing new and illuminating insight. The service design stage helped the partnership to build on these insights and focus on specifying products. Reflecting on the consumer research helped us realise that Early Adopter One-Stop-Shop clients and Credit Union members had separate drivers, motivations, advice and support needs, budgets and socio-economic profiles and that in turn, separate financial products and service delivery models were required to meet these needs. User-centred service design workshops helped partners centre user needs and experiences and to design effective products.

### **Reflections on key outcomes achieved**

The project has developed two products with evidence to support their implementation and take up. We have generated new learning for Credit Union and One-Stop Shop sectors and set out how a variety of ICT products and approaches can be implemented to support verification requirements.

We have built new relationships between partners and catalysed a consortium of Credit Unions and Home Improvement Agencies within Greater Manchester with the potential to convert an already active lending segment for home improvement into retrofit works.

We have identified this new 'Green Home Improver' audience for retrofit works as a different segment to 'early adopters', with budgets ranging from a few thousand pounds up to £15,000 and who are more focussed on single measures or retrofit improvements that augment essential maintenance works. They are motivated to improve energy efficiency but face barriers around access to advice. Credit Unions offer a trusted, familiar channel for reaching this demographic.

To meet the Home Improvement market's needs, One-Stop Shop services should focus on building the retrofit advice capacity of the Credit Unions, rather than providing advice directly to clients as in a traditional One-Stop Shop service. Verification tools need to be streamlined and designed to be simple and effective to operate with non-specialist staff members.

Our key reflection from the project is that Credit Unions and co-operative One-Stop Shops can form a unique, compelling and complementary partnership, meeting existing Early Adopter and Home Improvement needs. Bespoke, targeted and holistic product design and service delivery models are crucial to realise this potential.

# Evidence Report

## 1. Product introduction

### 1.1 Consumers' problems for retrofit finance

Our Discovery Phase project helped us identify two distinct target audiences for Credit Union retrofit finance with overlapping but different problems.

Middle to low-income householder owner occupiers, living in ageing properties that are in need of repair, often access personal lending in the form of Home Improvement Loans. 15-20% of all Credit Union lending can be classified under this segment.

Our research in the Discovery Phase demonstrated that Credit Union members are comfortable borrowing for home improvements and have an active interest in improving energy performance, but simply do not know where to start. We asked 29 Credit Union members about what prevents them from installing energy efficiency measures. While 86% listed access to funds as a barrier, 28% of respondents weren't sure what they needed to do in their house. To help address this, our Green Home Improvement Loan offers retrofit finance but with a wraparound of advice, support, and assurance from the Credit Union to help people understand what they should do.

Secondly, Home Improvement Agency users, such as those accessing organisations like Care & Repair, generally fall outside of grant eligibility despite being low income. This segment tends to possess a well defined understanding of the necessary work and have access to contractors, though lack the funds to do so. Credit Union lending also meets that need.

Our research showed that retrofit One-Stop Shop clients often self-fund their retrofit projects. Clients were keen to go further in the scope of their works but lack the finance to do so. We found that they are put off by the hassle of finding finance, want access to ethical finance options and are not as sensitive to borrowing costs as expected. Our One-Stop Shop product meets their requirements and integration into the wider One-Stop Shop model removes the hassle factor. In both cases, our innovative financial products offer local, trusted, simple and accessible unsecured personal finance.

Building on the evidence assembled in the Discovery Phase, the Credit Union-led One-Stop Shop for Retrofit and Finance project will further develop and pilot two Credit Union financial products to meet evidenced demand for retrofit measures from households in two demographically and geographically distinct pilot markets.

Our research has demonstrated that Credit Union finance (a form of low cost, accessible and locally based financial co-operatives) offers significant advantages in overcoming barriers clients experience in adopting retrofit works being locally available, ethically motivated with a low 'hassle factor'.

## 1.2 Pilot products

Our research led us to conclude that two different lending products were required, one to meet the needs of Credit Union members who are interested in making green home improvements but need support to make a plan, and the other to meet the needs of One-Stop Shop clients.

We will pilot two products: a Green Home Improvement Loan and a One-Stop Shop for Retrofit Loan product. Both products are to be piloted at an estimated 6% fixed interest rate, with a 0.5% reduction for engagement with verification. The loans will be personal and unsecured.

We concluded that a holistic approach to verification was needed to meet needs of multiple actors and avoid reliance on single data points and indicators which do not accurately reflect overall 'success'. Building Renovation Passports would provide a useful framework for multiple actors to offer and access data.

### Green Home Improvement Loan

Our Green Home Improvement Loan product is aimed at Credit Union members, in particular middle- to low-income householders. It is also aimed at Home Improvement Agency clients: low-income householders who do not meet benefit requirements.

This product meets the needs of the existing Home Improvement market, but rather than simply lending for routine maintenance or repairs, our product enables householders to make upgrades to their homes to maximise the retrofit potential of these improvements. The simple, easily accessible lending product also benefits from appropriate retrofit advice and guidance from a Credit Union lender and access to a range of additional advice materials and verification support processes which will be developed alongside the loan product. This Green Home Improvement Loan will be piloted via two channels, direct from Credit Unions via a consortium of Greater Manchester Credit Unions and secondly, paired with a Home Improvement Agency to maximise contractor engagement and clients most in need of retrofit works.

We know this product will be effective because 40% of Credit Union member respondents told us they 'didn't know what to do next' in their home improvement journey, wanted advice to support decision making, and because we saw successful examples of similar products working in Ireland and the United States. 68% of respondents said they would prefer to borrow from their Credit Union than a commercial bank for home improvements.

We will meet Credit Union members' needs by providing effective training in energy efficiency advocacy for Credit Union staff, developing householder knowledge resources such as handbooks and factsheets and taking a flexible approach to product design. People Powered Retrofit and Carbon Coop have extensive experience in delivering retrofit training in both community and professional settings and have in-house expertise in developing bespoke training materials. We will also align services between partners with shared values i.e. co-operative/community-led One-Stop Shops and Credit Unions, to create compelling partnerships.



The Discovery Phase led to a commitment from the Greater Manchester consortia of Credit Unions in launching and piloting this loan product in 2024.

Furthermore, engagement with the Manchester Home Improvement Agency, Manchester Care & Repair, led to the identification of further opportunities to deliver the loan product with those users of their services who fall outside of grant eligibility.

### **One-Stop Shop for Retrofit Loan**

Our One-Stop Shop for Retrofit product targets the Early Adopter clients of retrofit 'One-Stop Shops'. The product pairs the retrofit One-Stop Shop's holistic advice and guidance, design, and contractor management with a bespoke Credit Union lending product.

Engaged and committed clients of One-Stop Shops who have majority of project funds already in place will be able to use this product to increase the scope and scale of their retrofit works. Access to finance will help them to maximise their energy savings and will trigger decisions to initiate retrofit works. The product will be a seamlessly integrated retrofit and finance One-Stop Shop offer and will be piloted by People Powered Retrofit in Manchester and Loco Home Retrofit in Glasgow.

We know this will be effective at enabling retrofit because One-Stop Shop clients told us anecdotally that, despite needing finance, the hassle factor put them off borrowing and they considered the ethical credentials of a lender an important aspect of their decision making

Our product will remove the hassle factor by bringing financial advice into the One-Stop Shop team, with a dedicated Credit Union staff member to refer clients to and a seamless service process with a back and forth between provider and credit union staff interactions. Integrating the Credit Union finance into the One-Stop Shop offer minimises stress for clients. Additionally, Credit Unions' ethical credentials are a driver for One-Stop Shop clients.

### **1.3 Addressing consumer barriers to home retrofit**

The Green Home Improvement Loan addresses the barrier that Credit Union members face in 'not knowing where to start' by training staff as retrofit advocates, supplying retrofit advice and offering simple verification approaches.

The One-Stop Shop loan addresses the barrier One-Stop Shop clients face: namely the hassle related to securing additional finance to extend the scope and scale of their works. By integrating a finance offer into a One-Stop Shop service the hassle factor is removed. Additionally, we are explicit about the cooperative ethical nature of Coops and credit unions, which will appeal to those who told us that ethics of their lenders were an important feature of choosing finance.

## 2. General scoping research and other activities

### 2.1 Research methodology, research and scoping activities

The project partnership came about due to historic discussions on potential synergies between People Powered Retrofit and Manchester-based Credit Unions. A partnership to enable retrofit finance seemed natural, as we were working within a similar geographic footprint and had shared social and environmental goals. However, barriers remained around lending terms and amounts.

Regulatory change saw many of these barriers overcome and the trigger for more focussed discussions was the [Swoboda Credit Union Green Lending Conference](#) held in Dublin, in May 2022 which highlighted Irish examples of Credit Union and One-Stop Shop collaboration. The examples shared at this conference informed our decisions about which products and consumer segments we chose to focus on in the Discovery Phase.

During the Discovery Phase, we used a variety of research methods to understand the ways householders are currently financing their retrofit projects, as well as their attitudes towards different finance mechanisms, including:

- [Desk-based research review](#)
- [Online surveys](#)
- [Focus groups](#)
- [Study visit to Ireland](#)
- [Qualitative research](#)

#### Desk-based research review

We carried out a review of previous research that has been conducted to identify innovative ways of meeting consumer needs for retrofit finance

Our review found that research is beginning to identify that the ways in which finance is integrated into the customer journey has implications for the uptake of retrofit. Hoicka et al (2014)<sup>3</sup> and Brown, Sorrel and Kivimaa (2019)<sup>4</sup> highlight the significance of how costs and benefits of retrofit are presented to households (Hoicka et al., 2014) and the importance of a trusted and competent advisor in disseminating this information. Brown, Sorrel and Kivimaa suggested that schemes are most successful when the technical and financial elements of the customer offering are integrated by a single competent advisor.

We struggled to find research into what types of finance homeowners actually want or need in a finance package - nor what types of finance would incentivise or motivate uptake.

Where research does discuss homeowner motivations for choosing retrofit finance methods, we found that it tends to rely heavily on the assumption that

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<sup>3</sup> Hoicka, Parker, and Andrey (2014) 'Residential energy efficiency retrofits: How program design affects participation and outcomes'

<sup>4</sup> [Brown, Sorrel and Kivimaa \(2019\) 'Worth the risk? An evaluation of alternative finance mechanisms for residential retrofit'](#)

motivation is attributed to payback periods. A common assertion is that measures with shorter predicted payback periods are more likely to be adopted, and act as an incentive for home retrofit (GFI, 2020)<sup>5</sup>.

However, there is limited evidence to suggest that homeowners are wholly motivated by payback periods. The UK Green Building Council (2021)<sup>6</sup> recommends the ‘retrofit narrative’ move away from payback periods, suggesting their limitation as a motivating factor, as they are often closely aligned with property tenure and fail to take into account other more emotional factors associated with decision making.

Bolton et al (2023)<sup>7</sup> and Schleich et al (2021)<sup>8</sup> explore the relational aspects of retrofit, identifying in interviewees a ‘mistrust’ towards traditional lending, wanting to ‘do things properly’ and ‘save up’, consequently failing to ‘engage with retrofit loan offerings’. This demonstrated to us a potential to further uncover homeowner’s attitudes towards alternative models of retrofit finance and, as Schleich et al (2021) argues, to understand more implicitly the motivations and perceptions of finance by homeowners to overcome debt aversion.

The limited research into homeowner motivations that we identified was mostly focused on the mass market. However, understanding the Early Adopters of a particular technology is crucial to understand how a product or service might be received by a wider market. People Powered Retrofit have worked extensively with Early Adopters of retrofit, and highlighted in a report that at time of writing (2019)<sup>9</sup> financial barriers were not as significant to Early Adopters as had previously been assumed. We found in this research that access to small pots of funds were instrumental to catalyse decision-making and taking ‘action’ on retrofit. We knew it was important to build on this research in the context of higher interest rates and a more volatile economic climate since our initial research, to identify whether these findings have remained consistent.

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<sup>5</sup> The Green Finance Institute (2020) ‘Financing energy efficient buildings: the path to retrofit at scale’

<sup>6</sup> UK Green Building Council (2021) ‘Understanding how to motivate whole-house retrofit’

<sup>7</sup> Bolton et al (2023) ‘The relational dimensions of renovation: Implications for retrofit policy’

<sup>8</sup> Schleich et al (2021) ‘Adoption of retrofit measures among homeowners in EU countries: The effects of access to capital and debt aversion’

<sup>9</sup> People Powered Retrofit (2019) ‘A community led model for owner occupier retrofit’ Project Report

## Online surveys

Following our desk-based research, we wanted to further understand homeowner's attitudes towards lending and other models of retrofit finance and their motivations for choosing how to finance their retrofit projects.

Our research questions were:

- How do owner-occupier members of Credit Unions and retrofit One-Stop Shops perceive borrowing for home retrofit?
- What are their needs?
- What is their risk appetite?
- What barriers do they face?
- To what extent can a community-based approach to financing overcome these barriers and meet their needs?

To answer these questions we carried out three online surveys:

- Survey 1: Members of Metro Moneywise Credit Union - 29 responses,
- Survey 2: Clients and investor-members of People Powered Retrofit and members of Carbon Coop - 61 responses, and
- Survey 3: Members of Loco Home Retrofit - 41 responses.

We found that Credit Union members have a keen interest in energy efficiency. 90% felt that energy efficiency is important to them in some way, and 59% had completed some retrofit or energy efficiency measures on their homes already. However, Credit Union members' progress in installing further measures is hampered by a lack of access to funds.

We found that One-Stop Shop members have a strong appetite for government grants. 1 in 2 respondents to Survey 2 and 4 in 5 respondents to Survey 3 are taking or planning to take out a government grant to fund their retrofit. However, take up of Government grants and loans is hampered by complex applications and uncertainty over eligibility as well as negative perceptions of borrowing.

[Section 2.4](#) of this document includes further detail about the findings from these surveys as does our research report, [Exploring Consumer Needs for Retrofit Lending](#).

It was clear from the survey responses that householders need targeted advice and support to navigate a complex and ever-changing funding landscape. Survey responses also confirmed to us that Credit Unions are in a strong position to provide finance for retrofit, as they're perceived by members and non-members alike as trusted community organisations.



## Focus groups

Loco Home Retrofit carried out a focus group on finance at their members' meeting in June 2023. They facilitated a discussion which included the following questions:

- How did you/will you finance your retrofit?
- What should Loco Home do to help?
- What might Loco Home be paid for?
- What should Loco Home NOT do (e.g. due to ethics)?
- What should we campaign for?

Insights from the focus group discussion reinforced findings from the online surveys. Members were financing their retrofits via remortgaging, the Home Energy Scotland Grant and Loan. Some participants had used the 'bank of Mum and Dad' for a bridging loan between paying contractors and receiving the Home Energy Scotland grant/loan. Members used support in kind from family members, for example staying with family while retrofit work is carried out in their house.

Members shared that they wanted finance to be reliable and not face deadlines such as the end of the financial year, which has historically been the case with some grants. Members were also concerned that some contracting companies might not be trustworthy and wanted Loco Home Retrofit to support them in selecting a trusted installer.

Members wanted Loco Home Retrofit to support them with finance, advice, and support throughout their retrofit project. They wanted advice on costs, and asked for Loco Home Retrofit to provide rough cost estimates for financial planning as part of their assessment service.

The discussions at the focus group demonstrated that there is a desire from members of Loco Home Retrofit in accessing finance and advice services via their One-Stop Shop.



## Study visit to Ireland

Project partners travelled to Ireland in June 2023 on a two-day study visit to understand more about how Credit Union finance works in Ireland.

On June 20th, we met with [CU Greener Homes](#), [Donore Credit Union](#), and the [Irish League of Credit Unions](#), and separately with Ireland's SEAI (Sustainable Energy Authority Of Ireland).

Our meeting with SEAI explored the context of One-Stop Shop retrofit finance in Ireland. SEAI are providing incentives to meet their ambitious target of retrofitting 0.5m households by 2030. They're offering 80% funding for attic, roof and wall insulation with additional grants for achieving a Building Energy Rating (BER)<sup>10</sup> of B2. Grants for additional retrofit measures are available for customers going through the One-Stop Shops e.g. for windows and doors.

SEAI carried out focus groups on barriers for households, which reported that the key barriers for engaging with retrofit were costs, a lack of awareness about grant schemes, not knowing what to do next, and concerns about contractors and the quality of the work. The One-Stop Shop approach was attractive as a way of addressing these different barriers.

We also spoke with SEAI about their verification methodology. We had carried out research before our visit about the verification framework of the SEAI One-Stop Shop grant offer, but wanted to understand how it is implemented in reality. Meeting face-to-face was a useful way of finding out about topics where there is not any public-facing information available and having an open discussion about our ideas for possible verification approaches.

SEAI noted there is no uniform way of verifying retrofit works. Checks post-works involve updating the modelled Building Energy Rating (BER) on the database. One-Stop Shop providers are required to do surveys with householders as a way of collecting feedback, and they have quarterly business reviews with the SEAI One-Stop Shop team. They highlighted GDPR and ICT issues as key barriers to better monitoring and evaluation of programme outcomes.

We were also interested in where the SEAI saw the 'direction of travel' for verification methods like Building Renovation Passports (BRP). We heard that a Building Renovations Passport (BRP) approach has been piloted and they are considering moving towards this approach with the standardised Home Energy Assessment format that has been developed by SEAI.

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<sup>10</sup> A Building Energy Rating (BER) helps householders to understand the energy efficiency of a home. It is an asset (calculated) energy rating, rather than an operational (measured consumption) rating. The calculation uses the Dwelling Energy Assessment Procedure (DEAP). See [Understand BER Ratings | Home Energy | SEAI](#) for more information.

Our meeting with CU Greener Homes, Donore Credit Union, and the Irish League of Credit Unions focused on learning about how Credit Union retrofit lending products operate in the Irish context.

A key takeaway from this meeting was that supporting homeowners to retrofit homes is about overcoming the barriers to entry; finance is just one of these barriers and cannot be tackled in isolation. Additionally, both Donore and the Irish League felt that Annual Percentage Rate (APR) is not the sole driver for finance and that a lower APR for deeper retrofit didn't act as an incentive for householders.



Feedback suggested that some householders revert to the standard Home Improvement Loan, rather than going down the One-Stop Shop route, even though this is at a higher interest rate. This was partly to do with the fact that people will choose the Credit Union over other lenders due to their wider social and community impact, and the fact that they were a trusted, familiar organisation. The One-Stop Shop route also requires the improvements to meet an ambitious BER level; Donore had a perception that there was an appetite for 'shallower' retrofit works which were facilitated more easily by the standard Home Improvement Loan.

We learned about the CU Greener Homes platform, which has around 70 participating Credit Unions. The CU Greener Homes website is the key channel that customers can use to apply for Credit Union loan products, although in-branch advisors could theoretically take customers through it.

The [calculator tool](#) on the website uses a model analogous to RdSAP<sup>11</sup> and requires very few inputs to produce an indicative list of improvements, an estimated BER and CO<sub>2</sub> figure. Linked to the potential measures are indicative grants (SEAI and Energia funding) and loan amounts. The loan amount and duration can be amended by the user.

Once details are submitted the leads are passed to the relevant party, i.e. the One-Stop Shop and the Credit Union if interested in loan finance).

<sup>11</sup> RdSAP refers to the reduced Standard Operating Procedure, which is currently used to calculate an Energy Performance Certificate in the UK. See [Standard Assessment Procedure - GOV.UK](#) for more information.

Feedback from the meeting was that, while the online calculator was a useful starting point for householders, the self-service process of applying resulted in applications from less serious clients, who are less likely to convert to paying customers.

We learned that Credit Union capacity is lower than that required to offer retrofit advice; they are better placed to offer advice on standard home improvements in a generic way. This informed our approach to developing advice; developing CU capacity and/or ensuring they play an appropriate role in this service was a crucial factor for us when reaching the Service Design stage of the Discovery Phase.

On June 21st, 2023, project partners visited a completed retrofit project in Drumcondra. The visit to the completed retrofit project helped us to understand the householder's motivations and experience working with a retrofit One-Stop Shop, as well as providing Credit Union staff members with additional retrofit knowledge and a first-hand look at how retrofit methods work in practice.

The householder had used one of the SEAI approved One-Stop Shops to carry out work on her home in 2019. She knew of them from carrying out accessibility adaptations for a relative. The retrofit work was carried out as part of a larger refurbishment. The householder was motivated by improving comfort and getting the home how she wanted it for 'later life'.

The works included the installation of an air source heat pump, with an external unit in the rear yard and cylinder and buffer tank in the hot press (airing cupboard) on the first floor landing. Internal wall insulation and triple-glazed windows were also installed.



### Qualitative research

As part of our research methodology, we also incorporated qualitative research relating to the partners' involvement in the retrofit sector. This mostly took place during the Service Design stage of the Discovery Phase. Frontline retrofit delivery staff - advisors, assessors, designers etc. - and credit union staff collaborated in workshops and facilitated knowledge-sharing sessions, enabling



the project to benefit from their real-world experiences and insight into the types of customers they work with day-to-day.

Further qualitative research was generated during engagement and dissemination webinars, during which the attendees (retrofit practitioners and Credit Union staff) responded to project insights and hypotheses and shared their own perspectives.

## **2.2 Differentiation from existing market solutions**

Our research at Discovery Phase showed that finance decision making by householders in our target markets is not driven solely by the interest rate of a loan and/or the pay-back period. A significant preference from householders is for local and ethical financing options offering trust, reassurance, and local accountability. The ‘hassle factor’ came up as a barrier repeatedly. Credit Unions offer local offices to which members can visit to discuss options with staff. This face-to-face element also offers greater opportunities around retrofit advice.

Credit Unions can set their own interest rates and are not dictated by Bank of England rates. As Credit Unions are not rate sensitive, they can fix rates over a longer term which offers stability to homeowners taking on deep retrofit projects which may last a number of years. Homeowners can be assured that their interest rate is not going to change mid-project. We also found examples of local or national government underwriting arrears in return for a competitive APR.

Credit Unions’ small size and straightforward governance structures mean that they can set up, test and amend products really quickly, in contrast with high street banks which are slower to bring new products to market due to rigorous compliance requirements.

Unlike FinTech companies, Credit Unions have an excess of savings on their books and so have the finance for retrofit lending ready and available to use and without the requirement to pass on their wholesale credit borrowing costs to householders.

For One-Stop Shop services, many commentators have suggested mortgages as a preferred option for retrofit lending, however, information from Office for National Statistics (ONS) for the 2021 census revealed that 8.8 million UK homes were owned outright compared to 6.8 million which were owned with a mortgage or a loan. In our Discovery Phase research, we found that this was even higher, with 70% of One-Stop Shop clients owning their home outright. These clients are generally older; taking out a new mortgage can be extremely difficult for them. For this demographic, a simple, accessible Credit Union loan, matched to targeted retrofit advice offers a great deal of advantages over remortgaging in terms of simplicity and ease of access.

## 2.3 Findings from scoping research

### Customer attitudes to additional finance

From our online surveys, we found that only 16% of One-Stop Shop respondents are not comfortable with borrowing for their retrofit, under any circumstances. A dislike of debt was a major factor for One-Stop Shop members. Some reported a concern about borrowing money when interest rates are already very high, leaving government grants and/or savings as the only viable finance option.

Borrowing was seen by respondents as a ‘faff’ and less straightforward than using personal funds. Some respondents cited that they are perhaps too old or had too small of an income to qualify for borrowing. Some also cited a concern over the cost-of-living crisis and personal factors that would limit their ability to afford another monthly bill on top of already spiralling costs.

However, out of 31 responses to this question, payback periods were only cited twice as a reason not to borrow. Payback is not always a top concern to people when considering borrowing for retrofit. This aligns with UK Green Building Council (2021)<sup>12</sup> recommendation that the ‘retrofit narrative’ should move away from payback periods.

Credit Union respondents to our survey were very positive about their experiences borrowing from their Credit Union. They see borrowing from their Credit Unions as less risky, simpler, safer, and more comfortable than with other lenders.

We had 29 responses from Credit Union members. 66% of respondents rated their comfort level of borrowing from a Credit Union again as between 8/10 and 10/10. 93% of Credit Union respondents agreed that they would prefer to borrow from a Credit Union over a commercial bank.

These perceived benefits of Credit Union borrowing directly address One-Stop Shop members’ perceptions of borrowing:

<b>Credit Union members’ perceptions of borrowing from their Credit Union:</b>	<b>One-Stop Shop members’ perceptions of borrowing for their retrofit:</b>
Less risky	Risky
Simpler	Complex
Comfortable	Difficult, stressful
Lower interest rates	High interest rates

<sup>12</sup> UK Green Building Council (2021) ‘Understanding how to motivate whole-house retrofit’

One-Stop Shop members' perceptions of Credit Unions were overwhelmingly positive. We found that while 76% of One-Stop Shop members we surveyed had never been a member of a Credit Union, when asked "What three words do you think best describes Credit Unions", responses tended to mention community, people, ethics, and local context.

Credit Unions are in a strong position to provide these homeowners with targeted services that address their borrowing concerns.

### Customer needs for advice and support

We found that members of One-Stop Shops and Credit Unions have a desire to carry out retrofit work but face a range of challenges when financing their projects. A lack of funds is one, crucial, barrier. However, even when funds are available via grants or loans, take-up is poor and hampered by a lack of understanding and confidence in available finance mechanisms.

From our surveys and the responses of Loco Home Retrofit members in their focus group, we identified that there is a crucial role for integrated advice that supports homeowners to make decisions about their retrofit measures and the appropriate ways to fund this work.

While retrofit One-Stop Shop-shops are well placed to support homeowners with advice on technical aspects of retrofit, advice on finance is not currently well integrated into their process.

## 2.4 Key consumer research findings

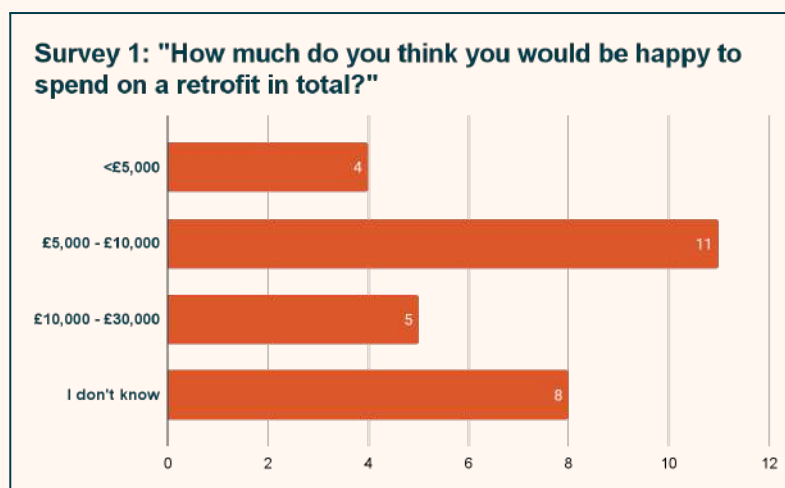
### Positive attitudes to green measures

Members of Credit Unions and One-Stop Shop shops are already carrying out retrofit work, but with drastically different scales and budgets.

Credit Union members are very interested in energy efficiency and 'green measures'. Most respondents have already been motivated to carry out retrofit work in their homes, with over 90% of Credit Union members feeling that energy efficiency is important to them in some way and 59% having completed some retrofit or energy efficiency measures on their homes already.

We found that Credit Union members have budgets of <£5,000 - £30,000 for their retrofit projects, though 28% of survey respondents did not know how much they would be happy to spend on a retrofit.

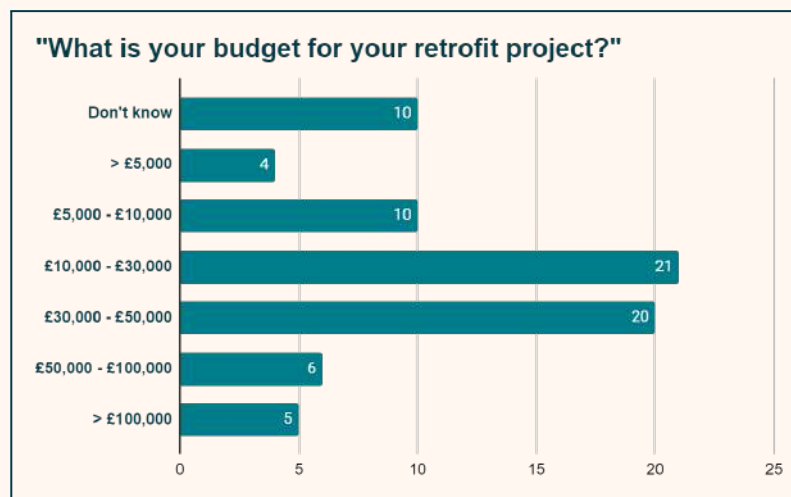
This highlights a potential need for advice on creating a costed retrofit plan, something that One-Stop Shops are well positioned to provide.



Members of Loco Home and clients of People Powered Retrofit (One-Stop Shops) and members of Carbon Coop are highly motivated Early Adopters of retrofit. They're primarily motivated by a concern for the environment and the need to make their homes as energy efficient as possible. They're also very motivated by the cost of energy, a desire to reduce energy bills, and wanting a warmer, more comfortable home.

Their budgets span a wide range, from <£5,000 to >£100,000, with the majority of respondents having budgets of £10,000-£50,000.

In our qualitative research with One-Stop Shop clients and providers, we found that whilst One-Stop Shop clients may have funds in place, the value of these funds is often relatively inflexible. As a retrofit project progresses, and costs become clearer, some clients have to cut some elements of their specification to meet their budget. In these instances, the availability of loans would be a benefit in maintaining project specifications and achieving the aims of the retrofit project.



### **Need for advice to aid decision making**

When we asked Credit Union members about their budget for retrofit through online surveys, over 1 in 4 said that they 'don't know' what they would be happy to spend on a retrofit. This highlighted a need for advice to help Credit Union members understand what retrofit measures they need, as well as realistic financing options.

We found that uncertainty over grant funding can cause One-Stop Shop members to stall their retrofit plans. 28% of One-Stop Shop members who responded to our surveys had not made a decision on how they would finance their retrofit. Many were concerned about making decisions that they would regret, especially if more grants become available in future. They want guidance and support in order to make the right decisions on finance, and without this they may be tempted to stall their retrofit so as not to miss out on future grant opportunities.

A timely adoption of retrofit is crucial in order for the UK to meet our carbon reduction targets, so it is important for homeowners to take decisive action and access grants. Clearly communicated, well-timed and appropriate grants are needed - as well as the provision of advice and support to expedite homeowners' decision-making.



## **2.5 Challenges relating to the cost-of-living crisis**

From our online survey, the majority of respondents from Loco Home, People Powered Retrofit and Carbon Coop reported budgets of £10,000-£50,000. This is in alignment with research People Powered Retrofit conducted in 2019<sup>13</sup> and indicates that there has not been a substantial change in One-Stop Shop members' budgets - despite the change in economic climate since that time.

On the other hand, while energy efficiency is important to Credit Union members and many have started doing work on their homes, most are uncertain about carrying out any additional retrofit work in the near future. Only 25% of the 29 respondents plan to install further measures in the near future, though 56% are looking to install more measures in the long-term. The biggest barrier for Credit Union respondents to carrying out further measures is access to funds, with 86% saying they have not been able to afford carrying out work all in one go. While we cannot attribute this solely to the cost-of-living crisis, it's a key consideration in the development of our finance products.

## **2.6 Changes to our target consumer group(s)**

Initially we sought to work solely with Early Adopter householders from One-Stop Shop services. These groups tend to be average or above average income, with significant budgets and an ambition to develop deep retrofit projects.

As the project progressed it became obvious to us that there was already a significant market for lending to householders for home improvements. Our research demonstrated that most high street lenders have personal (secured and unsecured) loans to help householders to make basic household renovations funding works ranging from basic repairs to new domestic improvements and additions such as new kitchens, extensions and loft conversions.

ABCUL reported that between 15-20% of all Credit Union lending fell under the Home Improvement category<sup>14</sup>, but that lenders rarely verified the nature and quality of the work carried out.

In Ireland, the Donore Credit Union had operated the CU Greener Homes scheme, which had sought to direct its members into a One-Stop Shop service. However, the CEO, Dave McAuley reported that whilst advice on retrofit was appreciated, most members preferred to access the simpler Home Improvement loans that the Credit Union already offered. Mr. McAuley reported that increased trust in the Credit Union, the freedom to choose contractors, local accountability, and less hassle meant that clients would forgo the 50% grants in favour of a Credit Union loan.

In the UK, our research with Credit Union members found that they were motivated to carry out energy efficiency improvements and comfortable with borrowing from their Credit Union (see [Section 2.4](#)).

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<sup>13</sup> People Powered Retrofit (2019) 'A community led model for owner occupier retrofit' Project Report

<sup>14</sup> ABCUL membership phone survey, ABCUL (2023)

Our conclusion from this research was therefore that a simple Home Improvement loan product was already popular and well utilised by members and could be re-tooled and upgraded with energy advice, delivered by Credit Union staff. This energy advice would support Credit Union members to plan and implement effective energy efficiency improvements.

Our demographic profiling - and numerous other similar exercises carried out by Credit Unions, indicated that Credit Union members represented a different and distinct demographic from One-Stop Shop Early Adopters, being at average or below average income and more typical of the mass market in terms of their awareness of and interest in retrofit.

Adjacent to this use case, we found another good match with Home Improvement Agencies and their clients who fell just outside grant eligibility. As part of another Department for Energy Security and Net Zero (DESNZ) funded project on Local Energy Advice Demonstration we carried out a service design exercise with Manchester Care & Repair. We learnt that their council-backed service worked with around 6,000 clients a year, most in need of urgent upgrades to their properties. Their service involves an in-person visit and home inspection alongside referral of work to a trusted network of contractors.

The majority of Home Improvement Agency clients are eligible for grant support to rectify issues in their homes. However, there are some clients who do not qualify for grant funding, for example because their savings or income breach the limits for grant eligibility. Manchester Care & Repair are looking for an appropriate form of lending to recommend to these clients. Further discussions between Manchester Care & Repair and the Credit Unions in the partnership identified the Green Home Improvement Loan as the ideal product to facilitate this, as there was a good match between the social and environmental aims of all parties. These clients comprise a demographic adjacent to the Credit Union member, being solidly below average income, though above benefit levels.

### 3. Relationship and partnership building

#### 3.1 Developing a knowledge base, relationships and supply chain partnerships

As set out above, our Discovery Phase project emerged from historic discussions between People Powered Retrofit and a variety of Credit Unions in Greater Manchester.

People Powered Retrofit are constituted as a co-operative: a mutual, owned by individual members committed to the organisation's founding mission tackling climate change via the delivery and scaling of domestic retrofit services.

Credit Unions are similarly constituted as co-operatives, with members using the organisation as a democratically-controlled mechanism for savings and borrowing but also supporting a broader social and environmental mission. As such, a co-operative or social enterprise One-Stop Shop and a Credit Union based in the same geographic area naturally have members in common and a shared mission.

Despite these underlying drivers, Credit Unions and One-Stop Shops operate in different sectors and require different staff competencies. Whilst Credit Unions in Manchester have long wanted to lend for retrofit, they have been frustrated by a lack of sectoral knowledge and have been unable to help their members overcome the barriers they faced in carrying out works. Conversely, it became clear during this project that One-Stop Shops lacked a clear understanding of how Credit Unions operate, the regulatory frameworks they work within and a broader understanding of their members and their circumstances.

This project saw the facilitation of shared conversations and discussions between One-Stop Shops and Credit Unions. Our research - including surveys, interviews and study visits - was undertaken collaboratively and distributed across members of the partnership's networks, providing unique insights.

Knowledge-sharing was deepened during the service design stage of the project, in which collaborative workshops and exercises were carried out with the involvement of staff members from all partners. Exercises like Empathy Mapping allowed partners to deep dive into the needs and drivers of other organisations and their members and develop a shared understanding of the markets they each operate in.

Carbon Co-op's role as a technology provider working with Novoville and Julie Godefroy solidified this exchange and helped locate the project within a robust verification and ICT tooling context.

Bringing together the Credit Union and retrofit sectors generated new insights and helped us to design and create new and unique lending products.

### 3.2 Managing knowledge sharing

As project lead, People Powered Retrofit hosted monthly online knowledge sharing sessions between partners throughout the Discovery Phase. These staging points offered opportunities for discussion and reflection on project progress and - on more than one occasion - led to the generation of new insight and ideas.

As the project progressed, knowledge and insight was shared in real time to assist collective internal partnership learning.

We also shared knowledge externally. We carried out dissemination via webinars, reports, and print materials. The development and delivery of these dissemination activities enabled partners to collaborate, share knowledge and create opportunities for discussion.

The dissemination activities and webinars also enabled our mutual learning to extend way beyond the partnership into the wider energy efficiency and finance sectors. For example, a webinar hosted by a Credit Union in the United States was attended by policy makers from across the UK retrofit sector. Another webinar on retrofit approaches, hosted by People Powered Retrofit was attended by dozens of Credit Unions. This raised awareness within the Credit Union about retrofit, gave us an understanding of possible collaboration opportunities and helped us to imagine a future policy context.

ABCUL, as the UK's federation for Credit Unions, provided a channel to wider knowledge sharing with Credit Unions throughout the country and indeed to Credit Unions in Ireland and the United States.

We used creative means to disseminate project findings. For example, a series of illustrated comic-strip postcards were created to support the publication of our 'Exploring Consumer Needs for Retrofit Lending' report<sup>15</sup>. Printed versions of these postcards were distributed by all partners at industry events e.g. .

People who saw the postcards shared that the story-telling approach enabled them to quickly understand the relationship between retrofit advice and finance, identify the barriers faced by Credit Union members and One-Stop Shop clients when financing retrofit, and discover the consumer profiles who the proposed products could be designed to serve.



<sup>15</sup> [People Powered Retrofit \(2023\), 'Report: Exploring Consumer Needs for Retrofit Lending'](#)



### **3.3 Challenges for developing relationships with the supply chain**

The partnership faced some supply chain issues. It was challenging on this project to engage with some Credit Unions and Home Improvement Agencies due to capacity issues within those organisations. While Credit Unions wanted to engage with green lending, they simply did not have the resources to develop their own offer.

Ultimately, we had to employ a variety of approaches and draw on ABCUL's sectoral position in order to open doors and obtain the information we needed.

#### **People Powered Retrofit's approach to supply chain engagement**

A barrier that householders face is access to contractors. In the Discovery Phase we found that One-Stop Shops in Ireland faced challenges in engaging with contractors because some of them did not deliver the quality of work they required and/or necessarily align with their values.

This is something we're familiar with and the People Powered Retrofit approach to supply chain development was developed during our BEIS Retrofit Supply Chain pilot (2018-2021) with a focus on utilising and upskilling the Refurbishment Maintenance and Improvement sector i.e. trades already active and working in homes.

Within the end-to-end client journey, contractor procurement takes place following assessment and design stages. People Powered Retrofit staff facilitate procurement, with contractors directly contracting with clients.

In order to ensure an appropriate supply chain exists to facilitate the retrofit projects of our clients, People Powered Retrofit has carried out extensive supply chain engagement. This includes regular supply chain meet ups, the creation of a supply chain peer learning network, the development of a CRM system to support supply chain mapping and frequent newsletters and knowledge sharing. On top of this, People Powered Retrofit's contractor training services offer a route for new contractors to enter the sector, or for existing contractors to improve their skills.

Specific shortages or challenges, for example around heat pumps or windows are addressed via supply chain development projects, e.g. [People Powered Retrofit's collaboration with Carbon Co-op on the heat pump supply chain.](#)

The development of the Green Home Improvement Loan product throws up the challenge of how effective procurement can take place in a context lacking a specialist intermediary such as a One-Stop Shop provider. In this context, householders access loans with accompanying advice and it is then up to them to seek appropriate contractors. In Ireland, Greenify's approach to this has been to offer householders some key hints and tips in approaching contractors for energy efficiency works and to build a relatively informal network of contractors who are willing to work on retrofit projects.

Our approach to piloting the Green Home Improvement Loan stems from the insight that People Powered Retrofit's Refurbishment Maintenance and Improvement sector contractors are in fact the supply chain currently already carrying out basic home improvement upgrades to homes in our target location.

We propose to further extend and scale the supply chain engagement work People Powered Retrofit is doing to develop the capacity of contractors to support new work generated from the Green Home Improvement Loan pilot. This includes additional networking, training and contractor support. The investment in Credit Union staff member knowledge and capacity, including an understanding of supply chain and contracting processes, further supports this.

Ultimately, though the Early Adopter and Green Home Improvement products are different, they share a common supply chain, maximising the impact of an already active supply chain engagement and development.

The one extension to this is the identification of a Home Improvement Agency, Manchester Care & Repair as a potential route for additional Green Home Improvement Loan delivery. As well as offering new clients, Manchester Care & Repair already has a tight contractor network to support their existing roster of home improvement works. This network offers the potential for more focussed training and capacity building to improve and extend their ability to offer retrofit works.

### **3.4 Gaps in knowledge/expertise**

In terms of delivery, the project partnership is well served with a range of skills, competencies and abilities to deliver the two products specified in this project. Skills cover all stages of retrofit delivery, the issuing of financing through Credit Unions and the ability to offer elements of the verification tech stack via Carbon Co-op and People Powered Retrofit ICT tools. Training for Credit Union staff members can be offered via People Powered Retrofit's established contractor training service.

Marketing is an area to develop particular knowledge and expertise. The Green Home Improvement Loan product will require the Greater Manchester Credit Union consortium to develop a new approach to marketing and sales. We envisage applying a Community-Based Social Marketing approach (as pioneered by People Powered Retrofit) and working with existing Credit Union marketing resources to achieve this, but may need to develop knowledge and/or bring in additional expertise to develop an effective marketing strategy for this product.

In terms of a holistic verification approach to support these products, the Discovery Phase has given us an excellent understanding of what elements are required and how they relate to each other, but further work is required to better understand how individual tools, elements and approaches integrate into an effective whole system. We would benefit from the continued involvement of Julie Godefroy at a later stage to assist and guide this process with her sectoral and domain expertise.

## 4. Finance product research

### 4.1 Design and development of the finance products

The key activities that we undertook in the design and development of the green home finance products included engagement with customers to understand their needs - carrying out surveys, interviews and service design activities, including empathy mapping.

We also engaged with Credit Unions in Ireland and the United States to gain insight into new models and better understand successful approaches elsewhere. We engaged with Credit Union lenders in the UK to understand their needs and priorities, the barriers they faced and how these might be overcome.

We mapped out verification requirements, looking at complex, interacting needs to verification approaches. We engaged with contractors to better understand data collection approaches.

We then conducted a service design exercise to bring it all together. This included partnership-wide workshops that used the research generated in the exploration stage to inform discussion and ideation. The service design stage included multiple members of Credit Union and One-Stop Shop teams, ensuring that the development of the products benefitted from a great deal of on-the-ground insight and intelligence. For example, at one service design workshop we used customer personas from both Credit Union members and One-Stop Shop clients and compared their needs. These personas were developed collaboratively by the partners, but each partner brought their own niche insight to create a rich picture of our target customers.

### 4.2 Key finance product research findings

Both of our loan products share a similar structure. They are standard Credit Union loans: personal, unsecured loans, priced at around 6% with an interest rebate on supply of verification evidence. They differ only in terms of branding and delivery approaches.

One key requirement for Credit Union lending is that the borrower is a member of the Credit Union. However, discussions with ABCUL and member credit unions revealed a number of streamlined member application processes using online data collection and very low membership fees. In our opinion, the requirement for a One-Stop Shop client to join a Credit Union to secure borrowing presents a very minimal barrier. If a Credit Union chooses to offer the One-Stop Shop for Retrofit Loan product, they are likely to be a more developed Credit Union with the capacity for online applications. Whether existing application processes will be a barrier is a question that necessitates further research; future work developing the loan product must include the design of an application process that meets the needs of One-Stop Shop clients.

Through working with ABCUL, we found that around 15-20% of existing Credit Union loans go to fund Home Improvement works. Our surveys of Credit Union members showed that members had a high level of interest in upgrading their homes in ways that would help them save energy. A key barrier revealed in the

surveys and in anecdotal research from front line Credit Union staff was that members simply did not know where to start with retrofit work, lacked an understanding of what measures they should prioritise and how to find appropriate contractors.

The anecdotal intelligence gained from Credit Unions in the UK and in Ireland was that members are not very sensitive to rising interest rates and that, for Credit Union members, a local connection, direct accountability and reduced 'hassle factor' were key to informing borrowing decisions, sometimes more so than interest rates.

From One-Stop Shop clients we identified that the 'hassle factor' was the biggest barrier preventing them from accessing additional finance. The need to contact another organisation and explain their retrofit plans to someone without technical knowledge took effort. The anxiety that a mainstream lending provider would not understand their needs also put them off.

Speaking to and surveying our clients indicated that the majority of One-Stop Shop clients had the funds they required to complete their retrofit project. However, during the service design stage, exercises such as empathy mapping involving frontline Retrofit Advisor and Retrofit Designers indicated that whilst project funds might be in place for clients, the origin of these (savings, inheritance, pensions) meant they were often inflexible.

Changing budgets and - in some cases - an initial optimism bias, meant that, as projects progressed, specification elements were often lost to keep within budgets. Anecdotal feedback from existing clients in People Powered Retrofit's service suggests that, in these cases, they would be comfortable with borrowing to cover these additional specification elements. Survey data revealed that those with larger budgets were more comfortable in taking on this debt.

#### **4.3 Alternative finance options**

Alternative finance options were not considered as our focus was on Credit Union lending approaches. We identified possible innovations in Credit Union finance utilised in the United States - such as bubble payments and hire purchase approaches - but these were deemed to be extensions of the existing Credit Union products, rather than innovative products.

#### **4.4 Market research findings**

The key insight behind the design of our Green Home Improvement Loan product is that there is already a significant Home Improvement Loan market in the UK. We believe that the provision of wrap-around advice and support for domestic retrofit will be sufficient to elevate existing loan products to achieve energy efficiency ambitions and targets. This approach has the benefit of being able to rely on already existing market triggers and decision making, rather than having to create new, retrofit-specific client purchasing decisions.

Credit Union members view their Credit Union as a trusted organisation; we believe this trust and familiarity has potential to remove friction from the householder's decision-making process. We also heard evidence from Donore Credit Union in Ireland that their members will forgo cheaper offers of finance

in favour of credit union loans, because of their long term relationship with the credit union based on trust, familiarity and local presence. The Credit Union sector's environmental and social commitment is a positive sign for adoption of the product across the sector.

In the context of the Early Adopter product, the client decision has already been made and the process is already rolling. The provision of a retrofit lending product at this stage has two potentially beneficial impacts. Firstly, to speed decision making where a lack of budget may have delayed the project. An inability to make decisions was highlighted by People Powered Retrofit as a key barrier to retrofit projects in our R&D report in 2019<sup>16</sup>. Secondly, to extend the scope of a project that would have been otherwise constrained by budget and in turn maximising the economic, social and environmental impact of a project.

The 'hassle factor' that prevents clients seeking this additional finance cannot be underestimated. One householder told us that they knew they could access £15,000 of interest free finance for their project but had not because of the attention and focus required to progress their existing project. The ability to remove this hassle through an integrated One-Stop Shop with a retrofit and finance offer has the potential to be highly effective.

#### **4.5 Key regulatory considerations and participation in formal development support services**

Extensive work at Discovery phase by ABCUL, in communication with the FCA and the Treasury has concluded that no additional licences or approvals are required to deploy the loan products in this pilot. All the necessary regulatory requirements to lend are already in place for all Credit Unions as a consequence of their Business As Usual activities.

As a result, the project did not participate in the FCA Regulatory Sandbox as this additional support was deemed unnecessary to the success of the products.

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<sup>16</sup> [Carbon Coop, Urbed \(2019\) 'People Powered Retrofit - A community led model for owner occupier retrofit'](#)



## 5. Advice/information research

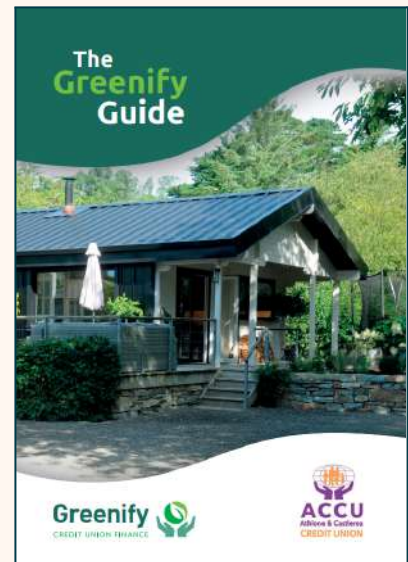
### 5.1 Our approach to retrofit advice provision

Our approach to the provision of advice is distinct for each of the two loan products.

Our approach to advice for the Green Home Improvement Loan product is based on Credit Union members telling us that interest in installing green measures was high and that they were comfortable with borrowing from a Credit Union, but that they simply “didn’t know where to start” or what measures to choose.

Our approach was influenced by successful Credit Union Green Home Improvement lending in Ireland (Greenify) and the United States (Clean Energy Credit Union) who used staff training, factsheets, booklets and videos to bolster advice.

Staff training proved to be particularly effective in this regard, with Credit Union staff acting as trusted advocates, able to offer basic advice and signposting without getting into technical details. The creation of a cohort of Credit Union staff all with similar training created opportunities for peer support and learning between staff members. The Irish Greenify Green Home Improvement product was supported by a [bespoke booklet](#), offering hints and tips on retrofit and simple illustrative case studies to guide and inspire. This booklet was backed up with knowledge sharing events and webinars from industry professionals creating a holistic approach to advice with many opportunities for clients to gain knowledge.



In future, we plan to devise and deliver a programme of Credit Union staff training, based on Carbon Coop’s existing [Carbon Literacy](#) accredited ‘Retrofit Advocacy’ course (see [Annex 2](#) for a course outline). The training will be designed in collaboration with retrofit experts and Credit Union staff to ensure that it gives the Credit Union staff the necessary information and skills to appropriately advise and signpost clients to further information about retrofit measures. We will design and produce factsheets and a series of three minute videos on specific measures whilst a 24-page booklet will set out retrofit best practice for householders.

For the One-Stop Shop for Retrofit Loan product, a comprehensive advice process is already built into the One-Stop Shop service and provided by experienced in-house Retrofit Advisors. Research told us that, where existing budgets do not reach aspirations around retrofit project scope, One-Stop Shop clients want one-to-one, bespoke advice from finance professionals. Therefore, our advice focusses on training our Retrofit Advisors to have appropriate client conversations on finance and signposting to Credit Union staff.

Client and sectoral research told us that Building Renovation Passports were a useful way for clients to track retrofit project progress and we will implement a passport approach to support clients accessing both products.

## **5.2 Selecting our retrofit advice approach**

We excluded the idea of a website for providing advice. We felt that generic online information on energy efficiency was already available, that the impact of websites in this area is often overstated in comparison to investment and that the costs and timelines for developing such a website create risk.

As highlighted in Section [2.1 Research methodology, research and scoping activities](#), the [CU Greener Homes calculator](#) enables householders to gain an idea of the energy performance of their home and the impact of common measures was found to be effective at generating a high level of demand from non-serious clients and in turn creating additional, non-profitable work for One-Stop Shop staff.

This resonates with research previously carried out by People Powered Retrofit during the BEIS Retrofit Supply Chain pilots that suggested that creating barriers for clients in the form of incremental and escalating charges acted as a filter, ultimately reducing staff time spent on enquiries who did not convert into clients and leaving profitable clients to convert into the service.

Our ultimate selection of advice tools was based on the idea of simple, holistic and effective channels which are complementary and support and reinforce each other - which is simply good marketing practice!

## **5.3 Consumer preferences for advice and information**

Advice and information is a core element of end-to-end One-Stop Shop services like People Powered Retrofit and Loco Home Retrofit. We employ specialist staff including Retrofit Advisors to deliver advice.

The project presented no additional information to suggest that One-Stop Shop clients required a different approach to advice and information than those we already have in place.



For the Green Home Improvement Loan audience, research indicated that the key barrier to the adoption of this product is a lack of knowledge from householders of where to start with works.

The experience of Greenify in Ireland and Clean Energy Credit Union in the United States suggested that householders benefited from a range of advice channels, including in-person advice from trained Credit Union staff, factsheets, booklets, in-person events and webinars. This has informed our choices about the type of advice methods that we would develop as part of our Green Home Improvement Loan product.

#### **5.4 Integrating advice and information with the finance product(s)**

A key piece of learning from the One-Stop Shop clients was that the ‘hassle factor’ of separately dealing with both a One-Stop Shop provider and a finance provider was off-putting for many and discouraged them from applying for additional borrowing. The learning here therefore was that advice and information provision in terms of the One-Stop Shop offer should be closely integrated with the provision of finance i.e. from a Credit Union. Credit Union staff members dealing with the loan product need to be familiar not only with retrofit but with the particularities of the One-Stop Shop approach to ensure a seamless transition for the client.

In terms of the Green Home Improvement Loan product, our research suggested that a holistic set of advice approaches was required to meet householder needs. Offers like Greenify benefitted from unified, shared and coherent funding across a large number of Credit Unions to increase both brand awareness and the availability of advice for householders. This insight was taken on by the Greater Manchester Credit Union consortium who intend to launch their product under a single, unified branding.

#### **5.5 Bespoke advice provision versus signposting to existing services**

Our experience in Ireland taught us that initial advice provision should be simple, direct and low cost. This is not only cheaper, but enables iterative learning to be applied to subsequent materials that are produced. The one-off sunk cost that went into the creation of the stand-alone CU Greener Homes website was ultimately a risk that did not pay off, and the time and costs involved in that project limited CU Greener Homes’ ability to create new, more effective materials.

The reliance on online tools based on rd-SAP that rely on householders to populate the information rather than an interaction with a trained professional is a significant risk. Mounting evidence from Citizens Advice and others, suggests that to convert householder interest into action requires bespoke, person-centred advice rather than generic, often vague and/or inaccurate advice generated by software tools.

Our position on the GOV.UK energy advice tool and associated phone line is that, while they are generic and high-level, we will readily signpost clients to them if they will not be progressing through our One-Stop Shop service. We are also minded not to unnecessarily replicate the advice in this tool in our own provision. As of September 2023, there are a number of Local Energy Advice Demonstrator projects active around the UK and where appropriate we will signpost to them.

## 6. Verification methodology research

### 6.1 Our verification and quality assurance approach

In the Discovery Phase, we have analysed and set out the data landscape in relation to current One-Stop Shop (People Powered Retrofit) service delivery, with a particular focus on data collected as part of the Home Retrofit Planner stage. We have also set out common processes and actions of Credit Unions in their current lending practices. This was done with the intention of understanding what data is collected now, and may be integrated in future, which can be used to support the verification aspects of any finance offer.

Research conducted throughout the Discovery Phase, including an in-depth look at the data and verification approach in the Irish One-Stop Shop/SEAI grant system, has provided insightful points of comparison. For example, SEAI highlighted GDPR and ICT issues as key barriers to better monitoring and evaluation of programme outcomes; ways to overcome these barriers were considered during the development of our approach.

We consider the One-Stop Shop ‘full service route’ to already fulfil many requirements of verification – in terms of process and performance outcomes. This framework is a strong starting point for further developing a One-Stop Shop for Retrofit Loan product verification route, and offers plentiful learning for the verification of a lighter touch Green Home Improvement Loan product.

Some parts of the existing People Powered Retrofit service are more developed than others. For example, Home Retrofit Planner (assessment and scenario planning) facilitates a strong understanding of baseline/pre-works, and of the objectives set for the retrofit (e.g. energy use, comfort): this is an important part of the verification approach as, without clear and measurable objectives, verification is limited. The monitoring and evaluation aspects of People Powered Retrofit’s service will require further service design and testing at pilot stage to ensure that the verification approaches taken are robust enough, but also proportionate to the needs of users (users being householders, but also the organisations involved). All of these aspects can be supported by the Building Renovation Passport, which records the pre-works asset and performance, the brief and performance objectives, and the post-works evaluation as well as remediation measures if needed.

We aim to pilot an end to end verification approach in a real world context to assess the integration of individual elements into the customer journey and with involvement of other retrofit actors (i.e. contractors, finance providers, One-Stop Shop etc).

This will involve:

- Refinement of agreed sets of documentation, evidence, checklists and data gathering guidance including householder surveys (pre- and post-works),
- Refinement of succinct, user friendly verification reporting formats for householders (with benefits for One-Stop Shops, Credit Unions) bringing

together qualitative and quantitative performance indicators, developed and tested with users,

- Developments to existing monitoring and verification tools i.e PowerShaper Tracker (a metered energy savings calculation) and Home Retrofit Planner (e.g. an ‘as-built’ scenario),
- Integration of data collection processes and tools into workflow for the two products being tested, and into the Building Renovation Passports, and
- An interest rebate to incentivise data collection.

## **6.2 Selecting our verification approach**

In the Discovery Phase we tested a variety of connected and complementary approaches to verification to support both process and outcome verification i.e. across quality assurance, client advice and customer journey reporting, and contractual and lender compliance. We conceptualised verification across four key areas:

- The measure exists,
- The measure is suitable for the home and household (i.e. taking account of both building and occupants),
- The measure is installed correctly, and
- The measure delivers on intended outcomes.

From Carbon Coop, People Powered Retrofit, and Loco Home Retrofit’s experience with clients, in particular householders, we know that intended retrofit outcomes are often much broader than purely energy and carbon savings. So, whilst we consider these important facets of verification, we will not focus on purely quantifiable metrics.

Furthermore, as our project partners are member led co-operatives, we have strong shared values in community benefit. We have an interest in the social and community outcomes of retrofit, in particular around health and wellbeing, job creation and skills development. This ties in with drivers – and potentially future reporting requirements – for Credit Unions around the social value of their operations. Whilst mindful of this context, our initial priority is verification at a property and client level.

We have identified preferred options and data points to support verification, ordered by stage in the retrofit process. In many cases this will involve adaptations for the ‘lighter touch’ Green Home Improvement Loan route to ensure proportionality for the works proposed and level of lending.



<b>Making a plan</b>	<ul style="list-style-type: none"> <li>• Pre-works survey ('Retrofit Brief' / householder questionnaire)</li> <li>• Retrofit survey / assessment</li> <li>• Supporting surveys, where required</li> <li>• Home Retrofit Plan</li> </ul>
<b>Installation</b>	<ul style="list-style-type: none"> <li>• Inspection visits</li> </ul>
<b>Completion and handover</b>	<ul style="list-style-type: none"> <li>• Invoices from contractors and suppliers</li> <li>• Contract to evidence relationship between client and contractor</li> <li>• MCS certificate for renewable</li> <li>• MCS Compliance certificate for heat</li> <li>• Building Regulations Compliance Certificate, where appropriate</li> </ul>
<b>Post-works / in-use</b>	<ul style="list-style-type: none"> <li>• Post-works survey / evaluation (qualitative)</li> <li>• Supporting technical tests, where appropriate (e.g. air tightness testing)</li> <li>• Comparison of pre and post-works surveys (qualitative)</li> <li>• Comparison of pre and post-works energy data (bill data or metered energy savings, where possible)</li> </ul>

We believe taking this holistic approach to verification will generate the data and reporting required to meet client, provider and lender needs in a manner that is cost effective, scalable and replicable.

For householders progressing through the One-Stop Shop/People Powered Retrofit route, heat loss is modelled as part of the assessment process. More often than not airtightness testing, pre and post works is a supporting data point for this.

We plan to integrate a metered energy savings (MES) option for verification - which uses 'real world' smart meter data. We will be guided by the findings of other research projects in informing this (e.g. RetroMeter, referenced below), and whether the addition of internal sensors is effective and proportionate.

We also considered a number of other approaches and evidence, but felt these were either:

- Already covered by the preferred options (such as declarations of completion),
- Would provide a 'nice to have' (such as internal monitoring data), but not essential given additional costs. Whilst monitoring data is useful it requires interpretation, contextualisation and 'triangulation' with other

data points - such as householder feedback - which has cost and skills implications for the service,

- Were inappropriate for the supply chains in use or proposed (such as PAS2035 contractors and documentation), and/or
- Not considered useful tools in the context of the two routes identified (e.g. we view EPCs as very limited use where a HRP assessment has been completed (and in a full One-Stop Shop service), unless the householder wants to document a change in rating). We believe the other approaches provide a more robust approach.

### **6.3 Evidence for our verification approach**

Our approach to verification to date has been shaped by a number of activities during the Discovery Phase.

#### **Learning from others**

We looked to Credit Union and One-Stop Shop approaches elsewhere to understand existing verification approaches. Our study visit to Ireland and subsequent desktop research of operational guidelines allowed us to understand the One-Stop Shop model, SEAI approach to verification and Credit Union perspectives.

Project partners also fed in their learning from related projects. For example, Carbon Co-op's [Open Energy Efficiency Savings \(OpenEnEffS\)](#) project provided insights on metered energy savings and smart meter services, and their potential to offer a more accurate verification route on energy performance outcomes. Carbon Coop's [RetroMeter](#) work has been awarded funding through Ofgem's Strategic Innovation Fund (SIF) Round 2 Alpha Phase. The project is a collaboration with Energy Systems Catapult, Electricity North West and ep group and fulfils a key requirement identified by Ofgem in REMA (the Review of Energy Market Arrangements) and other strategic documents, necessary in underpinning the development of the market for energy efficiency. The creation of an effective, accurate and cost effective way to quantify actual energy savings using smart meter data has the potential to underpin new business models such as Pay-For-Performance and Heat as a Service as well as solidifying the business case for public energy efficiency programmes.

### Mapping existing data flows and tools

We looked at the existing tools and services of One-Stop Shops like People Powered Retrofit and investigated how they could support verification through the data they collect and process. This included Home Retrofit Planner, a SAP based model and scenario planning tool supported by a home assessment/survey. It also included the broader People Powered Retrofit service framework for aspects like installation quality.



We have also looked at the current stages, flows of data, and requirements linked to current Credit Union lending.

Mapping of current processes and data collection gave us confidence that the preferred verification methods are proportionate. For the One-Stop Shop route in particular, where clients receive a high degree of support from the service, the majority of these data points are already built-in. In this case improving the documentation, collation and data flows is the priority. Data collection for current Credit Union Home Improvement Lending is low - so more work and testing is required to ensure that the adaptations made for this 'lighter touch' route do not pose a barrier to progressing with a retrofit measure.

### Building Renovation Passport: Stakeholder mapping and research

We were supported by Julie Godefroy's expertise in this area, exploring how data collection and tools can support the concept of Building Renovation Passports for properties (see [Section 9.1](#)).

With engagement from DESNZ, lenders and providers, we concluded that a holistic approach is required to meet needs of multiple actors and avoid reliance on single data points/indicators which do not accurately reflect overall 'success'.

### 6.4 Integrating verification services into the consumer journey

Our work with Credit Unions indicated that lenders very rarely seek to verify the actual use of loans for Home Improvement activities. Collecting such data is a logistical and administrative challenge and Credit Union staff are not trained to effectively interrogate information of this nature. One proposal developed in the Discovery Phase is to offer an interest rebate to clients supplying verification documentation. For our Green Home Improvement Loan product we are

therefore aware we need to integrate a simple verification process in which evidence of work can be easily logged and assessed and then linked to lending staff systems.

The Home Retrofit Plan element of People Powered Retrofit's Home Retrofit Planner service stage is being iteratively developed. This will form the equivalent of the 'Roadmap' part of a Building Renovation Passport, and is also due to include room-by-room heat loss calculations.

We have had discussions about how to update the assessment record once works are completed. This may include documenting/re-modelling the 'as designed' package of measures and/or the 'as-built' package of measures.

At their simplest, documentation may take the form of further scenarios within the Home Retrofit Planner tool, which would be clearly labelled as such. This would ensure that post-works comparisons of energy data are based on an accurate representation of the works completed.

Monitoring and evaluation parts of the People Powered Retrofit service are in development, but there is appetite from clients to understand the impact of the work that has been completed and interest at organisational levels to understand performance outcomes. Developing this part of the tool may involve more direct connection to metered data, where available, and/or links back to the original householder questionnaire and supporting documents. These links could compare outcomes against the aims, brief, and original perceptions of comfort, indoor air quality etc. This would tie in with the basic level of evaluation within PAS 2035<sup>17</sup> which consists of a questionnaire to try to ascertain whether intended outcomes have been met, the levels of satisfaction at different stages in the process, any points of dissatisfaction, whether anything isn't working as expected and whether there have been any unexpected outcomes.

Our householder research as part of this and similar projects, has indicated that the majority of retrofit activity in the UK gives very little back to householders (or other key stakeholders) to help them understand outcomes, operating as 'extractive evaluation' processes. We have identified a need to bring this data together in a simple and engaging way as we develop our loan products.

Another possible development for Home Retrofit Planner, which will bring it further into alignment with Building Renovation Passports, is the addition of a maintenance plan module. The module will record the building condition, building elements and any retrofit measures carried out. From this information, it will be possible to identify what maintenance is required and when it needs to take place. For example, ventilation systems requiring filters changed every 6-12 months, boilers or heating systems requiring an annual service, timber windows to be cleaned every 6 months and repainted every 5-10 years. This module will act as a prompt to encourage upkeep.

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<sup>17</sup> [PAS 2035/2030:2023 | BSI](#)

## **6.5 Minimising fraud/mischief**

In terms of minimising the risk of fraud/mischief by customers, one area of concern identified was the chance of Credit Union members taking out a Green Home Improvement Loan and using the funds for uses other than home improvement.

The proposed mitigation for this was the use of a verification system so that Credit Union staff can ensure that retrofit works are planned by the client. For example, this could be achieved through the presentation of contractor quotes and invoices.

Credit Union staff will need to also use the verification system post-works. For example, through the presentation of receipts and evidence of payments to contractors.

An additional incentive to ensure consumer engagement with verification is the use of an interest rebate on evidencing of works completed.

## **6.6 Additional information about verification**

### **Complex questions**

Contextual data is important for understanding retrofit performance. In order to assess the question: ‘Has this retrofit been successful?’, we believe a mix of quantitative and qualitative data is required to understand what is working well, what is not, and why that might be. In addition, consideration needs to go into what we monitor and verify, for example as social enterprise providers, we are not just interested in the technical performance of retrofit but also the wider social and community outcomes of retrofit and we need to consider what metrics we collect and report in this context.

In the sector there is at times an over-reliance on technology solutions in isolation. Professional expertise and judgement is required to assess success and whilst there is a role for technology in easing these processes, we do not believe this element should be fully ‘automated’.

As a partnership we are keen to see more accurate data used in verification, such as smart meter-based solutions but we need to be realistic about the current challenges with these and propose alternative, interim solutions.

Smart meter installations are still patchy, so the availability of metered data will not be consistent across clients accessing the loan products. For example, it is not uncommon for homes with two fuel types (i.e. gas and electricity) to only have a smart meter for one of these due to the relay distance/limitations with the current meters.

Methods like Metered Energy Savings rely on having smart meters in place for a full 12 months prior to the intervention, meaning that there is sometimes insufficient data for baselining depending on the length of tenure or time since smart meter installation.



As referred to elsewhere, meter and/or bill data require contextualisation and triangulation with other data points (e.g. understanding the degree of comfort take back or temperature change pre- and post-retrofit). Meter data are one tool within a suite of other methods, and are still a developing field within the sector.

### **Contractual requirements**

We believe proportionality is important in carrying out evaluation exercises and that verification needs to align with householder needs and wants, along with those of One-Stop Shops and Credit Unions. If the verification requirements for a lighter touch Green Home Improvement Loan route are too onerous, or the benefits not communicated well, our research suggests it will act as a deterrent. Loan conditions need to be carefully considered in the context of verification requirements; excessive requirements risk disincentivizing take-up. There is an immaturity of data collection in existing Credit Union lending, in comparison with retrofit services. We believe that loading too many data collection requirements onto Credit Union staff and members will ultimately be counter-productive.

We believe that the nature and type of contractual relationships used will rely on householder and supply chain relationships for documentation and evidence, and it should be carefully considered how we engage users on this topic.

### **Standards and frameworks**

Finally, verification methods should directly support ambitions for Building Renovation Passports as a way to support broader adoption, consumer protection and householder empowerment. However, the lack of standardisation and openness in current solutions is a challenge. Discussions with existing platforms (such as Novoville and Building Passport) may enable these to be piloted at the next stage. The partnership will continue to advocate for the mandation of approaches based on Open Standards and interoperability to support this.

## 7. Marketing related research

### 7.1 Consumer preference for marketing

Our Discovery Phase research findings related to our study visit to Ireland and the lessons learnt from providers there.

CU Greener Homes was a collaboration between a Credit Union, a One-Stop Shop and an energy company. We spoke to the CEO from Donore Credit Union.

Donore Credit Union initially had high hopes from the CU Greener Homes scheme but had been disappointed by the scheme as the individual led approach was not gaining traction. Feedback from householders suggested that some revert to the standard home improvement loan (rather than going down the One-Stop Shop route) even though this is at a higher interest rate. There was a perception from clients that the One-Stop Shop ‘gobbled up’ the grant; in other words, that it was a less efficient use of the funds to go via a One-Stop Shop.

The CU Greener Homes scheme created a simple and visual energy calculator website to enable householders to quickly and easily get an understanding of the potential benefits of a retrofit. Donore believed that whilst householders may have gone down other routes, the website may have been a useful starting point for them. However, they believed it was not an effective approach to generating One-Stop Shop clients, as it led to a large number of general enquiries from people not particularly committed to taking projects forward. They would not recommend such a website for One-Stop Shop services.

Donore identified the need to have shared values between partners as this is crucial to success.

Donore believed their marketing approach had been too polished and too ambitious, offering too much and that a smaller, more stepwise approach to marketing would have been more successful.

Our second Irish case, Greenify, offered a contrasting and more successful approach. Collaborative Finance (Ireland) is a not-for-profit organisation established and owned by its 47 member Credit Unions, and set up with the aim of supporting Credit Unions to become the principal provider of ethical finance for Climate Action in their communities. What is different from the Irish League One-Stop Shop approach, is that “Greenify” is a brand and standardised loan product adopted by participating Credit Unions to collectively increase awareness and promote Credit Union green home improvement loans.

Unlike the One-Stop Shop approach, Greenify does not handle grants or arrange contracts with third party suppliers. It is up to the individual householder to arrange the works and deal with contractors. The Credit Union does require proof in the application process that the loan will be used for retrofit and requests invoices and receipts to validate the purpose of the loan. However, the Credit Union does not get involved beyond this and does not micromanage the works.

The Credit Unions involved in “Greenify” have pooled their marketing budgets and have standardised their approach to green home finance, so the focus is on branding and culture. The principles behind “Greenify” are to keep it simple, keep it local and keep it real - and ultimately this approach has proved much more successful for the Credit Unions involved in comparison to the CU Greener Homes approach. Below are some examples of social media posts from St Jarlaths Credit Union and an event poster from Bantry Credit Union, illustrating this approach.




Fitting a **stove or fire door** can reduce required fuel by 30%




Ensuring you have **300 to 400mm of quilt insulation** in your attic will **eliminate most heat loss** through the roof and attic space





## Retrofitting Your Home

A public information evening to answer all your questions

**5 MAY, 7PM - 10PM**  
THE MARITIME HOTEL, BANTRY

Bantry Credit Union is hosting a public information evening on “Retrofitting Your Home”. Our guest speaker Colm Tynan will provide expert knowledge and advice on all aspects of retrofitting. In plain English, Colm will explain how to improve the energy efficiency of your home in a planned, cost-effective way.

The audience will have an opportunity to ask questions of Colm and this will be followed by a panel discussion featuring local advisors and providers of Sustainable Energy solutions.

We will also have a range of local businesses exhibiting before and after the meeting where you can find out about the options available to you at a local level.

**Guest speaker Colm Tynan**

Colm is an experienced engineer with over 20 years' knowledge in the fields of low energy building design and sustainable home energy upgrades.

He is programme director of the BEng (Hons) in Sustainable Energy Engineering course at South East Technological University (SETU) and lectures extensively in the areas of thermal performance of buildings, building services and energy systems for buildings.



**Colm Tynan**  
Programme Director of the BEng (Hons) in Sustainable Energy Engineering at SETU

**FREE RAFFLE ON THE NIGHT**  
First prize is a free BER Assessment. To be in with a chance of winning this prize, you must register in advance to attend the event and you must attend on the night.

**Admission Free**  
Visit [bantrycu.ie](http://bantrycu.ie) for more information

**SCAN TO REGISTER**




Always here for you!

## **7.2 Developing our marketing approach**

At first, our ideas centred on information-sharing strategies, like the development of advice websites. But the experience of Donore and Greenify in Ireland led us to believe that a simpler, more direct approach, based on training up Credit Union staff as advocates would be more effective in terms of costs and success rate than an online approach. Credit Union staff interact with customers either in branch, by telephone or via online chat avenues. There are opportunities for promotion at various stages of the process, including at the point of onboarding a new Credit Union member or at the time of loan application.

Greenify's pooled marketing approach, with a number of Credit Unions utilising a single brand and branding materials, led us to identify the Great Manchester Credit Union consortium as the ideal vehicle to test our Green Home Improvement loan. We intended to develop a single brand and to work to train staff as effective advocates for retrofit, in order to generate leads through discussions with members and existing enquiries.

## 8. Future Plans for green home finance

### 8.1 Using lessons learned to develop green finance products

Key lessons in this research stemmed from the insights gained from the successful Credit Union products we identified in Ireland and USA and the need to offer holistic advice and support mechanisms for clients. We heard from Credit Unions that personal communication and the role of trained Credit Union staff advocates was more effective than automated solutions and websites, which resulted in applications from less serious clients, lower conversion rates, and less personalised advice.

From discussions and research with Credit Unions members we identified a number of drivers beyond financial ones like interest rate that drove adoption and take up including: a local presence, the accountability co-operative status brings and increased trust organisations driven by wider environmental and social concerns.

Within the Early Adopter audience, we benefited from the involvement of engaged and committed clients, eager and willing to share experiences. But we also took advantage of the real world, applied experience of Retrofit Advisors, Assessors and Designers who were able to draw from their interactions with clients, using insight and linking issues within a structured service design process to create new and innovative approaches to finance and retrofit delivery.

The presence of ABCUL within the partnership meant that lessons from the project have been greatly influenced by, and in turn will greatly influence the wider Credit Union sector. This has been incredibly beneficial as it has meant that our products are more relevant to the needs and priorities of the wider Credit Union sector, rather than just the Credit Unions participating in the project and more likely to be rolled out as a result.

This involvement can be extended to the Greater Manchester Credit Union consortia, whose involvement and commitment to piloting the Green Home Improvement Loan products has also been useful in informing the design of the product, now and in the future.

Finally, the expertise of Carbon Co-op and Julie Godefroy has been extremely useful in helping to understand how process and standard verification requirements can be satisfied through a combination of ICT tools, open standards and frameworks such as Building Renovation Passports.

Carbon Co-op's on-the-ground experience of retrofit evaluation - in both private and public retrofit schemes - has meant that we have been able to temper high level technical aspirations with an understanding of how theory meets practice on site in retrofit projects.



## **8.2 Using lessons learned to develop our organisation(s)**

Particular learning from the Discovery Phase have centred on the need to get to the heart of client drivers and experiences in designing products. A message we heard repeatedly within the retrofit sector is that finance is the missing piece of the jigsaw, that all that is needed to incentivise a client is the availability of a financial product. This research, as well as recently published insight from Citizens Advice and NESTA has made it abundantly clear that that is not that case and that a support framework is required to facilitate client retrofit purchase decisions, with just one element of this relating to finance.

In terms of the partnership, the Discovery Phase project has demonstrated the importance of utilising a broad range of participants to draw research from, i.e. engaging people beyond the Early Adopter audience, as doing this expands the potential audience for retrofit.

The Discovery Stage project has reaffirmed our commitment to service design approaches as an effective way to devise new, innovative solutions to complex problems. However, this project has extended the range and scope of the service design tools we use and has allowed us to develop User Research expertise.

On reflection, we are pleased with the impact of our integration of dissemination activity into project delivery as a mechanism to feedback learning and insight into the project whilst still in process. The webinars we hosted with Clean Energy Credit Union and ABCUL generated a huge amount of feedback on our proposed approach and we were in turn able to incorporate this feedback into the project. The offers a useful framework for the development of future service innovation projects.

## **8.3 Dissemination of lessons learned**

People Powered Retrofit has already delivered a series of webinars disseminating the learning from the project to the wider sector and published a report documenting client insight - in order to influence and benefit the wider sector.

All the partners will continue to disseminate insight within sectoral networks and at events and conferences.

Additionally, the project has led to new relationships with partners in Ireland and the United States with additional potential for research and learning and with agencies such as the Sustainable Energy Authority Of Ireland (SEAI) who were keen to learn from the UK experience of One-Stop Shops.

As noted, we now have commitment from the Greater Manchester Credit Union Consortia to take forward a Green Home Improvement Loan product.

#### **8.4 Key challenges for development of these products**

Putting the infrastructure in place to support the delivery of the loan products remains a challenge - one that may be overcome by further GHFA support.

The limiting factor for retrofit finance products is not solely around the availability of such products, but about the design of effective services that wrap around these products. Establishing and growing the One-Stop Shop services throughout the UK continues to be a challenge in this regard.

As set out in the section relating to verification, a mixture of qualitative and quantitative tools needs to be deployed to create a genuinely effective verification approach and the availability of smart meter data and a common, open, standardised and mandated approach to Building Renovation Passports is also required.

#### **8.5 Addressing developmental barriers**

With the One-Stop Shop approach to retrofit more widely advocated, we believe DESNZ should set down minimum service standards for One-Stop Shops - to support consumer protection and standardisation of services.

A greater focus on smart meter roll out programmes and mandation from DESNZ on Building Renovation Passports is also required.

## 9. Further information

### 9.1 Building Renovation Passports

Our research included a review of Building Renovation Passports and their potential to offer a framework for retrofit projects and long term planning.

We identified that Building Renovation Passports (BRPs) are still a very live issue in the retrofit industry, including in a [National Retrofit Hub working group](#). We found there is also still some level of confusion in the language: while “building passports” has become more common terminology, it is not used consistently. In particular, it is often used to refer to a document more akin to a logbook, without the plan (or journey) aspect or the focus on supporting future retrofit works and improving the home’s performance, which are central to Building Renovation Passports.

Our landscape review identified that while the availability of guidance and services around building passports has grown in recent years, there are still some inconsistencies in how they are understood across industry, and there is no publicly available template (or comprehensive example) for them. Other industry trends in recent years, in particular digitisation and the Golden Thread of Information (following the Fire and Safety Acts) are positive developments, which Building Renovation Passports could build upon.

We concluded that a holistic approach was required to meet needs of multiple actors and that it is important to avoid reliance on single data points/indicators which do not accurately reflect the overall ‘success’ of a retrofit project. We also concluded that there is still a need for the creation of a Building Renovation Passport; this should be modular, and could be developed to a lesser degree for the Green Home Improvement Loan (compared to the One-Stop Shop offer), but following the same framework and potentially paving the way towards a fuller offer and more extensive works in the future.

## **Annex 1: Dissemination activities**

### **Exploring Consumer Needs for Retrofit Lending**

We carried out research with members of Credit Unions and retrofit One-Stop Shops to discover the ways that homeowners are currently financing retrofit work, as well as their attitudes towards borrowing for retrofit.

[Report: Exploring Consumer Needs for Retrofit Lending](#)

[Webinar: Exploring Consumer Needs for Retrofit Lending](#)

### **Videos**

[Webinar: Clean Energy Credit Union with Terri Mickelsen](#)

[Who are the Early Adopters? People Powered Retrofit Panel and AGM](#)

## **Annex 2: Retrofit Advocate Training Course Outline**



# Retrofit advocate training

Prepared by: Helen Grimshaw, Sustainability Consultant  
2 April 2015

This training is designed to provide around 12 Stockport residents with the knowledge and skills needed to motivate others to improve the energy efficiency of their homes, reducing carbon emissions, improving comfort and reducing fuel bills. The course should meet the Carbon Literacy standard and its core elements: learning method, knowledge, values and action.

## TRAINING FORMAT

- The training will be split across two sessions held in late May - early June.
- Each session will be 3 hours in length.
- The sessions will be held in the evening to allow participation by as many people as possible.
- There will be a gap of 2-3 weeks between the sessions to allow participants to complete an exercise centred around assessing the energy performance of their own home.

## LEARNING METHOD

- “Local” learning: this is achieved through looking at the learner’s own home as well as their community. There is a clear call to action on retrofit from the global through to the local level.
  - Delivery by peers: there will be an element of peer and expert delivery. In focusing on the home every participant, including the trainer, is able to relate back to their own circumstances. A level of expertise is required to cover the section on retrofit measures. There is an opportunity for a Carbon Co-op member who has experience of undertaking retrofit works on their own home to share their experience and assist with the delivery.
  - Group enquiry: Learners will be able to find their own answers and devise their own solutions through exercises. These will be a combination of individual and group activities.
  - Positivity: Retrofit is a very positive approach to tackling climate change as well as delivering other benefits such as improved thermal comfort, reduced fuel bills and fuel poverty. There are many barriers to the wider uptake of retrofit, these may need to be referenced but the focus will be on what help is available to empower people to make small or large changes to their homes (and wider community).
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## SESSION 1

### **Introductions, housekeeping, aims and objectives (10 mins)**

Including individual learning aspirations

### **Why retrofit? (60 mins plus 10 mins for quiz)**

- Climate change (including the science bit) - the bigger picture, quiz (how much do you already know about climate change)
- The national picture (Climate Change Act, emissions shares, Fuel Poverty Strategy, policies like Green Deal and the Energy Company Obligation)
- The regional picture (Manchester Climate Change Strategy and Action Plan, GM Housing Retrofit Strategy)
- The local picture (Stockport programmes, Carbon Co-op whole house retrofits and assessment tool)
- Warmer homes (fuel poverty link, comfort and health)
- Affordable homes (lower energy consumption = lower fuel bills)

### **Break (10 mins)**

### **Activity (20 mins)**

Exploring the characteristics of the local housing stock

### **Understanding and measuring energy performance (45 mins)**

- Heat loss
- Electricity consumption
- Different methods of assessing energy performance (EPCs, Green Deal Advice Reports, basic tools, Carbon Co-op whole house assessment)

### **Introduction to homework (15 mins)**

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## HOMEWORK

Undertake a basic energy audit of your home.

1. Note down construction elements - when was it built, what types of walls (cavity, narrow cavity, solid), floors (solid, suspended), windows, loft etc.
  2. Note down heating and hot water services - how old are they, what type of system, make and model (find efficiency of boiler via SEDBUK database)
  3. Is there any condensation, damp and mould - if so, where?
  4. How is your home ventilated? - extractor fans, wall and floor vents, trickle vents in windows, mechanical system
  5. Are there any draughts? Are there any rooms you don't use because they are cold, damp etc?
  6. What improvements have you already made (think small, like lightbulbs - to bigger things like replacing a boiler)?
  7. What do you think could be improved? Which improvements do you think will save the most carbon/money/improve comfort?
  8. What was it difficult to identify?
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## SESSION 2

### Group discussion about energy audit/homework (15 mins)

#### Understanding priorities and approaches to retrofit (15 mins)

- Carbon, comfort, cost
- Quality, time, cost
- Whole house, phased approach, individual measures

Note: We can use some of the material developed for recent routes to/introduction to retrofit workshops.

#### Improvements (75 mins)

- Insulation (cavity wall, external wall, internal wall, loft, roof, floor)
- Windows and doors (refurbishment, replacement, secondary)
- Air tightness and draught proofing
- Ventilation (passive, mechanical)
- Heating (boilers, controls, stoves, pipework, hot water storage)
- Lighting and appliances
- Renewable technologies

#### Break (15 mins)

#### Activity (15 mins)

Split into small groups. Each group looks at a case study house and discuss possible improvements based on what information they have. They devise 5 key actions for the householder to take forward (this could be related to research, getting an energy assessment etc). Each group presents back to the wider group.

#### Thinking about carbon (20 mins)

Considering indirect and embedded carbon.

- Fuel sources (carbon intensity of different fuels)
  - Materials (natural vs. chemical etc) - make links to the existing building fabric - considering moisture movement etc. SPAB responsible retrofit wheel.
  - Durability and quality of work (attention to detailing - expertise needed)
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### **Encouraging people to take action (20 mins)**

- Signposting to other resources and organisations
- Local support (Carbon Co-op, council, housing associations)

### **Activity (10 mins)**

Identify individual action (this might relate to a home improvement, undertaking to research local events and groups where they could host a stall or give a short talk).



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## RESOURCES

### Physical resource pack

Course slides and handouts

Slides from recent renewables workshop in Oldham

Retrofit measures:

- Carbon Co-op fact sheets (where available - may not all be done by training)
- CSE factsheets

### Electronic resource pack

As above, plus:

- Energy Saving Trust best practice guides
- Historic England/Scotland guides
- Links to useful websites such as YouGen

## TASKS

Description:	Date:
Review Carbon Literacy resource bank and shortlist information that could be used to compile the climate change related content: Quiz Short video? The science	
Review existing Carbon Co-op and URBED presentations and pull out relevant content	
Draft slides	
Devise homework task (simple energy audit template)	
Devise activities (local housing characteristics, case study homes)	
Compile resource packs	

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