

Better Home Loan

End of Pilot Phase Report

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Executive summary

About the author

Jonathan Atkinson is Business Director at People Powered Retrofit. He has a background in co-operative and social enterprise development and was author of the business plan that led to the establishment of People Powered Retrofit.

Introduction

Green Home Finance Accelerator

The Green Home Finance Accelerator (GHFA) is part of the UK Government's Net Zero Innovation Portfolio (NZIP) providing up to £20 million grant funding to support the design, development and piloting of a range of finance propositions which encourage domestic energy efficiency, low carbon heating, and micro-generation retrofit in the owner-occupied and private rented sectors.

The programme aimed to accelerate activity in the green finance market and support the establishment of a diverse range of green finance products which incentivise domestic energy performance improvements across a range of consumer segments.

Critically, GHFA sought to encourage partnerships between lenders, investors, retrofit, low carbon heating and property value chains, leading to products which offer homeowners end-to-end services.

As well as innovating, GHFA explored consumer barriers and motivators for energy efficiency and worked towards helping to reduce these barriers and finance domestic low carbon heating and retrofit projects.

Our project

This pilot project builds on a six-month long Discovery Phase project that took place in 2023 which involved horizon scanning and basic market research with credit union members.¹

Credit Unions are savings/lending co-operatives either based within a defined geographic location (community credit union) or aligned to a specific profession or employer (payroll credit union). This project sought to explore the potential for credit unions to offer unsecured loans to support retrofit, energy efficiency and associated enabling works.

¹ A Community-Led One-Stop Shop for Finance and Retrofit, Discovery Phase Report, October 2023 https://ppr-website.s3.eu-west-2.amazonaws.com/uploads/GHFADP09_People-Powered-Retrofit_DP_Reportv3-1.pdf

After research in the US, Ireland and UK, the partnership developed the 'Better Home Loan', an unsecured credit union lending product, with a distinct brand and wrap-around support in the form of credit union staff training, householder guidance, a 'packaged' set of retrofit measures and a monitoring and verification approach.

The product is supporting the wider roll out of green home improvement loans within the UK credit union sector and seeding the development of a formalised Credit Union Support Organisation (CUSO) to further implement its roll out in Greater Manchester. The CUSO will assist in the roll out of the Better Home Loan across the UK and is currently in development with credit union partners seeking start-up finance to support the establishment of the organisation.

Key Dates and Financials

The project ran from 18th December 2023 to 30th June 2025 and was awarded £324,366.98 GHFA grant funding by the Department for Energy Security and Net Zero.

The project consortium was led by People Powered Retrofit and included Metro Moneywise, Association of British Credit Unions Limited (ABCUL), Carbon Co-op, Loco Homes, Manchester Care and Repair and Julie Godefroy Associates. The SoundPound Group², a co-operative of credit unions from across Greater Manchester, became involved in the project during its delivery and the project also worked closely with the Green Finance Institute (GFI).

Geographic Scope

The project was initially focussed on a single credit union in Manchester but quickly grew to include other credit unions in the Greater Manchester area. The Better Home Loan product was made available within Greater Manchester, the city region focus enabled the project to benefit from a mature and already active credit union consortium, SoundPound Group, with excellent links to local government and a good relationship with Mayor of Greater Manchester Andy Burnham. Capacity building and dissemination work was carried out with ABCUL, the UK-wide credit union federation, which has in turn seen similar loan products developed beyond Greater Manchester over the course of the project.

Pilot Objectives

The objectives of the project were:

- To undertake product and service design, ensuring that the lending products and service delivery mechanisms operate effectively for lenders, borrowers

² SoundPound Group, www.soundpound.co.uk

and other actors working in partnership in the retrofit service journey, reducing consumer barriers.

- To devise and develop effective householder advice mechanisms to overcome retrofit barriers associated with lack of knowledge, properly target lending products and help ensure appropriate measures are specified and ultimately installed.
- To implement effective verification tools and methodologies to evidence the impact of measures installed as a result of these lending products, integrating these into ICT products to ensure effective deployment and replication within the sector.
- To undertake supply chain development, to ensure that contractors and other supply chain actors are fully integrated into the lending pathway for the products designed.
- To pilot credit union products for retrofit, generating real world learning and an evidence base to support greater roll out of the Better Home Loan and One-Stop Shop Loan.
- To undertake business modelling and development to plan the full roll out of products, assess the potential for replication and growth around the UK and to disseminate the learning from the project with key project stakeholders and the sector as a whole.

These objectives were designed to address barriers to the take up of green home improvement lending by credit unions identified in the Discovery Phase project and to test the design of products developed in that phase.

Most objectives were achieved, however, delays and logistical and sectoral challenges such as integrating the product into specialist credit union data collection systems has limited the ability to gather extensive householder data on effectiveness of the product.

Barriers Addressed

Barriers the pilot product is seeking to address

- **The retrofit advice gap:** Credit union members are motivated to carry out retrofit, but don't know where to start or what to do. However, credit union staff lack materials or a framework for offering member-facing retrofit advice.
- **Lack of retrofit knowledge from lenders:** Credit unions' values are aligned with those of the retrofit sector, and some lenders are committed to lending for retrofit. However, credit union staff lack an understanding of technical aspects of retrofit and energy efficiency.
- **Gaps in verification and impact data:** Credit unions who currently offer green home loans do not typically gather data regarding the use of these loans or how the home improvements perform once installed. This makes it difficult for credit unions to evaluate the impact of issued loans.

- **Finding appropriate contractors:** Research with credit union members to find out their biggest barriers to home retrofit indicated that finding appropriate contractors was listed as one of the highest barriers, particularly for retrofit assessments and for fabric retrofit works.

The consortium believes that these barriers have been effectively addressed. There were two significant innovations/changes of note to the project during delivery:

- The creation of packages of retrofit measures, to assist householder understanding of retrofit, loan take up, contractor selection and verification.
- A growing emphasis on 'home electrification' as a route to retrofit - and one that overcomes barriers around a lack of householder understanding of the complexity of retrofit, contractor selection and verification.

Consumer Impact

Within a context of limited lending under the pilot period, the product has nonetheless assisted credit union members in helping them to understand their retrofit needs and select a pathway that most fits their needs and priorities through engagement, advice and support for credit union staff.

Outcomes and Learnings

The project has helped raise credit unions' awareness of their members' needs in relation to retrofit. It has equipped credit unions with the tools to better support their members.

The project was successful in its development of householder guidance materials and verification methodology and the dissemination of the business model:

- The project produced nine new guidance materials, covering topics ranging from understanding home energy use to making sense of the retrofit supply chain.
- The project created two new verification models, one for the Better Home Loan and one for the One-Stop Shop Loan.
- Project partners presented learning from the project and information about the business model at 22 webinars, events, and conferences, reaching over 1,400 attendees.

Unexpected Results

The most notable result was that the focus on packages and home electrification would be key channels for engaging with householder members and guiding them through the retrofit process. This suggests that, whilst still advocating for a whole house approach, householders benefit from simplification and standardisation of information, breaking down a complex retrofit project into easily comprehended stages and/or elements, communicating benefits, contractor pathways and quality

assurance considerations for each of these. This helps overcome previously identified barriers to retrofit project progression such as householders feeling overwhelmed by the complexity and being unsure of where to start.

Linked to this was an observation that credit union lending to support home improvement, maintenance and improvement work can neatly complement the spend of government grants such as the Energy Company Obligation (ECO) and the Great British Insulation Scheme (GBIS) which are not able to cover such work but depend on homes being in good condition in order to maximise the impact of their spend.

Another unexpected outcome was that via the dissemination and capacity building work with ABCUL, a number of other credit unions around the UK have been influenced by the project to establish green home loan products. This was demonstrated through engagement over the course of the project, including a series of well-attended ABCUL-hosted webinars, discussions with credit unions during those sessions, expressions of interest submitted to ABCUL by credit unions and follow-up research conducted by the GFI.

A further outcome came through engagement between the GFI and the credit union sector, when in June 2025 SoundPound Group announced that the Better Home Loan would align with the GFI's Green Home Finance Principles. This framework recognises the use of finance to support retrofit whilst promoting transparency and integrity in the market.

Finally, it has been notable that through engagement with Greater Manchester credit unions, the SoundPound Group became involved and more recently has committed to establishing a Credit Union Services Organisation to support further loan products and lending post-GHFA project.

Readiness for Commercial Deployment

The project has been highly successful at assembling all the elements necessary to establish the product at full scale commercial stage, for example advice materials, a credit union staff training programme and a data collection schema to support quality assurance and verification. The project has established green home lending within the credit union sector and established credibility for this lending route with stakeholders such as the GFI and Greater Manchester Combined Authority (GMCA).

There is now a commitment within the SoundPound Group to establish a Credit Union Services Organisation to support the development of green home lending in Greater Manchester and beyond.

Further barriers

Notwithstanding the successful elements of the project, further barriers need to be overcome to establish a sustainable and scalable market for credit union-supported retrofit services. These include:

- Additional time to enable further embedding of retrofit knowledge and data collection and verification approaches into credit union operational services.
- Mechanisms and opportunities to neatly tie together credit union lending with the delivery of government funded grants, especially where credit union lending can support the enabling works necessary for the effective spend of government grant support.
- Further support for the smart meter rollout to maximise coverage and facilitate automated, low-cost monitoring and verification approaches. And further support for the development of shared, open and mandated standards for the evaluation of 'metered energy savings' approaches for energy efficiency interventions.
- The need to mandate a common standard for Building Renovation Passports, to support the development of platforms, to enable interoperability of data between platforms and to improve householder confidence in available tools.
- Treasury measures to incentivise and lower the cost of credit union lending such as the underwriting of bad debt and the extension of salary sacrifice schemes to credit union lending for retrofit.

Addressing these barriers in the years ahead has a high potential to put credit unions in a central position to coordinate and scale retrofit lending, benefitting homes, householders and wider communities.

Main Report

1. Pilot Project summary

Customer or market barriers the product addresses

The project was focussed on the use of credit union lending to support retrofit and energy efficiency works. To support this, the consortium developed two lending products: The Better Home Loan and the One-Stop Shop Loan.

The Better Home Loan is an off-the-shelf loan product. Participating credit unions who want to offer the loan can access guidance materials, training, and support with data collection and verification. The credit union is the single point of contact for the consumer taking out the loan. The ambition is for this to grow into a nationally available loan product. At present it has been piloted with the SoundPound consortium of credit unions in Greater Manchester.

The One-Stop Shop Loan requires a One-Stop Shop (or Retrofit Agency) to form partnerships with appropriate credit union(s). The One-Stop Shop can then signpost clients who require financial support onto a relevant credit union, in order to access the loan product. The consumer has contact with both their One-Stop Shop and the credit union.

The Better Home Loan

Summary of the product/service

The Better Home Loan is targeted at existing credit union members, assisting them to augment and improve existing home improvement lending to cover retrofit and energy efficiency applications. The loan product is a standard unsecured, credit union 'Home Improvement Loan' with a series of augmentations to support its use for retrofit services i.e. a structured customer journey, a limitation for its use on energy efficiency packages and a post-installation requirement to collect monitoring and verification data to support quality work. The loan product is supported by common, shared branding available to any credit union supporting delivery of the loan.

How the Better Home Loan enables easier retrofitting for consumers

Research identified a number of barriers to credit union members accessing retrofit improvement works including a lack of targeted, bespoke advice, limited credit union staff knowledge of the sector and difficulties in finding appropriate retrofit contractors.

The approach to overcoming these was:

- **Advice** - providing householder advice in the form of factsheets, detailed information on packages of works and other materials to support uptake, e.g. video content etc.

- **Packaging measures** - developing distinct packages of complimentary measures that can be procured and installed together, assisting communication and marketing.
- **Lack of knowledge from lenders** - bespoke training and support for credit union staff members to enable them to offer basic advice and signposting.
- **Evaluation** - template support for data collection to evidence and evaluate impact.
- **Contractors** - advice and guidance for householders on contractor procurement, creating a framework for selection through use of packages with clear contractor requirements for each.

The One-Stop Shop loan

The **One-Stop Shop for Retrofit product** targets the early adopter, deep retrofit market. By pairing a bespoke lending product with holistic advice and guidance, as well as design and contractor management, this product helps already engaged and committed One-Stop Shop clients to increase the scope and scale of their retrofit works, maximising energy savings and/or starting work earlier. The product is a seamlessly integrated retrofit and finance One-Stop Shop offer and has been piloted by People Powered Retrofit in Manchester and Loco Homes in Glasgow.

Previous research

People Powered Retrofit and Loco Home Retrofit both operate as One-Stop Shops for retrofit, providing end-to-end service for householder clients ranging from advice and assessment through to procurement and delivery. Usually classified as 'able to pay' for retrofit, clients are fee paying householders and those surveyed in this research might be at any stage of their retrofit journey. At the discovery stage, the client base of both People Powered Retrofit and Loco Homes was surveyed with 93 responses received. Survey insights can be summarised as:

- Borrowing is not the preferred method of funding a retrofit for *existing* One-Stop Shop clients - 40-50% of respondents said they would not consider borrowing under any circumstance.
- However, funding retrofit is a barrier to some people, and access to finance would allow clients to speed up the completion of their work.
- Finance has previously been rebuffed because it is seen as "*a faff*" or because of concerns around a dislike of debt, age and concerns about stable future income.
- Becoming a member of a credit union is unlikely to be a barrier to loan application for clients.
- One-Stop Shop clients are generally socially conscious and concerned about where their finance comes from.
- Verification needs to be robust, but proportionate.

- Compelling stories are needed to help market this product and for prospective clients to understand the importance of it.

Barriers the pilot product is seeking to address

- **Lack of interest in borrowing:** One-Stop Shop clients are generally self-funding and don't perceive a need for additional borrowing to progress their retrofit projects.
- **Complicated loan applications:** One-Stop Shop clients are already immersed in the challenges of commissioning a retrofit and have no desire to add to additional complications.
- **Ethical concerns around lenders:** One-Stop Shop clients (in particular those working with People Powered Retrofit and Loco Home Retrofit - both co-operatives) are ethically motivated and concerned about the stance and motivations of certain lenders.

How it enables easier retrofitting for consumers

Training the One-Stop Shop householder service staff enables them to engage in client education and engagement, helping to shape discussions around project scope and budget. Staff are also equipped to offer advice around contractor costs and contingencies, and explain how a credit union loan might create opportunities to extend the scope of works, thereby increasing client interest in borrowing.

The integration of borrowing processes into One-Stop Shop workflow reduces the 'hassle factor' and integrates the credit union holistically into the service.

Highlighting the natural fit between One-Stop Shop community co-operatives and locally-based credit union finance co-operatives ensures that any ethical concerns clients have are overcome.

Geographic restrictions

The credit unions participating in the project were limited to lending within their 'Common Bond' areas - defined geographical areas or communities of interest. For the community credit unions, the restrictions are geographical. For payroll credit unions, restrictions are thematic, often linked to the sectors that they service such as the NHS etc.

The community credit unions in the SoundPound Group are all within Greater Manchester and most of the activity of the payroll credit unions is within Greater Manchester.

The engagement of the UK's credit union federation, the Association of British Credit Unions Limited (ABCUL), means that the influence of the project has spread UK

wide, with credit unions attending outreach and knowledge share sessions and ultimately establishing their own loan products.

The People Powered Retrofit area of service delivery and operation is slightly broader than Greater Manchester and there is some flexibility from credit unions in servicing householders that live outside of their common bond, e.g. credit unions can generally accept membership from people who work within their common bond area, even if they don't live there.

Regulatory/approvals requirements

There were no amendments to regulatory rules or approvals required for this project.

Project Work package structure

The project was structured into the following work packages, each addressing a distinct area of delivery:

- **Work package 1: Project Management** - overseeing coordination and management.
- **Work package 2: Product and service design** - developing and designing the service to prepare it for piloting.
- **Work package 3: Householder advice design** - understanding householder preferences and needs and designing advice approaches to meet these.
- **Work package 4: Verification tools and methodologies** - setting out a framework for data collection to support evaluation and learning.
- **Work package 5: Supply chain development and training** - engaging with the local supply chain and offering support, advice and training as appropriate.
- **Work package 6: Piloting and evaluating products** - testing the product in the real world and evaluating wider project impact.

2. Pilot Timeline

Timelines

The following timeline (see **Error! Reference source not found.**) outlines key milestones achieved throughout the project, highlighting major deliverables and progress points:

Table 1. Key project dates and milestones.

Date	Project milestone
December 2023	Project starts
March 2024	Project Kick off meeting The project partnership assembled, clarified project aims and discussed the project management approach.
March 2024	Market research report published The Market Research Phase of the project summarised and collated market research to inform the development and positioning of the lending products. The research exercise was informed by the project kick off meeting and key questions that arose from Service Design elements of the workshop.
June 2024	Product specifications published This report summarised the specifications for the two loan products developed under the project and set out the respective loan product specifications, describing the process used to design these.
June 2024	Credit union staff training package completed The package and accompanying report set out the training offered to Credit Union staff to support members and the role of the Credit Union in house staff Retrofit Champion.
Sept 2024	Pilot offers soft launched This milestone marked the soft launch of the products, to allow for the testing of systems and processes in a live environment.
December 2024	Verification and Building Renovation Passport methodology specification published This report set out the approach to monitoring and verification, underpinned by a holistic approach that sought to join the dots between quantitative and qualitative elements. It also highlighted improvements to software tools, such as smart meter service PowerShaper, which helped the collection of these data points in a more streamlined way.
December 2024	Supply chain engagement toolkit published

	This toolkit outlined a number of case studies showing how Credit Unions are engaging with the supply chain and the considerations that need to be taken in order to build a successful partnership.
December 2024	Project evaluation plan developed The plan set out our key research questions and approach to data collection in order to answer these.
30th June 2025	End of Pilot Phase report

The project's initial end date of 28th February 2025 was extended to 30th June 2025.

3. Integration of Design or Process Innovations

The project aimed to develop two new loan products, one for One-Stop Shop clients and one for credit union members. The project employed user-centric service design approaches to develop these products.

The high-level objectives of the service design process were to:

- Support the partnership in the design of two new loan products for retrofit.
- Support the partnership in the prototyping and testing of these new products through a pilot phase.
- Support the evaluation of the loan products against their service design briefs.

The following sections outline each step of the service design process.

Developing a brief

The first step in the service design process was to develop a clear brief for each proposed loan product. The partners started this process at the project kick-off meeting in March 2024 by taking part in a journey mapping activity. Partners collaboratively mapped the journey of a credit union member taking out a loan, using the current processes of Metro Moneywise Credit Union to inform the content of the map.



Figure 1. Project service design workshop, 2024.

Partners mapping the loan journey at the project kick-off meeting.

Partners then worked together to highlight key aspects of the map where innovation was needed in order to integrate retrofit advice, verification, and supply chain engagement into the process. This process generated a lot of discussion and opened up opportunities for partners to learn about each other's processes. Partners gained a shared understanding of the context in which their development work would be taking place and agreed on shared aims for each loan product.

After this mapping activity, a service design brief was developed for each loan product, summarising the aims for the process (see Figure 1).

The service design process was then split into two 'streams' - one stream was focused on developing the Better Home Loan product and one on the One-Stop Shop loan product. Learnings were shared across respective teams, who used distinct processes to develop each product.

Research

Better Home Loan

To inform the design of the Better Home Loan product, market research was carried out in May 2024. The research questions were:

- What motivates credit union members to make green home improvements?
- Which green home improvement measures are most attractive to credit union members? Are packages of works attractive? If so, which packages?
- For measures credit union members are interested in, how confident are they in being able to find a competent contractor to install the measure? Do they already have someone in mind who they would use?
- Do credit union members have smart meters installed in their homes? If not, would they be willing and able to install a smart meter in their home? What are credit union members' attitudes towards smart meters?
- Which incentives would be most effective in encouraging credit union members to take part in verification?

An online survey was disseminated via the SoundPound Group to their members. The survey had 305 total responses with 146 from homeowner credit union members, who were the target audience for the research. After data was cleaned, 145 responses were included in the data analysis.

Some key insights produced from the research include:

- Credit union members are interested in energy efficiency and have already installed measures in their homes. Half of respondents had already installed energy efficiency measures in their homes (see Figure 2).
- Credit union members are motivated to make green home improvements by reducing energy bills, making their cold homes warmer, and reducing their carbon footprint (see Figure 4).
- The packages of measures that credit union members are most interested in accessing lending for are those with bespoke whole house energy efficiency plans, insulation, airtightness and ventilation, and repair and maintenance.
- Credit union members who have previously installed measures in their home were 'more interested' in all packages in comparison to those who haven't.
- Credit union members were not confident in finding specialist retrofit contractors.
- Many credit union members have smart meters and are using them. 82% of respondents had one or more smart meters. 76% respondents with smart meters reported that they are working in smart mode and only 12% didn't know the answer to this question (see Figure 3).

Have you installed any energy efficiency measures in your home before?

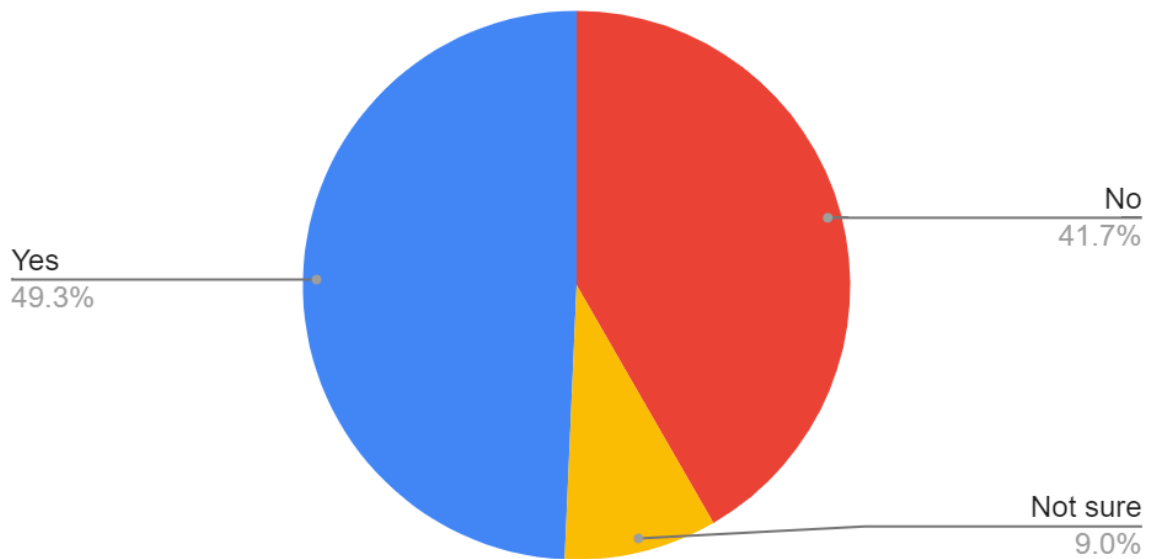


Figure 2. Responses to the survey question: Have you installed any energy efficiency measures in your home?

Do you currently have a smart meter installed in your home?

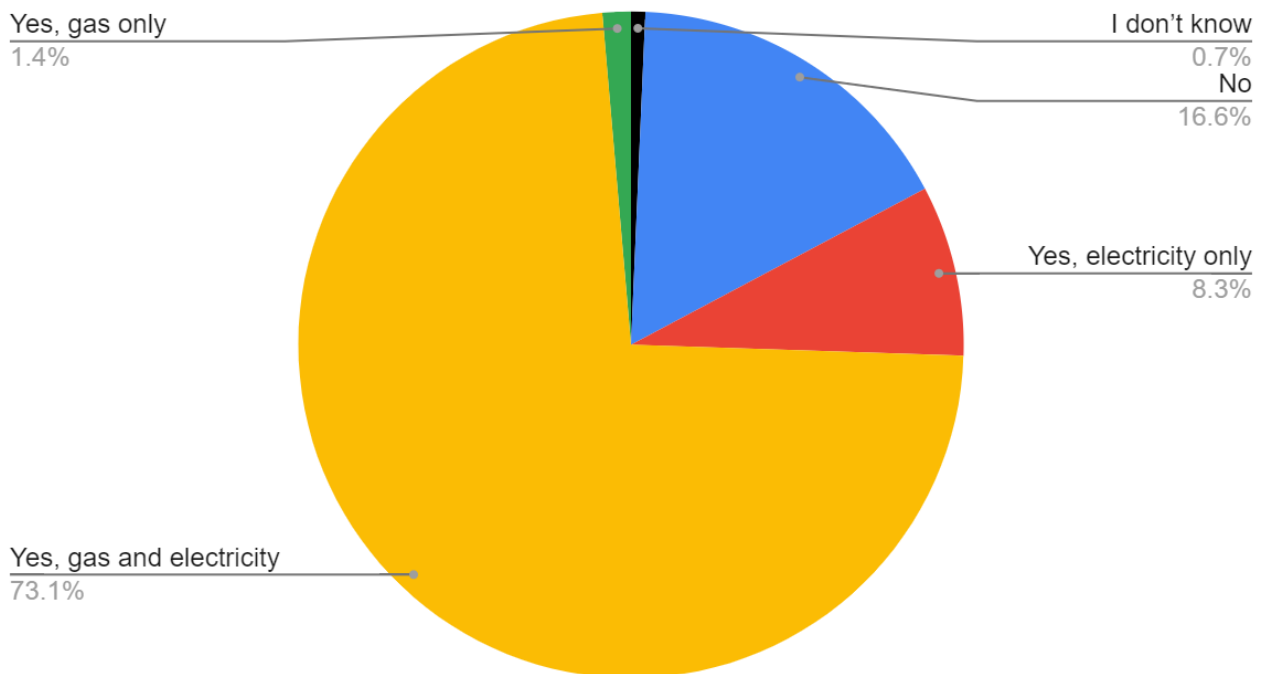


Figure 3. Responses to the survey question: Do you currently have a smart meter installed in your home?

Why are you interested in installing energy efficiency measures in your home?
 Select up to 3 responses for this question. vs Why are you interested in installing energy efficiency m...

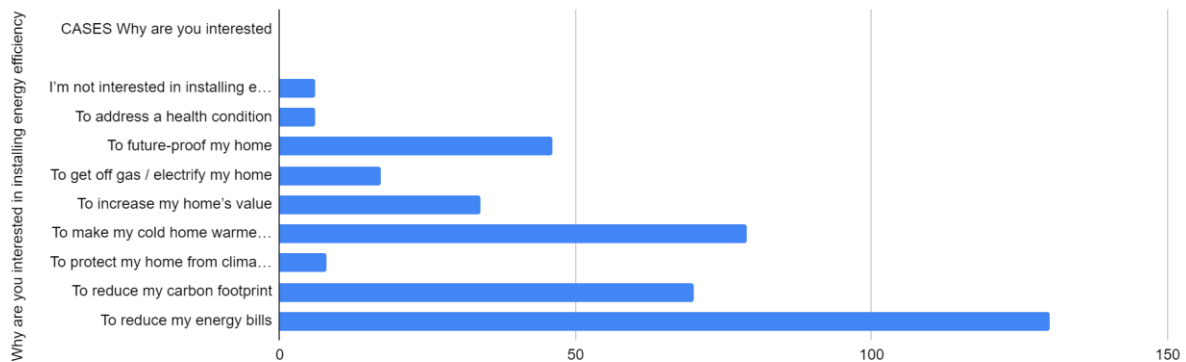


Figure 4. Responses to the question: Why are you interested in installing energy efficiency measures in your home?

Credit union member personas

The research with credit union members was also used to develop three distinct credit union member “personas”. Each persona has shared motivations for retrofit which correlate to the types of energy efficiency works that they were most interested in.

- **Climate concerned**
 - Want to make cold homes warmer and more comfortable, reduce energy bills and to reduce carbon footprint.
 - Most interested in:
 - Whole house plan
 - Insulation
 - Heat pump readiness.
- **Tomorrow concerned**
 - Want to reduce energy bills, reduce carbon footprint and to future proof their home.
 - Most interested in:
 - Insulation
 - Repair and maintenance
 - Whole house plan
 - Electrification
- **Home builders**
 - Want to make cold homes warmer and more comfortable, reduce energy bills, and to future proof their home.
 - Most interested in:
 - Insulation
 - Whole house plan
 - Repair and maintenance

These research insights directly informed design decisions made by the project team in the subsequent stages of loan product development.

One-Stop Shop Loan

In 2023, as part of the Discovery Phase of the project, People Powered Retrofit undertook research into clients' perceptions of lending. It was found that though clients were hesitant to borrow towards retrofit, their feelings were complex, and that they would be more inclined to borrow if:

- The loan was incorporated or wrapped around expert advice guiding the timing and decision making aspects of retrofit; and
- The loan was easy to apply for.

These two points formed the basis of the One Stop Shop Loan specification, which aimed to deliver the following outcomes:

- A simple-to-explain loan product that One-Stop Shop staff were confident in signposting clients towards, and that is well integrated into client services.
- A loan process heavily integrated with People Powered Retrofit's advice services - reflecting the one-stop-shop model, where finance was considered to be 'at that stop'.
- A strong reciprocal relationship with the lending credit union - supporting in the upskilling of staff where needed in retrofit.
- An affordable lending rate for the client to incentivise take up of the loan.
- Integration of monitoring and verification - to assist quality assurance and build trust in the process.

Much of People Powered Retrofit's demand has historically been based in South Manchester. As such, People Powered Retrofit approached South Manchester Credit Union to support the pilot of the loan, as their 'common bond' (a legally defined geographical boundary limiting a credit union's area of operation) was recently expanded and incorporated many of the suburbs and neighbourhoods from which service enquiries had been received. South Manchester Credit Union also demonstrated a strong commitment to green lending in already offering a 'Green Loan'.

Ideation and prototyping workshops

Better Home Loan

Ideation and prototyping workshops were held with Metro Moneywise Credit Union staff throughout the development of the advice and verification aspects of the loan product design (see Figure 5).



Figure 5. People Powered Retrofit and Metro Moneywise Credit Union staff discussing retrofit advice and messaging at an ideation workshop.

In these workshops, the journey map from the kick-off meeting was used as a basis for discussion and a frame for ideation.

Credit union staff shared ideas for product features and provided context to help inform the development of new features. People Powered Retrofit and Carbon Co-op's teams used these workshops to develop and test out ideas at early stages, to ensure that they were feasible and well-considered (see Figure 6).



Figure 6. Carbon-Coop and Metro Moneywise CU staff developing verification approaches at a prototyping workshop.

One-Stop Shop Loan

Objectives development

An initial discussion between People Powered Retrofit and South Manchester Credit Union took place, determining the objectives of the partnership and solidifying what both organisations intended to produce from the pilot.

South Manchester Credit Union set out that their priorities for the pilot were to gain:

- A deeper understanding of retrofit – the costs, mechanics, suppliers, wider market, customer appetite, etc.
- An appreciation of how the decision-making process to go ahead with retrofit would operate for a client.
- Experience of working with People Powered Retrofit as a partner and collaboratively developing a sound process which optimises long-term positive financial and environmental outcomes for the client.
- A contribution to the work of the Green Home Finance Initiative - to articulate co-operative values and commitment to the wider sustainability agenda.
- A raising of awareness of credit unions within the wider public.

Knowledge sharing and journey mapping

People Powered Retrofit hosted a knowledge sharing and journey mapping session with South Manchester Credit Union for both organisations to better understand each other's processes and customer journeys.

Both organisations discussed the flow of information about clients and customers through their respective services, identifying at what point it would make most sense to integrate a financial offering and what information might be needed to refer a client to the credit union or for the credit union to offer a loan.

Both organisations developed a client journey that amalgamated the two services, and South Manchester Credit Union agreed to match the rate and terms offered by Metro Moneywise for the Better Home Loan.

Testing

Better Home Loan

Testing for the Better Home Loan was planned in two stages: a first stage with Metro Moneywise Credit Union and a second stage with the SoundPound Group.

To carry out the first stage pilot, partners developed a prototype version of the Better Home Loan. Guidance materials and processes were focused only on the Electrification package.

Metro Moneywise Credit Union piloted the loan product within their existing membership. They promoted the loan through their mobile app, which ~3,000 members access monthly. They also proactively contacted members who had responded to previous market research about energy efficiency.

Enquiries about the loan - and loan applications - were taken over the phone for the duration of testing. To support staff members at Metro Moneywise Credit Union to talk to their members about the loan, People Powered Retrofit delivered a one-day training course covering the basics of retrofit.

People Powered Retrofit's team met with the credit union bi-weekly during the period of the pilot to check-in on the progress of the testing and answer any specific questions about retrofit that came up during conversations with credit union members.

The first testing stage with Metro Moneywise Credit Union ran from September to November 2024. Only two enquiries about the loan were received during this period, resulting in a limited amount of testing data being collected. Factors that affected take-up included a lack of developed marketing materials and a clash between the

timing of the testing and the run-up to Christmas, which is the busiest lending period for the credit union. Due to these challenges, and a lack of take-up of the loan in the first testing stage, the second stage of the testing was postponed in order to allow for the development of marketing materials.

One-Stop Shop Loan

Testing for the One-Stop Shop Loan was structured around a 'soft launch' followed by a 'hard launch'. People Powered Retrofit scheduled the soft launch for November 2024 and planned the hard launch for December 2024. Both phases coincided with a typically busy period for service engagement at People Powered Retrofit.

The soft launch involved directly contacting all existing clients. A comprehensive information email was sent out, outlining the offer and providing a clear method for clients to get in touch with the team for further discussion. Additionally, the Retrofit Advisor managing the process sent targeted emails to clients known to be in the midst of active projects.

The hard launch followed with broader communications. A blog post was published on People Powered Retrofit's website, the service information was updated on the website and the Retrofit Advisor's script for their first meeting with new clients was adjusted to mention the loan. Information was also distributed to the membership base and to prospective clients through email newsletters.

However, no enquiries were received during either phase of the launch. One client appeared to consider the lending offer, but had already begun arranging alternative financing by the time the launch took place and chose not to proceed.

The lack of uptake may be attributed to several factors. Firstly, People Powered Retrofit does not currently have a strong reputation for integrating finance with its One-Stop Shop service. As a result, clients often enter the service with a pre-determined budget; the need for additional funding tends to arise later in the retrofit process as the clients begin to assess the measures they wish to undertake and begin to receive quotes for work. While this was considered in the design phase of the loan project, it was not pre-emptively considered as a barrier for the pilot.

Many clients who were already in the service had already arranged their own financing. The Retrofit Advisor observed hesitancy from clients in disclosing financial information to People Powered Retrofit: clients rarely shared information about their finances unless absolutely necessary and where it affected project progress. There were therefore limited opportunities to discuss the loan.

Furthermore, the testing period coincided with a seasonal dip in overall enquiries for the People Powered Retrofit service. This made it more difficult to establish a standardised approach for presenting the loan service to new clients.

Product marketing and brand development

Better Home Loan

Marketing for the Better Home Loan was developed by Metro Moneywise Credit Union, People Powered Retrofit and the SoundPound Group, with support from MP&Co marketing consultancy. The research and personas developed throughout the project informed the marketing approach.

MP&Co produced a brand for the loan, including the loan name and visual identity. They also produced a range of marketing materials, including social media graphics and illustrations to enable the SoundPound Group to promote the loan to their members.

One-Stop Shop Loan

Marketing for the One-Stop Shop Loan was carried out directly by People Powered Retrofit. The approach consisted of direct mail shots to existing and prospective clients, alongside blog posts and updated information on service pages. In addition, a small number of social media posts were created and shared across Instagram, LinkedIn and Facebook to raise awareness to those interested in People Powered Retrofit as an organisation. While the campaign was modest in scope, it aimed to target relevant people in a direct and informative manner.

Newly iterated operational processes

During the course of product development, a range of new operational processes were developed and tested.

Better Home Loan

As set out above, the integration of new data collection, storage and processing procedures into the credit union member systems took place, specifically the credit union's customer relationship management (CRM) system and associated member communication channels.

Aligned with this, CRM processes were augmented and amended in order to follow up with members on the progress of works, after loans were issued, to secure data to support monitoring and verification (e.g. receipts and invoices etc.).

One-Stop Shop Loan

Similarly, credit union CRM systems were updated to accommodate loan requests emanating from the one-stop shop route. Additionally, People Powered Retrofit's one-stop shop data collection processes and systems were updated to accommodate requests from clients for credit union loans and to pass on data accordingly.

4. Pilot Partnership Learnings

This section reviews the operation and effectiveness of the project partnership highlighting reflections and lessons learned.

Project Partners

The partnership consisted of nine organisations in total, led by People Powered Retrofit (see Table 2).

Table 2. Project partner organisations and roles.

Organisation	Role
People Powered Retrofit	Project Lead, retrofit lead
Metro Moneywise	Credit union pilot
Carbon Co-op	Monitoring and verification lead
ABCUL	Credit union federation
Manchester Care and Repair	Home improvement agency, supply chain intermediary
Julie Godefroy Associates	Standards and benchmarks
Loco Home Retrofit	Retrofit One-Stop Shop partner
South Manchester Credit Union	Credit union partner
SoundPound Group	Credit union consortium partner

Strategy for bringing the product/service to market with partners

The project brought together partners from the retrofit and credit union sectors, with additional partners providing specific technical support and technologies.

The partnership came about through discussions in 2022 between Jonathan Atkinson of People Powered Retrofit and senior managers at a variety of Manchester-based credit unions including Ciara Davies of Metro Moneywise and Christine Moore the then CEO of Manchester Credit Union.

Discussions centred on the fact that there were a growing number of community retrofit co-ops emerging at the time and that these initiatives shared a number of values with credit unions, i.e. a focus on member engagement and empowerment, shared co-operative principles, a desire to find ways to tackle climate change and a specific geographic scale to their respective operations.

Christine highlighted the Swoboda Research Centre (a specialist credit union research organisation), who had hosted a conference on credit union lending for green home improvement in Ireland in spring 2022 and showcased a number of best practice case studies.

The Green Home Finance Accelerator (GHFA) provided an opportunity to test a UK collaboration between retrofit co-operatives and credit unions, with the core of the partnership being between People Powered Retrofit, bringing retrofit and construction sector knowledge, with Metro Moneywise, bringing credit union expertise and the ability to pilot and test lending with members.

Jonathan and Ciara presented on the opportunity to a meeting of the larger credit unions and as a result ABCUL, the largest credit union federation in the UK with over 100 individual credit union members, joined the partnership to offer sectoral insight and broker access to other credit unions.

GHFA required the development of a robust approach to monitoring and verification, so People Powered Retrofit's sister co-operative, Carbon Co-op, was invited to join the project. Carbon Co-op brought in-depth knowledge of retrofit evaluation and the PowerShaper suite of smart meter data and evaluation software tools.

Linked to monitoring and evaluation, Building Renovation Passports emerged as a key theme in the Discovery Phase of the project. As a result, Julie Godefroy - an independent sustainability consultant and CIBSE Head of Net Zero Policy - joined to provide specialist expertise.

Loco Home Retrofit, a Glasgow-based one-stop shop, co-operative and longtime People Powered Retrofit collaborator was invited to join to explore a unique Scottish context to delivery and to assess the replication potential for project outputs.

Finally, during discovery, it was identified that maintenance and improvement approaches and contractor engagement would be key to successful delivery. The Manchester-based home improvement agency and social enterprise, Manchester Care and Repair, were therefore invited to join the partnership.

The partnership operated effectively throughout the project duration, with monthly partner meetings attended by a broad range of project staff and offering opportunities for partners to present on work carried out, share learning and insight, and gain wider involvement from the inter-disciplinary team.

Project activity was as collaboration, with partners working together to deliver aspects of the work programme. For example, all staff from all partners attended the opening service design workshops facilitated by People Powered Retrofit to ensure

the project benefitted from a 360-degree understanding of relevant issues and determining factors influencing service design and project success. For the work on Building Renovation Passports, Julie Godefroy, Marianne Heaslip of People Powered Retrofit and Helen Grimshaw of Carbon Co-op worked as a close, integrated team to understanding the challenge, map data requirements and understand how these might influence data collection and reporting.

While partnership brought valuable opportunities, it also presented challenges – particularly in integrating diverse organisational cultures within a single project. At times, it was clear that partners such as People Powered Retrofit and Carbon Co-op, who are accustomed to agile innovation projects, had a different approach to credit unions like Metro Moneywise. Their primary focus is safeguarding their members' savings with care and responsibility. The acknowledgement of shared underlying values helped bridge cultural differences, but ultimately it was necessary to balance a desire to move quickly against the need to do so in a step-wise and responsible manner.

Partnership changes

The project had always been designed to support the replication of the products to a wider audience; however, considerable credit union interest built throughout the project leading to the addition of the SoundPound Group and South Manchester Credit Union to the partnership.

SoundPound Group are a formalised consortium of 14 credit unions operating in the Greater Manchester area. They represent a variety of organisations of different sizes and capacity, some with a geographical community focus like Manchester Credit Union, others with a payroll focus targeting specific employers like Copper Pot who serve police officers.

Over the past three years the group have increasingly sought to deliver shared projects and products such as payroll and local transport loans and to generally raise the profile of credit unions in Greater Manchester.

A presentation on the project was made to the group in late 2023 by People Powered Retrofit and Metro Moneywise. This led to the establishment of a sub-group to support the project, comprising five or six credit unions that were most supportive of the approach and most likely to issue loans.

Throughout 2024, the project engaged with the sub-group, testing out ideas for the approach and gaining insight on the needs and challenges of credit unions. Primary among the sub-group members were South Manchester Credit Union, a large credit union serving the south of the city that had already piloted a green lending approach

and encountered challenges around providing adequate retrofit guidance and support for members.

As 2024 progressed, South Manchester Credit Union joined the partnership, trialling staff training and member engagement around the Better Home Loan.

Ultimately, the involvement of the SoundPound Group has offered extensive engagement and feedback in the product's development and extended the project's outcomes, with five of the members having committed to delivering the Better Home Loan product and in doing so aligning with the Green Finance Initiative's (GFI) Green Home Finance Principles.

Lessons learned from the partnership

Success factors

Shared values and a common ethos helped to establish trust between members of the partnership. Trust, in turn, led to partners being honest with one another and better able to tackle challenging moments. It also helped the partners to come to an agreement about the aims for the design of loan products, despite their different backgrounds and perspectives about retrofit.

Clear communication and effective coordination were also factors in the success of the partnership. During the project evaluation, partners shared that they were able to collaborate effectively due to good project management, explicit tasks and responsibilities, well-facilitated and regular partnership meetings, and effective and focused workshops.

Challenges to overcome

One factor that impacted the partnership's ability to achieve outcomes was the ambitious scope and short timeframe of the project. Timelines were not only short, but also sometimes misaligned with partners' other priorities. For example, the first stage of the Better Home Loan testing with credit unions was scheduled for September-November 2024. Credit unions shared that this period was extremely busy for them, as the run-up to Christmas is a peak for lending.

The misaligned timelines also point to a challenge when attempting to implement 'innovation' projects within a service delivery context. The GHFA Pilot programme required the project to be set up for rapid innovation. Credit unions are, at their core, service delivery organisations; it was challenging to implement the innovation work whilst still ensuring effective service delivery to their members.

While the partners worked well together, the project suffered from a lack of contact with other GHFA projects. Partners would have benefited greatly from learning from other projects. Shared challenges could have been tackled together, and shared solutions could have helped the partnership to move forward more effectively.

A strong foundation for future collaboration

The strengthening of relationships between project partners, collaborators and new contacts was a hugely positive outcome produced by the project.

During the project evaluation, all partners shared how much they enjoyed working with one another. Partners talked about how they enjoyed getting to know each other better, learning from one another, making new connections, and finding new opportunities for collaboration. These relationships put the partnership in a strong position to carry on with the work that was started on this project.

Pilot Product Components

5. Advice and Guidance utilised throughout the Pilot Phase

Householder advice design

The Discovery Phase project generated credit union member research, identifying key requirements for the creation of effective householder advice materials such as factsheets, in particular the need to integrate advice into the financial product workflow and to ensure that advice is personalised and specific to the audience.

The project focussed on providing guidance materials that supported householders, devised a 'packages' approach to grouping measures, created a credit union retrofit champion role and authored an e-learning package for credit unions.

Grouping measures into packages

A key challenge the consortium faced in designing effective guidance materials for householders was the fact that the potential scope of retrofit works available is very broad. Designing guidance materials to effectively cover such a scope is therefore very challenging and time intensive. But householder research carried out by People Powered Retrofit suggested that the scope of potential works presented a challenge to householders in making effective and timely decisions and in assessing and comparing different options for works.

People Powered Retrofit's one-stop shop service is designed to help overcome these issues. The offering includes personalised guidance, the services of a Retrofit Advisor and a home retrofit assessment service to provide relevant information to assist decision making and prioritisation.

However, in the context of a credit union-led service, there is the lack of a trained and specialised Retrofit Advisor and a retrofit assessment is not assumed to be a prerequisite for accessing the service.

With these challenges in mind, the partnership devised an approach that could help householders overcome these barriers by grouping measures into packages.

Works that make sense to do together should be done at the same time, with advice and support that assists members to procure the right contractors, maximising benefits and mitigating risks. An example is a 'damp and condensation' package that involves basic repairs, remedial work and ventilation, or a 'Draughtbusting' package that includes draughtproofing, airtightness and ventilation.

By taking a holistic approach, home improvement packages can deliver multifaceted benefits that extend beyond energy savings, including health and wellbeing, while also focussing on carbon savings for the end user. For instance, incorporating ventilation improvements can be a standard feature in nearly all packages.

One criticism of the use of packages might be that they negate against a whole house approach to retrofit. This is in part countered by the fact that the packages are groupings of complimentary measures i.e. not single measures. But to support a more holistic approach to retrofit a 'Retrofit Planning: Surveys and assessments' package which includes a retrofit assessment, options analysis, retrofit plan and other surveys was devised. It was created with the intention that it should be offered to householders motivated to take on a whole house approach, curious about a wider range of potential measures and intending to create a comprehensive retrofit plan, whether delivered in phases or all at once.

Packages support delivery

In a variety of ways, packaging measures assists householders in making decisions, limits the scope and quantity of guidance credit union staff need to offer, supports quality and mitigates risk, and helps focus monitoring and verification approaches.

For members, packages define a clear set of specifications helping them to understand the aim of each package and what is possible from the outset, they can be aligned to fit with member motivations and personas (as identified in Section 4). Packages simplify decision-making and can limit contractor selection requirements to help overcome supply chain procurement barriers.

For credit union staff, packages support clear, simple messaging and help manage member expectations about the works they commission and means the retrofit knowledge required by staff is less extensive and more focussed - supporting effective retrofit guidance training.

The information and guidance provided as advice materials to householders can focus on the packages offered and be more targeted and streamlined making it easier to deliver and more likely to trigger a consumer decision.

To support quality, packages help mitigate health and safety risks and minimise CDM (Construction Design and Management) requirements by limiting works to measures that are lower risk and/or well understood and easily managed. By bundling works and avoiding more complex measures, unintended consequences are mitigated against and the extent of information needed to support the successful implementation by contractors is clearly defined.

In terms of monitoring and verification, data collection requirements can be clearly defined and data more easily collected when the measures being delivered are well understood and pre-identified.

Example packages trialled

As part of the pilot, a range of retrofit packages were trialled to explore the use of different combinations of measures to align with homeowner retrofit aims and priorities (see Table 3).

Table 3 Example retrofit packages trialled during the pilot phase, outlining their aims and key elements.

Name	Aims	Elements
Retrofit Planning	Making a proper plan	A retrofit survey, options analysis, retrofit plan and any other relevant assessments such as cavity wall survey, blower door test, thermography etc.
Damp and condensation	Improved Comfort; Fuel bill reductions; Improved indoor air quality	Any repair or remedial works identified as being required in order to successfully implement insulation and airtightness works, Repairs, ventilation system check and upgrade, airtightness and draughtproofing works.
Electrification	Reduced carbon emissions; Improved indoor air quality	Ventilation system check and upgrade, installation of induction hob and electric oven; optional elements including: removing gas fire and/or woodburner, new electric room heater, slow cooker, EV charger
Solar PV	Fuel bill reductions	As 'Electrification' and then: retrofit readiness i.e. review of roof structure and covering; solar PV panel system; Optional Elements including PV Diverter.
Heating system upgrade	Reduced carbon emissions	As 'Electrification' and then: radiator and pipework upgrades to <50°C, Improved heating controls; Optional Elements: air source heat pump install including cylinder and external unit.

Home Electrification

Several of the packages incorporate elements of home electrification - supporting the transition away from the use of gas in the home, including getting homes 'heat pump ready' and/or fitting solar panels etc.

To date, retrofit and energy efficiency messaging and delivery in the UK has focussed primarily on fabric, such as insulation, windows, doors, etc. However, research carried out by the project members, alongside broader market research, has indicated that 'home electrification' is becoming an increasingly important messaging approach. Home electrification covers a wide range of improvements, upgrading fuse boards and wiring, switching to induction hobs, slow cookers and electric ovens, removing gas fires or woodburners, installing new electric room heaters or heat pumps, installing solar PVs and batteries and adding an EV charger. Householders can stick to enabling works - such as becoming 'heat pump ready' – or opt for more substantial upgrades involving big ticket purchases.

With householders having a variety of motivations for retrofit, home electrification can simultaneously tick a number of boxes - including a desire to decarbonise and move away from gas, a motivation to modernise and upgrade to the latest kit, a push to reduce internal combustion in the home and in doing so tackle indoor air quality, and ambitions to become more autonomous and energy independent prosumers with onsite generation matched to consumption.

In the US, this agenda is more advanced and campaign organisations such as Rewiring America are providing awareness-raising tools as well as practical advice . In Australia, the Electrify 2515 community-led initiative is electrifying 500 homes in one postcode in New South Wales.

Offering packages based on home electrification also has the advantage of using a well-developed supply chain with high levels of accreditation, safety and quality assurance.

Factsheets

The main channel for householder advice and guidance has been the development of retrofit factsheets that align with the packages being offered (see Figure 7). The aim of the factsheets was to give householders impartial resources to raise awareness of retrofit and associated home measures available to them, and to help them make appropriate choices when considering options.

Factsheets produced in the project include:

- A Better Home Loan factsheet
- Solar PV panels

- Finding contractors: Questions to ask your contractors; Checks to do on contractors
- Understanding Energy Use (a set of 4 linked sheets/topics)
- Home Energy Grants (a set of 6 linked sheets/topics with a cover sheet)
- Home Electrification
- Ventilation systems and why they are important
- Replacement windows



Figure 7. Better Home Loan Ventilation systems and why they are important factsheet.

Credit union staff engagement

Project householder research and pilot phase service design activity highlighted the key role credit union staff members can play in the delivery of the Better Home Loan. Research with credit unions like South Manchester Credit Union suggested that a limitation of previous green loan products was that though motivated, members felt unsure which measures to progress with or where to start with works. While, credit

union staff felt unprepared to offer them guidance and wary of making mistakes or offering incorrect information.

This suggested that training credit union staff to offer guidance would help members overcome these barriers. However, a number of considerations needed to be taken into account in devising training, including the depth and breadth of retrofit knowledge that could be imparted onto staff within a reasonable amount of time, limitations on how much guidance staff members might offer members and how to balance retrofit guidance against the other regulatory and good practice guidance credit union staff are already required to deliver as part of their business as usual duties.

The proposed resolution to this was to develop two interventions:

- The creation of a credit union retrofit champion role
- The creation of training to support the role

Credit Union Retrofit Champions

This role was developed during the project and was tested and refined on the basis of feedback from staff members and prospective champions. A clear message conveyed by staff members was the need to be clear on the limits of the role, to avoid an expectation of champions overstepping the mark and providing very detailed and technical advice.

The role of a credit union retrofit champion involves acting as the most knowledgeable team member on retrofit and 'green' home improvements within each respective credit union. This knowledge is built, in part, through training but there is also an expectation that champions will continue to refresh and update knowledge over time, as retrofit approaches and technologies develop.

Rather than an isolated role, a network of retrofit champions would be embedded within credit unions offering the Better Home Loan - enabling peer support and access to collective pools of knowledge.

The role is central to delivery, acting as a key conduit for best practice retrofit information and guidance. Retrofit champions promote retrofit and green lending in their organisation and serve as a valuable source of insight and intelligence to further develop and improve the loan and its wraparound support.

In relation to members, the retrofit champion highlights and promotes the Better Home Loan product, encourages energy literacy, signposts to useful tools and resources, and serves as the point of contact for further information and guidance, such as factsheets. They relay trusted information - avoiding the use of greenwash and claims about specific costs and outcomes - find ways to explain relevant

technical concepts in a relatable and accessible manner, and understand member priorities and aspirations to provide information on the appropriateness of measures.

Champions are expected to communicate information about their credit union clearly and accessibly to colleagues. They should ensure that any guidance materials, such as 'scripts' or sheets used by staff are kept up to date, actively promote the Better Home Loan to other partners and local stakeholders and take the lead on developing case studies and testimonials.

There are also clear limits on the roles and activities expected of retrofit champions (see Figure 8). They are not expected and are actively discouraged from providing specific information around costs and the suitability of measures and services, providing detailed and very technical information about measures and processes, giving guarantees about timescales and outcomes i.e. "this will save you money" or pushing personal experiences or 'advice' i.e. "I would do this," or "on my house I did this..." etc.

Role requirements, skills and expertise relating to good listening and communication skills and personal qualities are set out in a retrofit champion role description.

Retrofit Champion Should » • Provide further information and guidance - e.g. factsheets • Be clear about what the lending products cover • Be honest about the limits of their own knowledge - It's fine to say "I don't know" or "that's beyond the limit of what we can help with" • Help members know what to expect from the product journey - e.g. what happens when • Give at least some pointers on costs (indicative ranges) to help members understand what a loan of £x might cover
Retrofit Champion Could » • Encourage general energy literacy amongst members - e.g. signposting to useful tools and resources around smart meters • Ensure members are aware of grant schemes - but care needs to be taken to avoid endorsing poor quality approaches
Retrofit Champion Should Not » • Push personal experiences or personal advice "I would do this..." Needs to be relatable, but not veer into personal information • Get into specifics around costs of measures and services • Provide detailed information on measures - such as how to use specific technologies - like a specific heat pump, controls • Give guarantees about timescales • Give guarantees about outcomes - e.g. energy savings, bill savings, increased comfort

Figure 8. An influence map describing the limits of the credit union retrofit champion role.

Credit Union Retrofit Staff Training

A training package was devised to support credit union retrofit champions with the approach split into three areas: understanding retrofit; understanding the retrofit champion role; and understanding the retrofit needs and priorities of members.

An assessment was carried out to determine the most effective way to deliver the training. While in-person training could be resourced, the need to replicate and scale the training in future resulted in a decision to focus on e-learning approaches.

As a national retrofit federation, ABCUL already offers a range of e-learning training on their specialist learning platform, covering topics such as compliance, good governance and financial literacy approaches. It was therefore decided to use the platform to host the training.

The training incorporates a mixture of presentations, videos, factsheets and quizzes and includes core modules such as "*The 'Big Picture' - why green home*

improvements?", "Climate change", "The energy system is changing", "Understanding needs and priorities", "Energy flows in our homes", "Making a plan" and modules as per measure packages.

Lessons Learned

The use of packages to group measures was an effective approach to popularising retrofit in a 'non-technical' context such as the credit union sector. It supported credit union staff to gain a better understanding of what retrofit measures might look like and enabled them to better communicate benefits to members. Members gained a clearer idea of the measures and from a delivery perspective it supported a more focussed and more effective approach to quality assurance and verification.

The partnership is keen to build on this work, further developing the packages approach and gaining input from other practitioners in the retrofit sector and further involving credit union staff. A possible extension is to involve the supply chain more fully in the development of packages, possibly combining this with supply chain training, so that contractors are better able to deliver measures as a single package, avoiding members needing to involve multiple supply chain actors.

Whilst recognising the benefits of fabric interventions and demand reduction, the 'electrification' framing is a particular area of interest. The partnership intends to explore this further by learning from communication and delivery experiences from the US and Australia, and by further testing approaches in the UK.

The factsheets and guidance materials proved popular with credit union staff and members and the range of factsheets was added to in response to feedback (e.g. guidance on accessing public schemes was issued in response to requests from SoundPound Group). There is desire from the partnership to extend these materials and to augment them with video case studies and further information, as video was flagged as a key communication channel in credit union member research.

The credit union retrofit champion role proved popular within the SoundPound Group, with six champions trained during the pilot and demand for more to be trained. The expectation had been that one champion per credit union would be trained, in reality the demand was more flexible. Within the SoundPound Group, some credit unions wanted to train 2 or 3 staff members as champions, whilst others, with smaller capacities and staff teams weren't able to provide any staff members for training. The result was that, in a collaborative sector such as credit unions, and especially within a well-integrated consortium such as SoundPound, retrofit champions are shared communally and could operate across the consortium, rather than within specific organisations.

The next steps are to formalise the peer learning network element of the champions programme and extend support for champions to include site visits, talks and other retrofit activities.

In terms of the credit union retrofit training, the in-person sessions were extremely positive, with good staff engagement. These sessions provided an opportunity for those delivering the training (generally from People Powered Retrofit and Carbon Co-op) to gather feedback and ideas from the staff members attending, while also building professional relationships that contributed to the development of the loan product.

Challenges with the complexity of the ABCUL e-learning platform have limited the ability for the project to test the effectiveness of the programme and this will be a focus from development after the project ends.

The partnership concluded that a Credit Union Services Organisation (CUSO) could be an effective body to develop both member-orientated guidance materials and best practice and to house and coordinate and further develop support, training and coordination of peer learning for credit union retrofit champions.

6. Installer Integration

One-stop shop approaches

Different strategies to installer engagement and integration were applied for the respective loan products. For the one-stop shop product, supply chain engagement and procurement processes already existed as part of the one-stop shop service. People Powered Retrofit operate a supply chain database and assist householder selection through procurement support which includes standard procurement templates, signposting to contractors and advice on selection. The integration of a loan product has no significant impact on these processes.

Better Home Loan - approach to involving supply chain

Integrating supply chain engagement into the Better Home Loan required a more strategic approach since the one-stop shop expertise and involvement is absent from the process. Lack of appropriate supply chain was highlighted by credit union members in the Discovery Phase research as a significant barrier to procuring retrofit works, so advice for members and support for the credit union to engage with the supply chain was required.

The package-based approach to grouping measures and communicating them to members helped address challenges in sourcing contractors. Each package is accompanied by a detailed specification outlining the relevant contractors and supply chain actors required for installation - for example electricians for most elements of the electrification packages. Relevant accreditations schemes for each contractor type are clearly specified within the packages, providing members with straightforward means of assessing regulatory compliance e.g. ensuring that an electrician is National Inspection Council for Electrical Installation Contracting (NICEIC)-certified.

A number of additional approaches were implemented to build further support for members and credit union staff:

- Advice materials for members on engaging with supply chain and installers and integration of supply chain engagement support into the retrofit champions training.
- Research to identify best practice examples of supply chain engagement within the credit union sector with the creation of a supply chain engagement toolkit and an accompanying launch webinar to support credit union best practice.
- Development work with Manchester Care and Repair to assess their role as a route to supply chain for credit union members.

Member guidance

Devised by People Powered Retrofit and based upon experience from supporting one-stop shop clients, a dedicated factsheet (see Figure 9) was developed to support members in selecting contractors entitled: 'Choosing the right contractor'.

The factsheet sets out a checklist for members to follow in the selection, appointment and management of contractors. It covers the recommended due diligence steps to follow including obtaining quotes, checking finances and reviews, establishing clarity on costs, securing written confirmation and agreeing payment terms.

The factsheet has detail on the contractual forms that contractors might use as well as a separate factsheet setting out the features of common householder contractual forms. A final section looks at responsibilities, permissions and approvals and who is required to do what and when. Initial feedback from members and credit union staff on the factsheet was very positive.

The same content was incorporated into the credit union retrofit champions training, with a specific section of the training focussing on contractor due diligence, best practice and how credit union members of staff can support and advise members.

Factsheet

> Choosing the right contractor



Figure 9. Choosing the right contractor, Better Home Loan factsheet.

A Toolkit for Supply Chain Engagement

As a further form of support for credit unions, a toolkit for supply chain engagement was devised and disseminated. The aim of the toolkit was to support credit unions to find different ways to help their members navigate the supply chain, exploring common types of green home improvement associated with the packages of measures and the various supply chain actors and interdependencies associated with these works.

The toolkit sets out the wide variation in supply chain necessary to deliver different measures and how these can be affected by householder choices or the source of the funds involved (see Figure 10).

The toolkit offers examples of the often-complex supply chain interdependencies required to carry out even relatively simple works with worked examples covering

switching from a gas hob to an induction hob, switching from a gas boiler to an air-source heat pump, installing solar panels (see Table 4), installing high performance windows and installing cavity wall insulation.

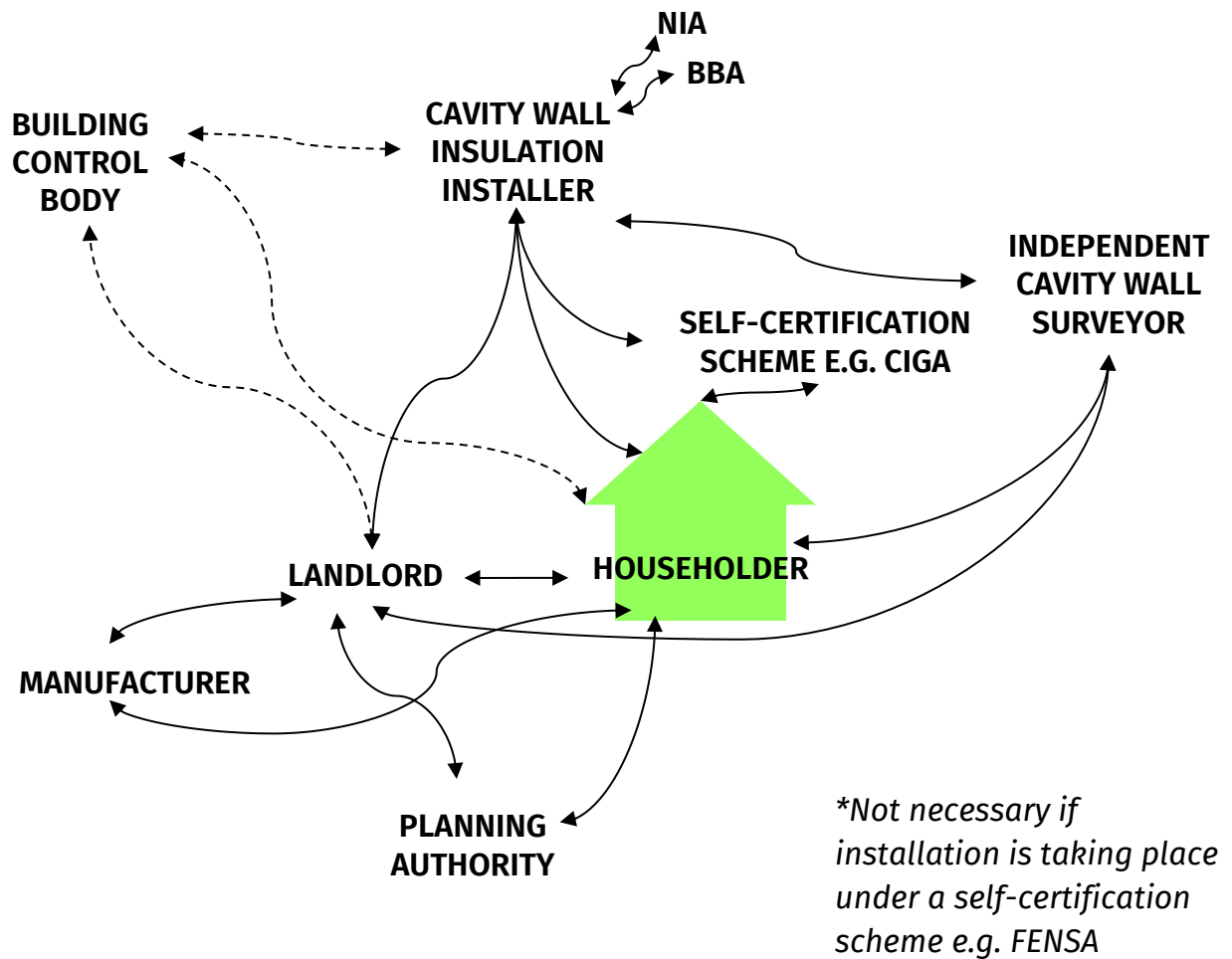


Figure 10. Diagram from 'A Toolkit for Supply Chain Engagement' demonstrating how to install cavity wall insulation.

Table 4. Excerpt from ‘A Toolkit for Supply Chain Engagement’ setting out detailed breakdown of supply chain actors involved in installing solar panels.

Actor	About
Householder	(If homeowner) - Commissions and manages the work (If private or social tenant) - Requests the works from landlord or is instructed of planned works by the landlord
Landlord	- Commissions and manages the work
Solar PV manufacturer/supplier	- Manufactures the solar PV unit - May have a preferred installer scheme
Solar PV installer (Typically, team of electricians and roofers)	- Surveys roof before installation - Installs the solar PV unit - Registers the solar PV unit with MCS (self-certification for building regulations) - Gives handover advice and guidance
Scaffolder	- Supplies and installs/de-installs scaffolding
Structural engineer	- May be commissioned to survey roof and design roof strengthening works before installation
Distribution Network Operator (DNO)	- Is informed about the installation to guarantee safety and sufficient grid capacity
Energy supplier	- Is informed about the installation to be able to register for a Smart Export Guarantee (or similar scheme)
Micro-generation Certification Scheme (MCS)	- Issues an MCS certificate

The toolkit concludes with three case studies, real world examples setting out different models for how credit unions are engaging with the supply chain:

- Capital Credit Union’s Green Loan Partnership with Greener Energy Group, one of Scotland’s largest solar PV and air-source heat pump installers, that has led to just under £2 million in green loans made to 140 (predominantly new) members.
- South Manchester Credit Union’s work with People Powered Retrofit to develop the one-stop shop loan as part of the GHFA project, highlighting how

a retrofit one-stop shop and can complement a community credit union's activity.

- The US-based Clean Energy Credit Union's process by which contractors and installers enter their registered dealer scheme and are in turn onboarded to the Clean Energy Credit Union Portal. Around 60% of Clean Energy Credit Union's loan applications originate from their dealer programme.

The toolkit was launched at an ABCUL webinar in February 2025, attended by 29 people from the credit union sector. The webinar discussion and Q&A that formed part of the session, demonstrated the high level of interest from the sector in exploring supply chain engagement.

Development work with a home improvement agency

The partnership worked with Manchester Care and Repair, Manchester City Council's home improvement agency to assess options for the development of a supply chain for the SoundPound Group credit unions offering the Better Home Loan. In order to carry out a variety of basic home upgrades and home improvement works that are required of a home improvement agency, Manchester Care and Repair have developed a supply chain network of around 30 small, local contractors ranging from firms carrying out basic maintenance works to solar PV installers. Manchester Care and Repair onboard and vet these contractors and carry out site inspections of work to ensure quality - taking around 10% of the cost of the works to do so.

Within the time and scope of the project, the partners were able to better understand how this supply chain might be able to meet the needs of credit union members moving through the Better Home Loan process. This local, SME supply chain was found to be a particularly good match for the packages of works that required enabling works to be carried out in advance of retrofit measure installation.

However, the Manchester Care and Repair supply chain process is currently orientated towards the delivery of grant funded and council-funded work schemes. Further refinement of referral and management mechanisms is required to enable a smooth transition of members from the Better Home Loan into Manchester Care and Repair's systems. This is an ambition for the next stage of development.

Lessons learned

The work carried out on the project demonstrated that the complexity, diversity and variability of the supply chain is a key barrier to retrofit delivery and that mechanisms need to be found to navigate and simplify this complexity. The project found that it is important for credit unions to be prepared to invest time and resources in

understanding it and that effective member guidance plays a vital role in supporting householders who face challenges finding trusted advice and suitable contractors.

Whilst there are opportunities for credit unions to grow lending and membership through partnering with supply chain companies, as Capital credit union has with Greener Energy Group, there are also reputational risks that come with this if works are not up to standard or values are misaligned. As a result, credit union due diligence and oversight are crucial in building long term relationships and trust. Aligning with supply chain companies with similar values to credit unions, as the SoundPound Group are seeking to do with Manchester Care and Repair, can be an effective approach in realising this.

The partnership concluded that credit unions supporting members and engaging with supply chain companies requires resources (in terms of time and money) and skills for due diligence, relationship building and staying updated within the sector. For credit unions to offer green loans on an ongoing basis, some form of external specialist retrofit expertise and coordination of specialist knowledge is required - something that a Credit Union Services Organisation could also focus on.

7. Verification Processes and Quality Assurance in the Delivery of the Product/Service

Summary of the installation verification processes

Verification is important for householders to ensure their needs are met, and quality work is delivered, and for credit unions to ensure that the finance provided is used for its intended purpose. Verification supports quality assurance and builds trust between lender and borrower. For external stakeholders, such as government, verification helps validate the achievement of key outcomes, such as carbon reduction.³

Verification within the project sought to ensure that a measure exists (i.e. has been installed), is suitable for the house in question, has been installed correctly and delivers on the householder's 'intended outcomes' as set previously out. It was also important to ensure that verification flowed through every stage of the retrofit journey, from making a plan, through to installation, completion and handover, and post-works/in-use.

The project's Discovery Phase research identified that different data collection and evaluation strategies would be necessary for the two delivery routes. In the one-stop shop model, data collection, analysis and the involvement of retrofit professionals are already well integrated into processes. In contrast, the Better Home Loan route relies on data collection within credit union processes. These are common and robust, but primarily orientated towards financial due diligence and compliance, with limited engagement in retrofit-related areas.

The general verification approach taken was holistic with both quantitative and qualitative elements. No single tool or approach covers all verification requirements, necessitating both coordination and awareness of developments and emerging best practice within the sector. The following section outlines the approach taken to verification metrics, methodologies and reporting, as well as the use of verification technologies, before setting out how these were applied to the one-stop shop and Better Home Loan products respectively.

Verification Metrics

A broad range of qualitative and quantitative metrics were used to support the verification of outcomes. These metrics are a comprehensive list, but which metrics

³ This chapter is a summary of a project deliverable, 'Verification and BRP methodology specification', published in January 2025 and authored by Helen Grimshaw (Carbon Co-op), Marianne Heaslip (People Powered Retrofit), Matt Fawcett (Carbon Co-op), Julie Godefroy (Julie Godefroy Associates)

are evaluated is context specific, depending on the measures installed and the data collection technologies in place. Qualitative metrics focus on comfort, condensation, ease of control, satisfaction, affordability and health and wellbeing. Quantitative metrics include energy use intensity, fuel use, metered energy saving, energy generation, carbon emissions, energy costs and where applicable Standard Assessment Procedure (SAP) rating, Energy Performance Certification (EPC) band, peak heat load and Heat Transfer Coefficient (HTC).

Tools and methodologies - Home Retrofit Planner

Within the one-stop shop route, People Powered Retrofit's Home Retrofit Planner (HRP) tool is used for baseline assessment, scenario planning to assist householder decision making and retrofit planning, as well as supporting subsequent design and quality assurance processes (see Figure 11). This is a high value service and underpins many aspects of the one-stop shop service, usually resulting in a whole house, deep retrofit works being carried out. The HRP assessment and planning process is involved, requiring the time of an experienced, trained retrofit assessor and generally costing £1,000+. The underlying calculation methodology used in HRP is based on full SAP. People Powered Retrofit's Home Retrofit Planner platform fulfils the function of a Building Renovation Passport.



Figure 11. Home Retrofit Planner stages.

Metered Energy Savings approaches

A key verification technology piloted in the project was Carbon Co-op's PowerShaper metering and monitoring suite of services - specifically PowerShaper Monitor, a smart meter data service and PowerShaper Tracker, a software tool developed with the support of Energy Savings Catapult (ESC) and Electricity North West under the

Retrometer project⁴. PowerShaper Tracker uses smart meter information to quantify actual energy savings resulting from an energy efficiency intervention.

PowerShaper Monitor

The PowerShaper Monitor service assists UK households to track, evaluate and optimise their electricity usage. It can be used as a service to collect gas and electricity usage data to support the evaluation of energy efficiency works, and also to support Demand Side Response and local flexibility services. It is particularly helpful for householders with solar panels, batteries, or electric vehicles (EVs).

PowerShaper Monitor connects to householders' SMETS2 smart meters (or compatible energy monitors) to collect half-hourly electricity usage data. Data is securely sent to Carbon Co-op's systems for analysis using PowerShaper Tracker.

As well as supporting monitoring and verification from project partners, PowerShaper Monitor is available for use by householders via a dashboard. Users access a dashboard (online or via an app) to view their electricity consumption, generation (if they have solar panels), and export/import patterns. Graphs and charts show usage trends, helping households understand when and how they use power.

PowerShaper Tracker

Smart meter data sourced via PowerShaper Monitor can in turn support an evaluation of 'metered energy savings' via PowerShaper Tracker, a linked but separate online software tool.

Implementing the methodology developed under the Retrometer project, PowerShaper Tracker uses half hourly energy meter data, weather data, an algorithm and the date of an energy efficiency intervention to create a 'counterfactual' energy use scenario showing the energy that would have been used were the intervention not to have happened. This enables a comparison between actual energy use that in turn generates an energy saving (or where applicable an increase) brought about as a result of the intervention.

This provides one data point of many with which to support project evaluation.

Limitations

PowerShaper Tracker faces a number of limitations in being able to deliver an accurate and personalised quantification of energy saved as the result of a specific intervention. Its reliance on smart meter data means that those without smart meters are excluded. The accuracy of the algorithm means that readings for individual homes are subject to variance, though this effect is countered when using portfolios

⁴ Retrometer - SIF Project, Carbon Co-op website; <https://carbon.coop/portfolio/retrometer-sif-project/>

of homes such as a credit union might do when reviewing the performance of its aggregated members. Finally, the impact of occupancy or changes in energy source e.g. from gas to electric, can have significant impacts on the data. The Retrometer project partners have set out remedies for these issues and are seeking additional funding to address them and incorporate them into their products.

Verification of the one-stop shop service route

Analysis suggested that some parts of the existing People Powered Retrofit one-stop shop service were more developed than others in supporting verification, e.g. Home Retrofit Planner assessment and scenario planning facilitated a strong understanding of baseline/pre-works but monitoring and evaluation aspects of the service required further service design and testing to ensure verification approaches taken would be robust.

A detailed verification service design blueprinting exercise was carried out to identify verification steps required and which actions were required from one of: the householder, the credit union and the one-stop shop. Specific requirements for the Better Home Loan service were identified as part of this - delivered by the respective credit union. A cash-back incentive was suggested as a way to encourage householder engagement in verification - though actual implementation of a cashback was at the prerogative of the credit union offering the loan, and no SoundPound credit unions chose to do this. Pink stars on the diagram below (see Figure 12) show which new elements were required to support this approach.

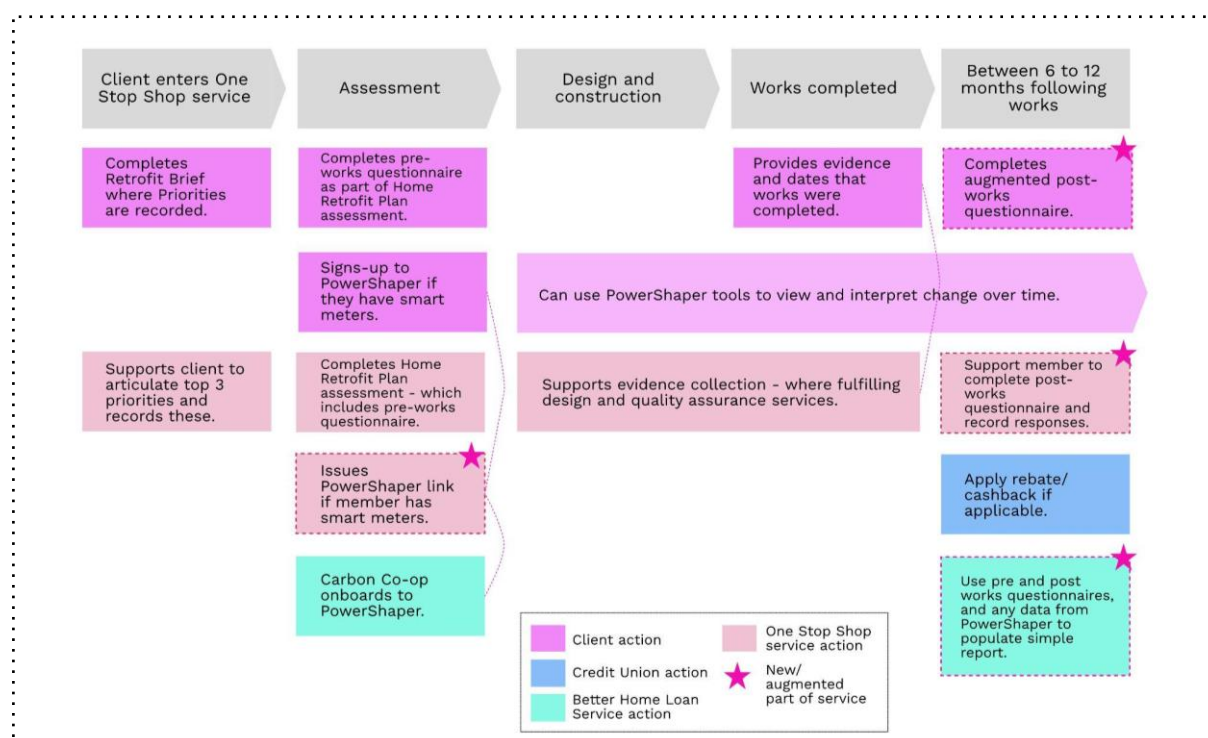


Figure 12. Simplified one-stop shop with loan service blueprint to support verification of works.

Within this verification route, a Retrofit Brief is created as a standard part of the one-stop shop onboarding process, helping set out the success factors the retrofit project should address. The Home Retrofit Planner assessment creates a baseline and the retrofit plan produced forms the 'medium-term improvement plan', contributing to an understanding of the householder's intended project outcomes. Data collection comes via Carbon Co-op's PowerShaper Monitor smart meter service and through the collection of design and build information, which is a standard part of the one-stop shop services. Verification and evaluation are supported by a post-works questionnaire and a review of PowerShaper data.

Verification of the Better Home Loan route

A similar service design blueprinting exercise was carried out to identify verification steps required for the credit union Better Home Loan service. Service design work with credit unions identified that they capture substantial amounts of information and data from members as a matter of course within the standard processes involved in issuing loans. However, this data collection generally does not extend to information about home energy (aside from energy bill data). Data collection takes place before loans are issued to inform a loan decision. It is very rare for credit unions to request information after a loan has been issued to evidence how the loan has been spent.

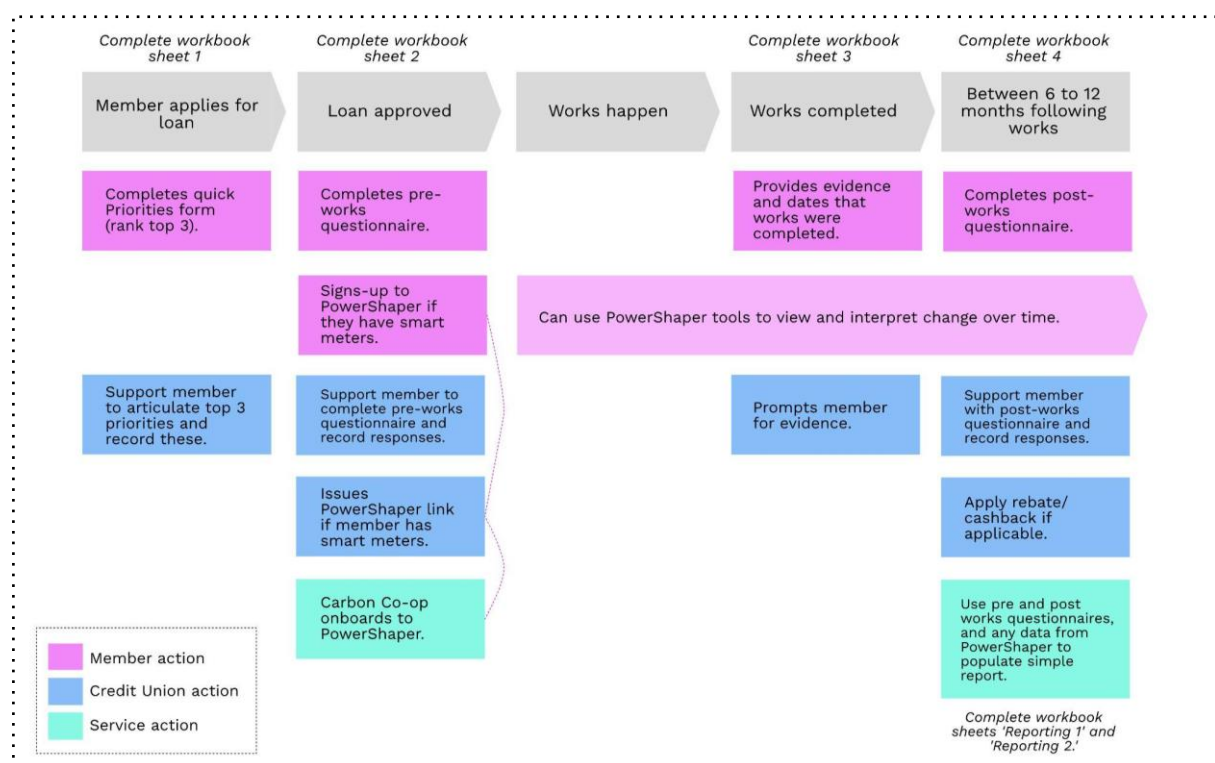


Figure 13. Simplified Better Home Loan service blueprint to support verification of works.

In contrast to the one-stop shop route, the blueprint (see Figure 13) did not involve the use of Home Retrofit Planner, due to time limits, expertise and costs to the householders involved. Instead, credit unions are required to issue pre-works and post-works questionnaires to establish intended outcomes and the degree to which they have been achieved.

As highlighted, it is unusual for credit unions to request information after loans have been issued and unusual for members to supply evidence. This therefore required education work with credit unions to help staff understand the importance of verification, for example, through the retrofit champions training.

In surveys, Credit Union members were positive about the idea of a report with feedback after completing home improvements. This has been discussed alongside the idea of a cashback or interest rate rebate if a member provides evidence for verification. Any such incentives would not be dependent on achieving a particular level of performance or savings, but serve as an opportunity to assess performance and outcomes. This concept has been further developed into a reporting template, though its viability requires further testing as more members enter the service.

Challenges encountered with the verification processes

In terms of general challenges around verification, the need to "join the dots" between different methodologies, tools, and metrics emphasises the challenge of coordination in delivery. No single tool is able to cover all verification requirements.

Meanwhile, notwithstanding the efforts relating to Retrometer, the lack of a commonly agreed, effective approach to establish low cost, reliable Metered Energy Savings methods is a barrier to verification that the whole sector faces. Finally, householders often have certain expectations in terms of the accuracy of reporting and clearly communicating the limits of what the data tells us (and the householder) is a challenge.

Specifically with regards to verification in a one-stop shop context, clients are often undertaking more significant changes, which can increase complexity in verification. For example, an extension to a home changes the floor area and impacts metrics etc.

There are more challenges relating to verification in the Better Home Loan context with issues around data collection and completeness, particularly where data requests are an extension of current practices and expectations and further testing is required to optimise the 'Data Ask' of members. Whilst smart meter data is a low cost, accurate source of data, the availability of the data isn't always straightforward, and not all households have smart meters. Finally, credit union capacity and current knowledge gaps can be limiting factors as the reporting process requires a longer

and more intensive view on data collection and is an extension of existing processes with staff needing additional training and instruction.

Verification learning

Despite the challenges, the project was able to identify a number of best practices relating to verification.

Taking a holistic approach - combining both quantitative and qualitative data - is necessary to gain a comprehensive understanding of the impact of home improvements. This requires a variety of data sources and tools to gather information such as questionnaires, energy data (from bills or smart meters), and assessment tools like the Home Retrofit Planner. Proportionality is important, ensuring that verification approaches are robust while remaining proportionate to the needs of both householders and the organisations involved.

Data privacy was found to be a key concern among householders. Ensuring data privacy and security requires obtaining consent for data collection and adhering to relevant privacy regulations. It is also important to establish clear roles and responsibilities where multiple actors are involved.

Clearly communicating the verification process and the limitations of the data is important in setting reasonable expectations, as well as providing timely feedback and reports to householders on their progress and outcomes.

Verification requirements need to be established early in the retrofit journey, integrating verification into the overall advice and guidance process and using verification data to inform recommendations and support ongoing energy literacy. Clear 'Intended Outcomes' need to be established in order to assess the achievement of outcomes by identifying and noting the householder's priorities and intended outcomes from the home improvements.

Finally, effective and appropriate training is key to ensure that credit union staff involved in the verification process receive adequate instruction on the verification methodologies and data collection. Equally important is helping staff understand the purpose and benefits of collecting and evaluating data.

Pilot Product Marketing and Market Penetration

8. Market Testing, Deployment and Distribution of Product/Service

Better Home Loan marketing research

The market research focussed on assessing approaches to green home improvement lending, both in the UK and the USA, to inform the development of credit union lending products for retrofit and finance.

In the US, the project explored the American Inflation Reduction Act of 2022 and its resourcing for credit union lending, particularly under the Clean Communities Investment Accelerator. Currently available green home improvement lending from American credit unions such as Clean Energy Credit Union and Self-Help Credit Union were evaluated and demonstrated effective online communication approaches, good use of staff training and the utilisation of packages to group together measures - which helped inform the group of measures within the Better Home Loan approach.

UK-based credit unions' current green loan offerings were assessed and an understanding of their interest in developing such products evaluated. It was found that most UK credit unions surveyed did not at that time offer dedicated green loan products, though many were interested and the number has now increased substantially.

In the Greater Manchester context, the marketing activities of the SoundPound Group were assessed, including their cost-of-living loan, Enterprising Communities Fund and transport initiatives. A unique and effective aspect identified was the co-branding used by individual credit unions for products that sat alongside SoundPound Group marketing and amplified local messaging with a city region-wide profile. Case studies of Bolton Hoot Credit Union and South Manchester Credit Union's green loan programs were analysed.

Utilising the 'packages' approach, the concept of communicating packages of retrofit measures to simplify lending, advice, and verification processes was explored. As part of the service design work on the project, research into credit union member needs was conducted in May 2024 (see Research section above). Insights from this research were used to inform the marketing strategy.

Better Home Loan marketing strategy

A marketing strategy was devised that created a single, unified Better Home Loan brand for the product that could be picked up and used by any credit union. This had

several advantages, including creating a high profile, well-targeted brand that could achieve wider recognition and sit alongside individual credit union marketing efforts. Any marketing efforts carried out by one credit union would positively impact other credit unions using the same brand and allowed the SoundPound Group to communicate with a coherent and unified voice to external stakeholders such as government or Green Finance Institute (GFI). It also meant that guidance materials and staff training could be widely used, sharing the same brand identity, without the need to be repackaged and re-printed for different credit union branding.

The objective for the branding approach was not only to focus on existing credit union members and to use Better Home Loans as an opportunity to extend credit union membership and recruit new members - assessing the efficacy of this approach requires further testing.

As well as direct marketing approaches, the SoundPound Group has sought endorsements from local government, particularly Greater Manchester Metro Mayor Andy Burnham. SoundPound had a established relationship with Andy Burnham via Greater Manchester initiatives aimed at strengthening the local co-operative sector. His endorsement of SoundPound's initiatives - such as alternatives to pay-day lending and a scheme to improve access to public transport season tickets further reinforce this connection. An endorsement from Andy Burnham for the Better Home Loan was brokered with the involvement of the GFI, which issued a press release⁵ highlighting how the loan harmonised with the Institute's "Green Home Finance Principles." Though unlikely to result in new loans, the press release and endorsement resulted in a significant raising of profile for the loan and a number of new enquiries from retrofit sector stakeholders and supply chain companies seeking collaboration.

Marketing channels

The following marketing channels and materials were developed to support the promotion and delivery of the Better Home Loan initiative:

- Brand identity and guidelines were developed to support marketing efforts.
- Promotional copywriting was developed for key collateral such as email newsletters, flyers and posters.
- Social media and digital adverts, with key messages were developed for credit unions to distribute via their respective channels.
- Email graphics and templates were created in order for credit unions to generate campaigns targeting their membership.
- A toolkit was developed to support roll out of campaigns

⁵ Greater Manchester Combined Authority's Credit Unions become first in UK to align with Green Home Finance Principles, Green Finance Institute, June 4 2025
<https://www.greenfinanceinstitute.com/news/greater-manchester-combined-authoritys-credit-unions-become-first-in-uk-to-align-with-green-home-finance-principles>

Most of the activity was limited to digital channels; however, community co-operatives such as South Manchester Credit Union were keen to test in-person approaches, such as workshops and events, to engage directly with members.

Payroll credit unions such as Metro Moneywise, were keen to link up with employers as a way to engage and offer advice to members. Discussions took place with the Manchester NHS Trust about engaging through an existing employee net zero education programme and this work is planned to take place after the project end.

One-stop shop loan marketing strategy

The marketing strategy for the one-stop shop loan focused on reaching both current and prospective clients through trusted, direct communication. As the loan is only available to those already undertaking People Powered Retrofit's services, clear and accessible dissemination of information aligned with the existing clients communication channels was prioritised. The strategy centred on direct marketing methods, such as mail shots, newsletters, and blog posts. In addition, the loan was signposted more actively by People Powered Retrofit's retrofit advisor and technical teams. These employees, already embedded within client projects and relationships, were seen as well-positioned to introduce the loan offering as part of their ongoing advice and support.

Marketing learning

Better Home Loan

The project developed a range of high-profile marketing and communication assets and produced a bank of materials to support future delivery. However, a shortcoming in the pilot has been a failure to integrate the marketing materials and channels developed into coherent campaigns and to effectively achieve the ambition of harmonising these campaigns to work for both individual credit unions and the broader sector. More coordination and a dedicated and centralised staff resource is required to ensure that campaigns are effectively realised and result in more loans. This is a function that it is anticipated a Credit Union Services Organisation can fulfil.

One-Stop Shop Loan

The one-stop shop loan developed a range of People Powered Retrofit-produced resources that were clear and concise, and which will be adapted for use in future campaigns.

As with the Better Home Loan, marketing materials for the One-Stop Shop Loan were not fully integrated into broader outreach channels for prospective clients and it was challenging to effectively communicate the value of the loan to current clients

and overcome the antipathy to borrowing that the research suggested one-stop shop clients possess. Financial products must be embedded more thoroughly within People Powered Retrofit's services, enabling clients to understand the loan's relevance and availability as their projects evolve.

To address this, People Powered Retrofit plan to ensure marketing activity is more consistent and that the loan offering is integrated into services offered. Employees will be provided with clearer guidance and support to help them confidently signpost and discuss the loan with interested clients.

9. Integration of government grants

Though integrating loans within government retrofit schemes was not an explicit aim of the partnership, over the course of the project a number of use cases were identified.

Matching government funding schemes

A limitation of government retrofit funding is that grants exclusively cover carbon saving work and the cost of maintenance and enabling works needs to be covered by the householder themselves. If householders cannot cover these works, then they are not able to access the benefits of these schemes.

A key advantage of the Better Home Loan product and credit union lending in general, is that it can cover maintenance, repair and upgrade works. Repair and maintenance requirements are explicitly flagged within a number of the packages offered. This mitigates technical failure risks and means a 'whole house' approach is advocated as the norm.

More work is required from the partnership, credit unions and from the government to examine how this 'matched finance' approach can be facilitated in the workflow of government scheme delivery.

Lending in the context of Scottish grant scheme

The focus of the partnership was work in the Greater Manchester area. However, the retrofit one-stop shop Loco Home Retrofit assessed the potential for the Better Home Loan to be delivered in Glasgow. A particularity identified with the Home Energy Scotland grant and loan scheme was a delay in paying contractors due to the way that the scheme operates. As a result, Credit union loans were identified as a possible means of bridging finance, enabling more householders and contractors to be involved in the scheme.

One-stop shop lending

In that context the one-stop shop service, the retrofit advisor and other staff members are able to advise clients about government grants, such as the Boiler Upgrade Scheme, and how these might be integrated alongside lending into project budgets and approaches.

A key focus for People Powered Retrofit and its partners across the UK, within their retrofit Community of Practice, is to explore opportunities to better align their one-stop shop services with government schemes such as the Energy Company Obligation (ECO).

10. Commercial Viability

Better Home Loan

Long-term vision for the Better Home Loan

The development of the Better Home Loan and the GHFA programme has coincided with an uptick in interest in green home improvement lending from credit unions.

According to GFI⁶, the following credit unions now offer green home loans:

- Hull and East Yorkshire CU
- Capital CU
- Copper Pot CU
- Cambrian CU
- Eastern Savings and Loans CU
- Salford CU
- Just CU
- Metro Moneywise CU
- South Manchester CU
- Ballymena Causeway CU
- Newry CU
- KRD CU

Salford, Metro Moneywise, Copper Pot and South Manchester Credit Unions are all SoundPound Group members and participated directly in the project. Though the project has engaged widely with the rest of the sector, disseminating learning materials and holding a series of learning webinars with ABCUL, it's not possible to conclude which other credit unions have implemented the project's learning and some green home loan products pre-date the project.

The case for credit union coordination for green lending

The project has evidenced the importance of offering wrap-around support for green lending in the form of householder guidance, credit union staff training, facilitation of peer support, supply chain engagement, marketing and monitoring and verification. In each case, it has shown that a central, coordinating resource would help develop, sustain and extend this support.

This has been affirmed by credit unions themselves. When the project was presented at the ABCUL AGM in March 2025 and at a SoundPound Group meeting in June 2025, attendees highlighted the importance both of wrap-around support and access to professional retrofit expertise. They advocated for the creation of an organisation to co-ordinate support in this area.

⁶ Unsecured Green Home Loans, Green Finance Institute, retrieved June 2025
<https://www.greenfinanceinstitute.com/products-solutions/unsecured-green-home-loans>

Credit Union Support Organisations

Credit Union Support Organisations (CUSO) are entities owned by individual credit unions that provide support services to them and a model that has the potential to provide coordination support to credit unions for green home lending.

The Prudential Regulation Authority (PRA) sets out rules for how CUSOs can operate and is in the process of consulting with the credit union sector on amendments to these rules.

“CUSOs are entities that are owned by credit unions and provide shared services to them, providing economies of scale benefits. A small number of CUSOs are already established in the UK and we are seeing increasing interest from credit unions wishing to establish them. However, there is some uncertainty as to whether the regulatory framework permits credit unions to hold an investment in CUSOs.”

Prudential Regulation Authority's (PRA)⁷

The CUSOs currently operating in the UK support credit union financial services such as financial reporting and the use of digital payments by individual credit unions. CUSOs centralise specialist expertise and capacity and individual credit unions pay to access these services. CUSOs are more common in the United States and the sector is in the early stages of the process of establishing a CUSO to support home energy efficiency service delivery. UK credit unions are in close contact with those establishing the US CUSO to draw lessons from this process.

At the conclusion of this project, the SoundPound Group made a formal decision to explore the feasibility of establishing a UK-based CUSO to support the implementation of the Better Home Loan.

The plan for post-GHFA development of the Better Home Loan product is:

- SoundPound Group will commission a feasibility study into the development of an Energy Efficiency CUSO.
- The partnership will seek resourcing for the recruitment of a coordinating staff member to manage the feasibility study and coordinate the development of the Better Home Loan in the interim.
- Further testing, implementation and delivery of Better Home Loans in the Greater Manchester area will be carried out with more credit unions offering the product.

⁷ Prudential Regulation Authority's (PRA) approach to Credit Union Service Organisations (CUSOs) and intention to consult on rule changes Bank of England, Bank of England Prudential Regulation Authority, March 2025 <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/letter/2025/pru-approach-to-credit-union-service-organisations-and-intention-to-consult-on-rule-changes.pdf>

- Assessment will be carried out of the potential replication and support for Better Home Loan to be offered outside of Greater Manchester.

Following a feasibility study, the partnership anticipates establishing the CUSO in 1-2 years. After this period, resourcing would be generated from individual credit union membership fees and trading income.

Better Home Loan unique selling proposition

A number of UK credit unions already offer green home loans to support members in delivering retrofit works. The benefits to credit unions of using the Better Home Loan approach – and, in time, accessing a related CUSO – include brand recognition, shared marketing impact and access to the support and resources developed in the project, such as guidance, staff training and verification. Importantly, it enables individual credit unions to access professional retrofit expertise from practitioners like People Powered Retrofit, as well as a network of other credit unions with growing experience of green home improvement lending, who are willing to share experiences and support each other.

In the United States, where credit union green lending is more advanced, the experience is that support and coordination bodies such as Inclusiv are valued as a repository for skills, expertise, coordination and learning and a similar direction of travel is likely to be seen in the UK.

Better Home Loan barriers to commercialisation and scale up

Establishing a CUSO to support the Better Home Loan may not be simple and the PRA is consulting on new rules which may complicate the process. SoundPound Group, ABCUL and credit unions are engaging with the PRA to positively influence these changes and to ensure any future plans remain compliant with the likely regulatory direction of travel.

A further challenge is likely to be in establishing a strong business case for the CUSO, which will need to generate income to resource its coordination and support work for individual credit unions. Ultimately a business case will rest on the ability of Better Home Loans to generate value for credit unions and their members.

Government support in the form of underwriting loans or innovations such as the introduction of salary sacrifice for retrofit have the potential to strengthen this business case. Similarly, the work of the GFI in raising the profile of green lending and advocating for codes of conduct for green lenders has a role in strengthening and establishing the sector and the role credit unions play in it.

One-Stop Shop Loan

One-Stop Shop Loan long-term vision

The vision for the one-stop shop loan is to extend its profile within People Powered Retrofit's service, further collaborate with credit unions to generate new one-stop shop clients, and assess the replication potential for the loan product within People Powered Retrofit's partnership network of community-led one-stop shops.

On the basis of the work carried out in the pilot, People Powered Retrofit will continue to market and solidify the loan within the one-stop shop service, integrating the loan proposition within service design to ensure consideration forms part of a standard client journey. Retrofit advisors and other retrofit design teams will receive training on how to talk about the loan to clients. Further refinement and automation of the client journey and referral process will take place with South Manchester Credit Union.

Following the end of the project, People Powered Retrofit will explore greater collaboration with credit unions to assess the potential for credit union members to become one-stop shop clients. This pathway is distinct from the Better Home Loan, in which members progress with credit union support and guidance but without the direct intervention of retrofit professionals to guide them through the retrofit journey. In contrast, one-stop shop services are higher value, with fees at successive stages to progress clients through the journey. It is likely that smaller numbers of members will have the motivation and overall set of resources available to access one-stop shop services as compared to the Better Home Loan.

Discussions with SoundPound Group credit unions, in particular South Manchester Credit Union, suggest that collaborative marketing and engagement, in particular through in person workshops and events, would offer credit union member benefits and generate clients for People Powered Retrofit's one-stop shop services.

Finally, People Powered Retrofit operates a partnership network with ten other community-led (i.e. locally-based co-operatives, charities, social enterprises) one-stop shops around the UK, all using Home Retrofit Planner on a licensed basis.

There is a great deal of interest from partners in how loan products might supplement their one-stop shop services. After the project ends, People Powered Retrofit will share and disseminate learning from this project and advice on how partners can collaborate with credit unions in their areas.

One-Stop Shop Loan unique selling proposition

The value of the one-stop shop loan product lies in its integration of finance with expert retrofit advice. When fully embedded into the service, the loan allows clients

to access additional funds to support their retrofit projects at the point when they realise their existing budget may not be fully adequate for the project, or if they would like to extend their plans. Crucially, this financial support is provided alongside tailored, expert guidance on how to phase retrofit works appropriately. This ensures that the finance application is well-timed and aligned with the technical needs of the project, enabling clients to spend their funds more strategically.

Unique aspects of the collaboration between community-led one stop shops and credit unions centre around the match in ethics and values. This alignment means both organisations operate with similar aims and objectives. Additionally, overlaps in geographical focus enable relationships to scale and replicate – for example, while People Powered Retrofit has been able to collaborate with South Manchester Credit Union in Manchester, community-led one-stop shops in York, Bristol and Edinburgh each have local credit unions that they can partner with in a similar way.

One-Stop Shop Loan barriers to commercialisation and scale up

A key barrier to increasing lending for one-stop shop clients is their strong reluctance to borrow for retrofit costs, as is consistently indicated by client surveys carried out during the project. However, more in depth research suggests that this initial scepticism can be effectively addressed by tailored communication and personalised support delivered via one-stop shop advisory services.

In terms of collaborations with credit unions, care needs to be taken in communicating the one-stop shop offer and avoiding confusion between the services of a one-stop shop and those related to the Better Home Loan.

Finally, replicating the one-stop shop loan with other providers in other locations presents the challenge of replicating a service with not one but two organisations i.e. the one-stop shop and the credit union. Whilst the one-stop shop already has a replication relationship with People Powered Retrofit, the respective local credit union might lack the capacity or knowledge to take on board the Better Home Loan product or develop a similar local equivalent. It is likely that the CUSO would have a role in supporting new credit unions to offer these loans and to bridge any gaps in skills and capacity.

11. Final reflections

Summary of key insights

In conducting the project evaluation, the partnership generally agreed that the project was successful to some extent at producing/contributing to the development of householder advice materials and verification methodology and the dissemination of the business model.

Piloting of the loan products

The pilot produced a lot of high-quality, innovative research, development and planning, but limited amounts of lending. Project partners identified a number of reasons for this, including an ambitious project scope, short timeframes, a lack of innovation skills and experience in delivering service/product design within the participating credit unions, differing cultures between consortium members and time-consuming, bureaucratic grant management processes.

The pilot made strong contributions to establishing an infrastructure to support future delivery of green finance loans, with progress made across all aspects of the product specifications. An observation made by partners was that it can take years for new credit union products to be successfully adopted by members.

Verification approaches

Significant progress was made in terms of data and verification approaches to support retrofit evaluation. Project partners developed new on-boarding mechanisms for smart meter data monitoring for third-party organisations and comprehensive verification surveys.

A challenge to effective verification has been a mismatch between the need for comprehensive data collection to evidence impact set against the lack of credit unions systems to support this – compounded by the fact that members do not generally share data with credit unions after loans have been secured.

Developing and supporting the supply chain

With lack of access to contractors identified by householders as a key barrier, the Supply Chain Toolkit developed during the pilot helped to better understand models that demonstrate successful credit union collaboration with the supply chain and set out success factors that could be implemented by partners. The pilot has inspired other credit unions e.g. Hull and East Yorkshire Credit Union to apply the learning from the pilot to establish green lending products in an integrated way.

One-stop shop product

Despite challenges in addressing scepticism from one-stop shop clients about accessing loans to finance retrofit works, the one-stop shop product successfully embedded a loan pathway into People Powered Retrofit's one-stop shop service. This involved a product that matched the ethical considerations and motivations of clients. Interest from other one-stop shops suggests that there is significant potential to scale and replicate this product in other parts of the UK, where an effective collaborative relationship can be established between one-stop shops and local credit union partners.

What would you have done differently and why

A key challenge has been coordinating a range of different organisations with diverse backgrounds and organisational cultures into an effective partnership, while delivering a focussed and effective set of project outputs.

In developing a CUSO to exploit pilot project outcomes, time and focus will be invested in bridging organisational cultural differences and finding effective ways to collaborate and deliver projects that integrate business as usual service delivery with innovation and change.

Conclusions reached

The project has had a significant impact in catalysing, normalising and supporting green home lending within the UK credit union sector, with the number of credit unions offering green home loans doubling from 6 to 12 - and expected to grow further. At the time of writing, nearly 10% of credit unions in the UK offer these loans, forming a significant contingent of unsecured green loans available in the UK.

There now exists a loan product, the Better Home Loan, with an integrated brand and support package for credit unions and members, that can be scaled, replicated and utilised by any credit union in the UK. Supporting both individual credit union growth and diversification and the development of the sector. With additional support, new credit union products can be developed to complement the expansion of the one-stop shop services.