



UK Government

# Extending the ECO4 end date

Government response



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# Executive summary

The Energy Company Obligation (ECO) places obligations on energy suppliers to deliver measures that help households reduce energy consumption and lower heating costs. ECO4 is the latest version of the scheme, having started in July 2022.

Since ECO began in 2013, around 4.4 million measures have been installed in 2.6 million properties to the end of September 2025.<sup>1</sup> Under ECO4 around 949,800 measures have been installed in around 280,100 households<sup>2</sup>, and it's estimated ECO4 will deliver carbon savings of around 0.38 MtCO<sub>2</sub>e per year (once all measures are installed).<sup>3</sup>

As announced in the November 2025 Budget, there will be no successor supplier obligation to ECO4.<sup>4</sup> The government has instead committed to additional grant funding of £1.5bn which will be directed to upgrading low-income households, benefitting those in fuel poverty. This brings the Warm Homes Plan to just under £15bn in capital investment, making it the biggest energy efficiency programme in British history.

In August 2025, the Department for Energy Security and Net Zero consulted on proposals to extend the ECO4 end date, as set out in Extending the ECO4 end date: consultation document.<sup>5</sup>

DESNZ received 215 responses to the consultation from a variety of stakeholders ranging from the larger energy suppliers and trade associations to individuals with an interest in energy efficiency and fuel poverty.

The final policy decisions set out in this document reflect the responses to the consultation as well as contributing to the government's wider strategic aims on fuel poverty and net zero.

- ECO4 will be extended by nine months, ending on 31 December 2026, to allow suppliers additional time to meet existing targets and remediate non-compliant installations.
- Great British Insulation Scheme (GBIS) will end as planned on 31 March 2026.
- No carry-over mechanism will be introduced because there will be no successor obligation after ECO4 to carry-over into.
- Solid wall and EFG minimum requirements will remain at current levels and must be achieved by the new ECO4 end date.
- Conversion methodologies will not be implemented as there will be no successor obligation.
- No decisions on measure eligibility for carry-over are required as there will be no successor obligation.

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<sup>1</sup> DESNZ (2025) '[Household Energy Efficiency Statistics, headline release November 2025](#)'

<sup>2</sup> DESNZ (2025) '[Household Energy Efficiency Statistics, headline release November 2025](#)'

<sup>3</sup> Ofgem (2023) '[ECO4 Scores](#)'

<sup>4</sup> HM Treasury (2025) '[Budget 2025](#)'

<sup>5</sup> DESNZ (2025) '[Extending the ECO4 end date: consultation document](#)'

- Consumer protection during the extension will rely on strengthened compliance measures already introduced, including stricter audits, independent inspections, and enhanced supplier processes.
- No new applications for Innovation Measures or Data Light Measures will be accepted during the extension, but existing uplifts will be honoured.

# Extending ECO4

## Question 1

- 1. Do you agree that we should extend the date by which obligated suppliers may deliver to their ECO4 target, which is currently 31 March 2026, and other relevant dates, by 6 to 9 months?**

### Summary of responses

We received 211 responses to Question 1. Of these, 167 selected 'Yes', 41 selected 'No', and 3 did not answer. Respondents were limited to a single vote for each consultation question.

A strong majority supported extending the ECO4 deadline. Most respondents agreed that an extension was necessary to avoid a delivery gap before the introduction of a successor scheme, protect the supply chain and jobs whilst continuing support for low-income households. An extension was also preferred as it would allow the supply chain to complete remedial works, helping to protect consumers.

Support for an extension was caveated with several requests and concerns. For example, a common request was for early clarity on the successor scheme and carry-over mechanism to maintain confidence and investment. Concerns were raised that extending the scheme without increasing obligations or funding would spread existing targets over a longer period leading to a slow down in delivery of energy efficiency upgrades. Additionally, some had concerns that extending the scheme without reforms could perpetuate poor quality installations. Obligated suppliers and some installers noted the issue of cost recovery, price cap adjustments, and the need for clarity on funding mechanisms for both the extension and successor schemes.

A minority opposed the extension, citing no additional funding, slow down of delivery, poor quality installations and perceived lack of redress for consumers. The latter two issues were highlighted particularly by several consumer groups.

Many respondents expressed a preference for a 9-month extension, citing that a shorter period would not allow sufficient time to design and implement a successor scheme. A small number of stakeholders suggested extensions of 12 months or more.

## Government response

We will extend the end date of ECO4 by 9 months, meaning ECO4 will end on 31 December 2026. This provides obligated suppliers with additional time to meet their targets and ensures an orderly close to the scheme. It also supports consumer protection by allowing the supply chain to focus on remediation of non-compliant installations, as highlighted by the National Audit Office report<sup>6</sup> and Public Accounts Committee hearing (13 November 2025).<sup>7</sup> Other relevant deadlines, such as for trades and transfers, will also be extended. The transfer of obligations deadline has already passed and will not be extended.

Although most respondents agreed that the end date of ECO4 should be extended, many did so on the condition that the obligation target was increased. We will not do so, because the extension is intended solely to allow suppliers extra time to complete existing obligations and for installers to remediate not to expand the scope or scale of the scheme.

We have taken immediate steps to address poor quality installations, as outlined in our response to Question 8 in this government response.

## Question 2

**2. Do you agree that the date by which obligated suppliers may deliver to their GBIS target, which is currently 31 March 2026, and other relevant GBIS dates, should remain unchanged?**

## Summary of responses

We received 209 responses to Question 2. Of these, 117 selected 'Yes', 82 selected 'No', and 10 did not answer. Respondents were limited to a single vote for each consultation question.

A narrow majority supported retaining the current GBIS deadline of 31 March 2026, but views were mixed across stakeholder groups.

Most stakeholder groups noted that the two schemes had become increasingly interlinked.

Respondents who supported retaining the current deadline highlighted clarity and reduced complexity as key benefits. They argued that keeping the date unchanged would allow resources to remain focused on ECO4 delivery and planning for future schemes. Several respondents stated that GBIS has not met its intended objectives and should conclude as planned, being difficult to deliver in its current form. These respondents felt that extending GBIS would not represent good value for money and that government should instead concentrate on designing a more effective successor scheme. The majority of obligated

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<sup>6</sup> National Audit Office (2025) '[Energy efficiency installations under the Energy Company Obligation](#)'

<sup>7</sup> UK Parliament (2025) '[Faulty energy efficiency installations - Oral evidence](#)'

suppliers supported unchanged dates, but some noted concerns about how the conclusion of GBIS would be managed.

Respondents who opposed keeping the current GBIS deadline argued strongly for aligning it with any ECO4 extension. They viewed alignment as essential to avoid confusion and maintain consistency across schemes. Alignment was also viewed as protecting the supply chain and preventing a damaging gap in delivery. They felt that having both schemes end at different times would create administrative complexity for obligated suppliers and delivery partners, who often manage both obligations simultaneously. Some respondents warned that if ECO4 is extended but GBIS ends as scheduled, businesses delivering both schemes could face fragmented workstreams and uncertainty over future funding. There were also concerns expressed around the viability of delivering fully within the current timeframe if no extension is granted.

Others felt that extending GBIS could help address low uptake and support households not eligible under ECO4, maintaining access to low-cost insulation measures for vulnerable households. A majority of local authorities who responded communicated their concerns that the misalignment of the schemes could result in gaps in provision for their constituents.

### Government response

GBIS will end as planned on 31 March 2026. The previous government intended the scheme to deliver single insulation measures quickly. However, delivery has not met expectations, and this government introduced mid-scheme changes to enable additional ECO4 delivery to be reassigned to the GBIS targets. Our actions have ensured that the GBIS target will be delivered on budget. Keeping the current deadline gives clarity to suppliers and delivery partners. It reduces complexity and helps focus efforts on ECO4.

We recognise that GBIS and ECO4 have become closely linked and that there are concerns about how the schemes align plus the potential impact on delivery. We are working with delivery partners to manage the end of GBIS effectively. Households who are not eligible for ECO4 can still access support through other schemes, such as the Boiler Upgrade Scheme (BUS)<sup>8</sup>, and the Warm Homes: Local Grant<sup>9</sup>.

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<sup>8</sup> [Apply for the Boiler Upgrade Scheme: Overview – GOV.UK](#)

<sup>9</sup> [Apply for the Warm Homes: Local Grant to improve a home - GOV.UK](#)



# Carry-over

## Question 3

**3. Do you agree that energy suppliers should be able to carry-over up to 20% of their ECO4 obligation for use in a future obligation?**

### Summary of responses

We received 209 responses to Question 3. Of these, 154 selected 'Yes', 49 selected 'No', and 6 did not answer.

A clear majority supported allowing energy suppliers to carry over up to 20% of their ECO4 obligation into a future scheme. Respondents generally agreed that this flexibility could help maintain continuity, avoid a delivery hiatus, and provide stability for the supply chain.

However, many respondents stressed that carry-over would only work if government provided early and detailed guidance on the next obligation, including eligible measures, scoring rules, and cost recovery. Without this certainty, suppliers may delay delivery rather than invest in over-performance. Some stakeholders suggested that carry-over should be mandatory or paired with a pro-rata increase in targets to ensure continuity and avoid under-delivery during the extension period.

A small number of respondents proposed adjustments - such as 25% for a 9-month extension or reducing the allowance to 5-10% to prevent gaming and maintain momentum.

Support varied by stakeholder group, with obligated suppliers and oversight bodies generally in favour, while contractors, installers, and consumer groups expressed more mixed or critical views.

### Government response

Following ministers' announcement that there will be no successor obligation following ECO4, there is no purpose for carry-over arrangements, and these will not be implemented as part of the ECO4 extension.

The government's priority is to ensure an orderly close to ECO4 and allow suppliers sufficient time for remediation and to meet existing targets during the extension period.

## Question 4

**4. Do you agree that the solid wall minimum requirement and EFG minimum requirement should remain at their current levels and should be achieved by the new end date of ECO4?**

### Summary of responses

We received 209 responses to Question 4. Of these, 132 selected 'Yes', 64 selected 'No', and 13 did not answer. Respondents were limited to a single vote for each consultation question.

Most respondents backed keeping the solid wall and EFG minimum requirements unchanged through the ECO4 extension, seeing this as key to stability and continuity. It was also seen to allow continued focus on hard-to-treat homes and vulnerable households. Maintenance at the current level also maintains the environmental goals of ECO4.

Many respondents argued that unchanged requirements help protect jobs and sustain investment in specialist skills and equipment for solid wall insulation (SWI). This stability would allow suppliers and installers to plan delivery without disruptive mid-scheme changes. Respondents stressed the importance of these minima: they ensure help reaches the least efficient homes, often occupied by low-income households.

Considering the ongoing review of SWI installs and associated remediation, some stated that aligning with the new end date of ECO4 would allow suppliers to recoup any progress to targets lost because of failed SWI measures.

However, even amongst respondents who supported maintaining requirements, there were concerns that surrounded insufficient current funding rates for high-quality solid wall installations, particularly for vulnerable households. There were also calls for stronger oversight, auditing, and enforcement during the extension.

A minority opposed leaving targets unchanged, citing the need for pro rata increases in targets and funding to match the extension period.

Several respondents argue that the current Solid Wall Minimum Requirement is too high. They warned it drives poor-quality installations and prices out vulnerable households. Others supported a reduced minimum to ensure only qualified installers remain active.

There was also some support for increasing the EFG minimum to better target EPC E, F, and G homes, with concerns that current thresholds may leave these households behind and undermine fuel poverty goals.

## Government response

We will maintain the solid wall minimum requirement and EFG minimum requirement at their current levels. We believe keeping these requirements unchanged provides stability for suppliers and installers. These ECO4 minimums must be achieved by 31 December 2026.

We are acutely aware that serious issues have been identified with solid wall insulation under ECO4 and GBIS. We acted quickly to identify the issues and are taking steps, such as encouraging energy suppliers to carry out enhanced desk-based and on-site checks and increased oversight of subcontractors, to improve consumer protection. As part of ongoing work with TrustMark we have increased departmental oversight. An update of the Publicly Available Specification (PAS) 2035/2030:2023 standard came into force on 30 March 2025 introducing a requirement for Retrofit Coordinators to conduct site visits as well as raising qualification standards for Retrofit Designers. Further changes are being considered in respect of PAS 2035/2030, those changes will be subject to consideration by the Retrofit Standards Task Group, PAS Steering Group and consultation by the BSI. We are also offering on-site audits to every household with external wall insulation installed under ECO4 and GBIS and expect the original installer to remediate any issues identified. Extension of the scheme provides additional time for suppliers and installers to remediate non-compliant work.

Increasing the sub-targets without raising the overall obligation would create deliverability risks and higher costs, particularly for EFG homes, which are more expensive to treat. Reducing them at this stage would add confusion and complexity, for example it may result in some suppliers having delivered significantly beyond the reduced targets. We will continue to monitor delivery and quality closely to ensure households receive effective and safe upgrades.

## Question 5

**5. Do you agree that the two conversion methodologies represent the best solutions to facilitate delivery in the transition to a future obligation? If not, please provide alternative proposals.**

### Summary of responses

We received 162 responses to Question 5. Of these, 108 selected 'Yes', 44 selected 'No', and 10 did not answer. Respondents were limited to a single vote for each consultation question.

A majority agreed that the two proposed conversion methodologies - Global ABS conversion factor and Measure-specific conversion factor - represent workable solutions for managing the transition between ECO4 and a future obligation. However, views were mixed, and many respondents stressed the need for clarity, simplicity, and early guidance to avoid delivery disruption. There was a unanimous positive response to the proposed methodologies by obligated suppliers.

## Government response

Following ministers' announcement that there will be no successor obligation following ECO4, we will not implement any conversion methodologies as these are not required.

## Question 6

**6. Are there any measure types that you believe should not be eligible for carry-over?**

### Summary of responses

We received 212 responses to Question 6. Of these, 91 selected 'No', 77 selected 'Yes', and 44 provided no view or left the question blank. Respondents were limited to a single vote for each consultation question.

A slight majority of respondents said that all current measures should remain eligible for carry-over, citing the need for continuity, simplicity, and avoiding wasted investment.

Many respondents, particularly installers and local authorities, stressed that excluding measures would create complexity, risk stranded projects, and undermine confidence. They argued that all ECO4 measures should remain valid for carry-over to maintain delivery momentum and protect the supply chain. A few conditioned their answer on enhanced quality assurance and consumer protection.

Conversely, a significant minority argued that some measures should be excluded, primarily on grounds of quality assurance, consumer protection, and alignment with future policy objectives. This was a view shared by a slight majority of obligated suppliers.

Where measures were specified for exclusion, the most frequently mentioned were gas boilers, which were seen as misaligned with decarbonisation goals, and solid wall insulation, due to concerns about poor installation quality and remediation issues.

## Government response

Following ministers' announcement that there will be no successor obligation to ECO4, the eligibility of measures to a future scheme is no longer relevant and accordingly will not be implemented as part of the ECO4 extension. While we note that respondents provided detailed views on eligibility criteria and exclusions, these considerations are only relevant in the context of a future obligation.

# Consumer protection

## Question 7

### **7. Are there any additional consumer protection reforms we should introduce during the ECO4 extension?**

#### Summary of responses

We received 106 responses to Question 7. Of these, 93 selected 'Yes', 4 selected 'No', and 9 selected 'No view'. Respondents were limited to a single vote for each consultation question.

The majority of respondents supported the introduction of additional consumer protection reforms during the ECO4 extension.

Respondents raised concerns about the effectiveness of TrustMark, pointing to gaps in auditing, slow intervention on poor workmanship, and weak enforcement of standards. There was strong support for increased inspections - especially for high-risk measures like solid wall insulation - and for restoring Ofgem's role in technical monitoring.

Many also advocated for improved complaints and redress mechanisms, such as a single point of contact and centralised tracking for consumer issues. Guarantee and warranty standards were another priority, with calls for mandatory Insurance Backed Guarantees aligned with PAS 2030/2035 and minimum warranty periods to ensure timely resolution of issues.

Concerns around installer competence and market abuse led to proposals for mandatory PAS training for all installers, asbestos awareness certification and competence checks extended to funders, inspectors and suppliers.

Additional suggestions focussed on preventing market abuse, including banning multiple certifications and 'scheme hopping', tracking directors and preventing phoenix companies from re-entering markets after compliance failures. Respondents also stressed the importance of clearer consumer communication, suggesting standardised information packs and public registries of installer compliance.

Some respondents highlighted difficulties the industry is facing in the shortage of competent personnel.

Additional themes included improving consumer education and transparency, curbing aggressive marketing practices, and enhancing data sharing across oversight bodies. Many respondents emphasised that enforcement of existing PAS 2030 and PAS 2035 standards should take precedence over introducing new rules, and that vulnerable households should receive targeted protections such as aftercare helplines and simplified processes for conservation areas.

## Government response

Given the limited outstanding obligation volume and time remaining in the ECO4 scheme, including the extension, we will continue to rely on the additional controls which were introduced in 2025 following quality issues identified in ECO4 and GBIS. These include stricter checks to ensure quality and compliance. Installers must now provide evidence of their work, while obligated energy suppliers have increased audits and site inspections. Independent inspections are also taking place, and TrustMark have tightened requirements including implementing a suspension policy and enhancing non-compliance detection processes, including the deployment of a new risk radar tool to assess the likelihood of non-compliance for each measure. In addition, some obligated energy suppliers have strengthened their own compliance processes to make sure standards are upheld.

Given the expected lower delivery levels in the extension, we believe these changes will be sufficient for the remainder of the scheme. Lessons learned from the ECO4 scheme will be used to shape any future government energy efficiency retrofit schemes and inform longer-term planning.

We are bringing forward reforms to the consumer protection system for retrofit as part of the Warm Homes Plan. We are committed to creating a simpler, stronger system of oversight to give consumers confidence that work will be done right first time and redress will be easily accessible in the rare cases when work goes wrong.

# Innovation

## Question 8

**8. Do you agree with our proposal not to allow any new applications for innovation measures or data light measures over the extension period?**

### Summary of responses

We received 209 responses to Question 8. Of these, 132 selected 'Yes', 61 selected 'No', and 16 selected 'No view'. Respondents were limited to a single vote for each consultation question.

A majority of respondents agreed with the proposal not to allow new applications for innovation measures (IMs) or data light measures (DLMs) during the ECO4 extension period. Many cited the short duration of the extension (6–9 months) as impractical for reviewing, approving, and delivering new measures. These respondents supported focusing on continuity and delivery of existing measures and welcomed the decision to honour existing uplifts (25% and 45%) for previously approved IMs under ECO3 and ECO4. Support for the proposal came from a broad range of stakeholders, including obligated suppliers, local authorities, and oversight bodies.

Respondents who disagreed with the proposal expressed concern that halting new applications could stifle innovation, slow progress towards net zero, and discourage investment in emerging technologies. It was noted that the innovation ecosystem for energy generally, and for retrofit specifically, is currently fragile. The notable minority that disagreed included a high number of contractors, non-governmental organisations, and innovators.

Common among respondents was emphasis for the need for early clarity on how innovation will be treated in any successor scheme. They argued that uncertainty undermines business planning and investment and called for a streamlined and transparent innovation process in future schemes.

Several respondents also highlighted the administrative burden and delays associated with the current innovation approval process, suggesting that it is not fit for purpose and should be reformed.

## Government response

Government has decided that no new applications for IMs or DLMS will be accepted for the duration of the scheme extension. “New” applications also refer to applications for products to be awarded an uplift because they meet the description of an approved innovation measure in Ofgem’s published IM document.<sup>10</sup> Therefore, the final date for submitting IM and DLM applications will be 31 March 2026.

We will also honour the 25% and 45% uplifts that have been awarded under ECO3 and ECO4 up until the end of the current ECO4 obligation on 31 March 2026. The additional 5% uplift for the sponsoring supplier will no longer be permitted under the extension.

Given the timeframes of the extension, the existing IM process would not permit for any meaningful delivery of newly approved measures and would add unnecessary complexity to the scheme over the extension period.

We consider that there is a sufficient range of products within the published approved IM list to enable the mechanism to be utilised effectively by suppliers for the duration of the extension.

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<sup>10</sup> Ofgem (2025) ‘[ECO4 Innovation: Approved innovation measures](#)’ (PDF, 576 KB, 46 pages)



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