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Homeowners' awareness of and attitudes towards green home finance products

Research report

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1 Executive summary

The UK government has committed to achieving net zero greenhouse gas emissions by 2050, with decarbonising homes a key element of that ambition. Green finance products—such as personal green loans and green mortgages—have the potential to help homeowners overcome the upfront costs of green home improvements. However, public awareness of these products is limited, and willingness to use them varies across the population. The aim of this research was to explore the public's attitudes towards green finance to help fill this gap, including both existing and hypothetical products.

This report first explores homeowners' awareness of green home improvements and green finance products, as well as the barriers that hinder uptake of these products. It then examines the features of green finance products that shape consumer decision-making and the reasons why homeowners are likely to use (or not use) different green finance products. Finally, it describes the sources homeowners trust for advice on and access to green finance—including whether they would prefer to receive it from private sector companies (e.g. banks, installers of green home improvements) or other sources (e.g. government). This report presents findings from a large, representative survey of 1,541 homeowners in Great Britain.

1.1 Key Findings

Awareness and barriers

Awareness of green home improvements was high, especially for solar panels (68% of homeowners were very aware of this), insulation (68%), and draught-proofing (58%), but awareness of green finance options and government support schemes was substantially lower. For example, fewer than 1 in 5 (17%) were aware of borrowing additional green money from their mortgage lender to purchase green home improvements, and the most commonly known financial support option, the Boiler Upgrade Scheme, was known to fewer than half (47%) of homeowners. The main barrier to installation of green home improvements was high upfront cost, cited as a major barrier by 68% of homeowners—more than double any other barrier. Other barriers (e.g. disruption, space, doubts about benefits) were less common overall but varied considerably among different groups of homeowners.

Across these three areas—awareness of green home improvements, awareness of green finance products and government schemes, and perceptions of the barriers to making these improvements—five distinctive groups of homeowners were identified. Each homeowner 'segment' had a distinctive profile across these areas:

- **Informed and Ready** (15%): were highly aware of both green home improvements and green finance, and had few perceived barriers to making green home improvements beyond upfront cost.

- **Lightly Engaged, Low Resistance** (39%): had some awareness of green home improvements and finance but were not aware of more novel green finance options. This group perceived few barriers to making green home improvements, apart from upfront cost.
- **Unaware but Open** (26%): were less well informed about both green home improvements and green finance, but had relatively few barriers to making green home improvements (except for upfront cost).
- **Informed but Held Back** (11%): had high awareness (of both green home improvements and green finance), but also had many perceived barriers to installing improvements.
- **Disengaged and Constrained** (11%): faced many barriers and reported the lowest awareness levels of both green improvements and green finance options.

When thinking about the significance of these profiles it is important to remember that the level of barriers people perceive reflects their current level of understanding. It may be that the two groups characterised by low awareness and low levels of perceived barriers have not encountered these issues yet – not that they will not become barriers if they go through the process of installing a green home improvement. As such, policies addressing the needs of these groups should not rule these factors out as potentially important issues to consider – rather these groups are people who do not have high levels of existing concern about these issues.

Willingness to use green finance

Around 1 in 4 (23%) of homeowners said they were either willing or very willing to borrow money to install a generic green home improvement. Willingness to borrow money to fund a specific improvement varied, with people most willing to borrow money to fund double or triple glazing (36%) or draught proofing doors and windows (35%).

Respondents' likelihood of taking up green finance also varied by the type of finance under consideration. Generally, respondents were less likely to be interested in more novel green finance product models like green equity release or property-linked finance (around 1 in 10 homeowners were likely to use these products). Although, a hypothetical green salary sacrifice scheme was the most popular of all potential options (48% were likely to use this). Otherwise, more established or perhaps more intuitive models such as green savings accounts (42%), and personal green loans (39%) were more appealing. Willingness to use green finance varied by age, income, and mortgage status. Younger, higher-income, and mortgage-holding homeowners were more likely to adopt green finance.

Factors influencing the uptake of green finance

A low interest rate was the most important driver of green finance uptake. When presented with a hypothetical loan of £10,000 to pay for a green home improvement, homeowners' willingness to take out the loan fell from 76% at 0% interest to 8% at 5% interest. Nearly one-quarter (24%) would not take out a loan under any conditions tested. This is consistent with the

low levels of take up of green loan schemes such as the Green Deal, which used an interest rate of 6.96%.

A similar finding emerged when respondents were asked to choose between different example loan options, with different loan repayment term length and interest rates, monthly repayment amounts and total cost over the lifetime of the loan. The results showed that both interest rate and total loan cost strongly shaped choices, with respondents preferring lower interest rates and lower total costs. The results also showed that repayment terms also mattered, but less than interest rates and total costs. Homeowners prioritised overall affordability (total cost over the duration of the loan) over monthly repayment amounts, suggesting that personal green loans should focus on reducing cumulative cost rather than just spreading payments.

Advice, access, and trust

When thinking about applying for green finance, respondents' preferred application methods were government portals (45%). After this, there was not a clear preference between options: 27% wished to apply through local authorities, followed by applying directly with the installers of green home improvements (24%) and through banks (19%). It is important to note that nearly 1 in 3 people also reported they had no intention to use any form of green finance.

Most homeowners are receptive to receiving advice about green finance: around 1 in 5 (21%) reported that they either did not need advice or did not intend to use a green finance product. The most preferred sources of advice were government websites (55%) and consumer advice services (42%), while few wished to receive advice from financial advisers (7%) and social media (6%). Among homeowners who wished to receive advice, the most preferred topics were comparing similar green finance products (72%) and understanding their terms and conditions (67%).

Trust in providers varied: banks, central government, and local government were broadly trusted (by more than half of homeowners), while brokers were trusted least (33%). Trust tended to be higher among younger people, higher-income households, and those confident managing finances.

Conclusions

- Green finance products that feature low interest rates and clearly communicate total cost over time may maximise uptake among homeowners.
- Messaging and products tailored to the needs of different population segments may be more effective in encouraging uptake.
- Ensuring products are accessible from people's preferred channels—such as government-backed platforms or local authorities—may improve take-up.
- There is strong appetite for accessible, comparative advice. Engaging trusted intermediaries (e.g., Citizens Advice) and simplifying terms could reduce perceived complexity and risk.

2 Introduction

This report explores homeowners' awareness of green home improvements, as well as their attitudes towards and readiness to make use of green finance to help fund these improvements. It investigates which types of finance people are most willing to adopt, how different features of financial products affect people's perceptions of them, and which green home improvements people are most willing to borrow money to fund. Finally, it describes from which sources homeowners would prefer to take out green finance, as well as from whom they would like to receive information and advice about these products. This research was conducted by NatCen as part of DESNZ's programme of work on understanding consumer attitudes towards green finance. DESNZ also commissioned a qualitative piece of research in this area, which completed in March 2025.

2.1 Policy context

The UK government has committed to achieving net zero greenhouse gas emissions by 2050. As part of this, emphasis has been placed on improving the energy performance of buildings, which accounted for 20% of UK territorial greenhouse gas emissions in 2022—most of which stemmed from fuel use in residential properties. However, the financial cost of making green home improvements remains a major barrier for many households. Upfront costs, perceived limited access to affordable financing, and uncertainty around the long-term benefits can all deter homeowners from investing in energy-saving technologies.

In this context, green finance products—defined as financial instruments that help individuals finance or refinance green home improvement measures—have the potential to play a pivotal role in facilitating adoption. These products include personal green loans and mortgages with favourable terms for energy-efficient properties.

2.2 Research aims

To ensure green finance products are well-designed, reach those who could benefit most, and that policy is targeted, both green finance providers and the government need a detailed understanding of consumer appetite, awareness, and preferences. This research aimed to fill key strategic gaps in the evidence base, including:

- What specific green finance products appeal most to homeowners.
- How awareness and willingness to adopt these products vary across the population.
- How features (e.g. interest rates, repayment terms, delivery methods) influence uptake.
- From which sources homeowners would like to receive information around green finance and home improvements, as well as who they trust to provide that information.

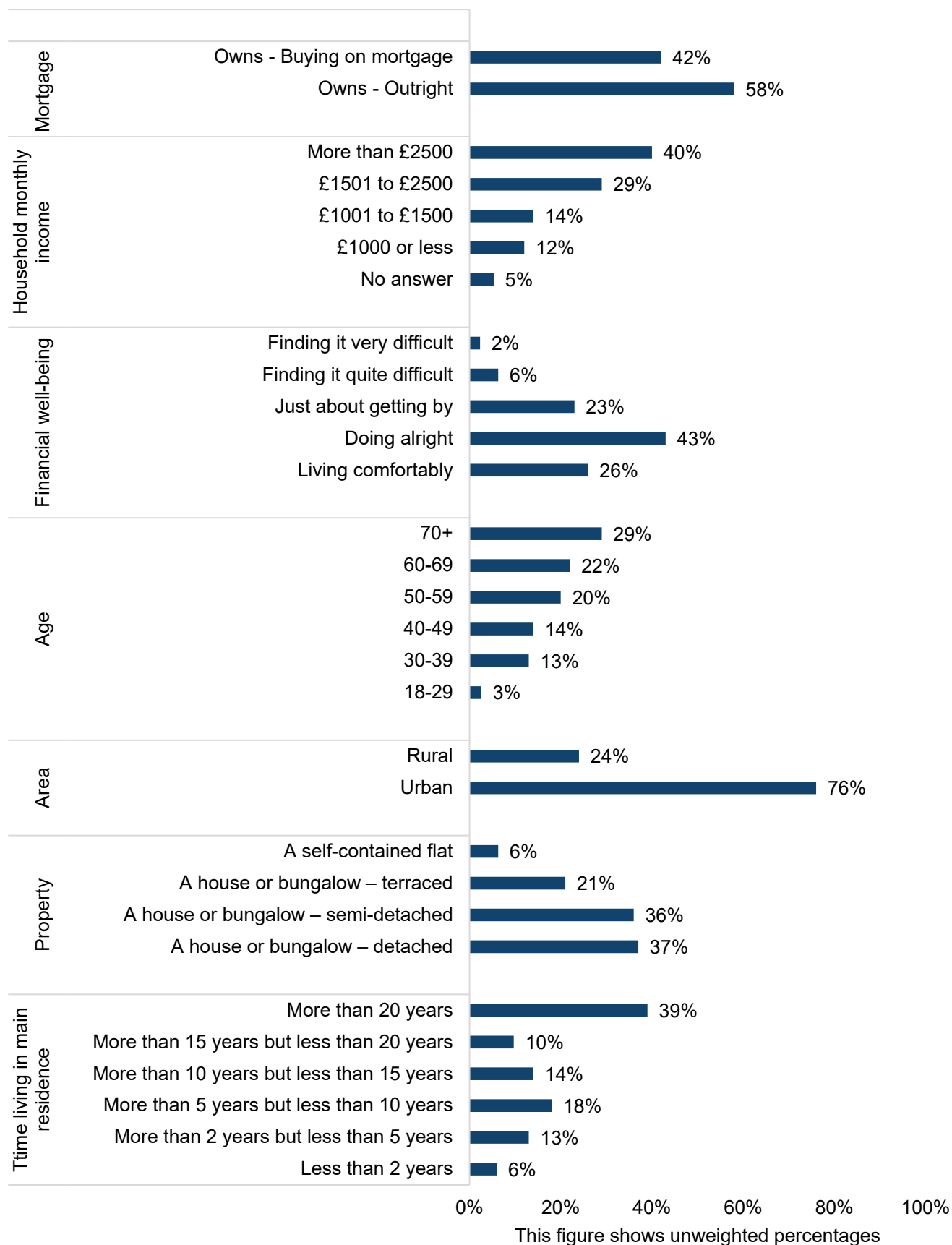
3 Methodology

This section provides an overview of the methodology used in the primary survey data collection which informs this report and the analysis methods presented in the different sections. More detail can be found in the Technical Annex.

3.1 Data collection

The sample for this survey was drawn from the NatCen Panel. A random probability sample of active panel members from the target population (homeowners) was sampled and invited to participate, with a final sample size of 1,541 respondents. Figure 1 shows how this sample is distributed across key sociodemographic groups.

Figure 1 - The make-up of the homeowner sample



Base: All homeowners (N=1,519-1,541. Differences in sample size reflects minor variation in the number of respondents answering each question).

Fieldwork was conducted between 26th February and 16th March 2025. It was conducted online to facilitate the experimental design elements of the questionnaire, which are difficult to implement in telephone interviews. More detail of the survey design and fieldwork can be found in the Technical Annex.

A sub-sampling approach was used to ensure a broad range of green finance products (10 products in total) could be covered without compromising the overall length of the survey. Sub-sampling ensured respondents were only asked about a maximum of four products, and sub-samples were weighted to be representative of homeowners in Great Britain (these questions are reported in section 4.2).

3.2 Analyses

Cross-tabulations

To explore how patterns in people's attitudes towards green finance vary among different groups in the population, throughout this report homeowners' responses have been cross-tabulated by the following groups: participant age and gender, property type (e.g. semi-detached house / bungalow, self-contained flat), whether urban or rural, self-reported financial status, equivalised monthly household income band, mortgage status (mortgage holder or owned outright) and length of time in residence.

Reporting conventions

Throughout this report the following reporting conventions for descriptive analysis have been used:

- Findings are presented weighted and rounded to zero decimal places. Unweighted sample sizes are presented below all figures and tables. Where the unweighted sample size for a statistic is below 30, either for a survey question overall or for a group within a cross-tabulation, the estimates are not presented.
- Only results where a statistically significant association between the outcome variable and a given characteristic was found are described in the report.
- Response options like "Don't know" and "Prefer not to say" were usually excluded from analysis due to low selection rates—except when shown upfront to respondents as they completed the survey. These cases are noted in the report.

The Discrete Choice Experiment

A Discrete Choice Experiment (DCE) was conducted to evaluate which features of a personal loan to install green home improvements are most important to homeowners. Respondents were asked to choose between three loan options, each with four changing features: interest rate, repayment term, monthly repayment amount, and total loan cost (the total amount of money a person would have to repay over the whole loan term including interest). Each respondent was asked to select their preferred loan option, with each respondent making three

hypothetical choices in total. The choices offered to respondents are described in section 4. Choices were analysed to estimate the impact of each feature on the likelihood of selecting a given loan option. Details of this analysis are in the Technical Annex.

Willingness to pay – vignette design

A vignette survey experiment was used to investigate individuals' willingness to take out a £10,000 loan (with 10-year repayment period) for green home improvements at varying interest rate levels. To understand the highest interest rate each respondent was willing to accept, each participant was presented with hypothetical scenarios where they had the opportunity to accept or decline a loan under different interest rate conditions (0%, 1%, 3% and 5%). If someone said they would accept a loan at 1%, they were then asked about 3%, but if they rejected a loan at 3%, the series of questions stopped.

This allowed us to identify the highest interest rate each participant was willing to accept for a £10,000 green loan with a fixed 10-year repayment period—their 'willingness to pay' (WTP). Homeowners' willingness to pay was then analysed to explore variation across key population subgroups.

Segmentation – Latent Class Analysis

Latent Class Analysis (LCA) is a statistical technique used to identify distinct subgroups within a population based on individuals' responses to various observed variables. In this study, LCA was used to group respondents according to their awareness of green home improvements, their awareness of different green finance products, and their perceived barriers to making green home improvements.

4 Findings

This section presents the key findings from the survey, offering a detailed look at participants' awareness of and attitudes towards green home improvements and green finance products. It builds a comprehensive picture of public willingness to engage with these products, what factors are shaping decision-making, and how these patterns vary across the population.

4.1 Awareness and barriers

Key findings

- Awareness of green home improvements was generally high: over 50% of homeowners were very aware of most potential measures asked about. However, awareness varied considerably by type of improvement: whilst roof/loft/underfloor insulation, solar panels and cavity wall insulation were more well-known, awareness was lower for others – in particular, heat pumps, solid wall insulation and biomass boilers or wood pellet stoves.
- Overall, awareness of green home finance options was lower than awareness of green home improvements, with 4% - 7% of respondents saying that they were very aware of the financial products and 6% - 11% very aware of government schemes.
- On average, homeowners perceived two factors as major barriers to installing green home improvements – out of up to ten potential barriers. High upfront cost was the most commonly reported, cited by 68% of homeowners as a major barrier, whilst the other barriers were reported by 30% of homeowners or fewer.
- Drawing on the three areas outlined five distinct segments of homeowners were identified that reflected differing levels of readiness to use green finance.¹
- The first segment (15% of homeowners) was the most prepared to adopt green finance: with both high awareness and low perceived barriers. Two further segments (together including 65% of homeowners) had lower awareness of finance and improvement options but still faced relatively few barriers. The remaining two segments (20% of homeowners) were characterised by high levels of perceived barriers, although they varied in their levels of awareness of green finance and home improvements.

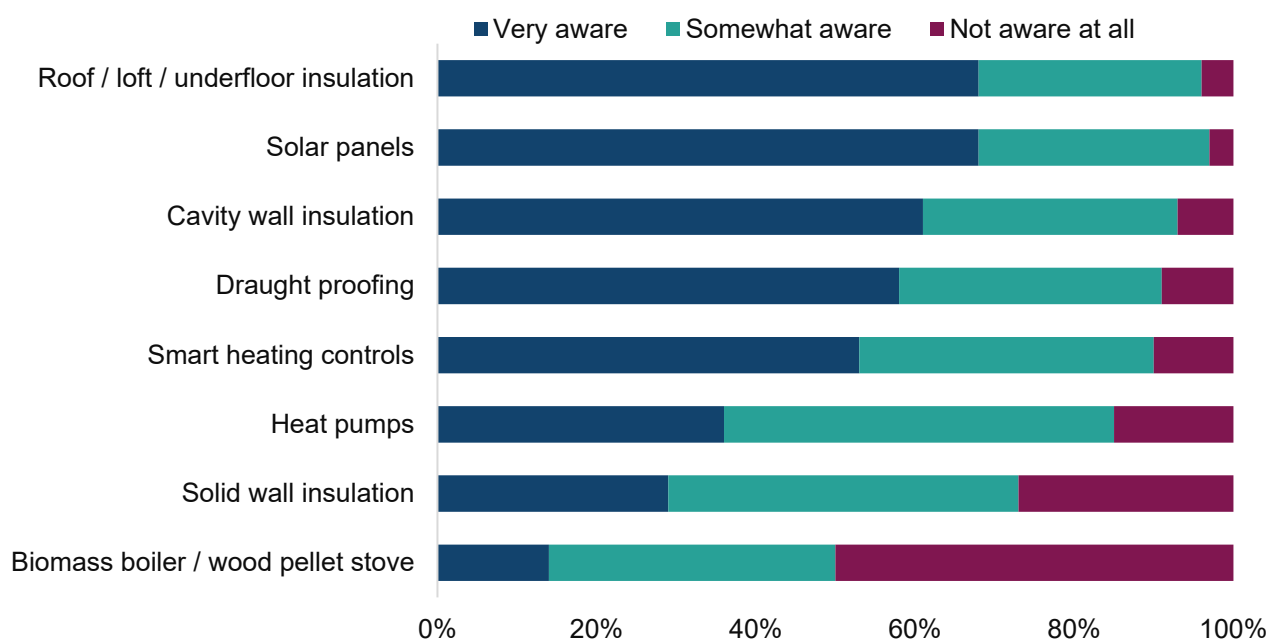
Awareness of green home improvements

Awareness of green home improvements was high, with homeowners generally being somewhat or very aware of most improvement measures. However, awareness varied considerably by type of improvement (as seen in Figure 2). Roof/loft/underfloor insulation, solar panels and cavity wall insulation were the most well-known green home improvements with

¹ These segments follow up on typologies used in qualitative research commissioned by DESNZ in 2025. The qualitative research was exploratory and aimed to understand a general willingness to take on debt and ability to repay. The segmentation used in this research took a more numerical approach quantifying awareness and perceived barriers with measures such as income level and other demographic variables.

over 60% of respondents very aware of them, followed by draught proofing and smart heating controls with over half being very aware. Awareness was lower for other improvements, such as heat pumps and solid wall insulation, and was particularly low for biomass boilers or wood pellets (14% reported being very aware).

Figure 2 - Before today, how aware were you of each of the following green home improvements?



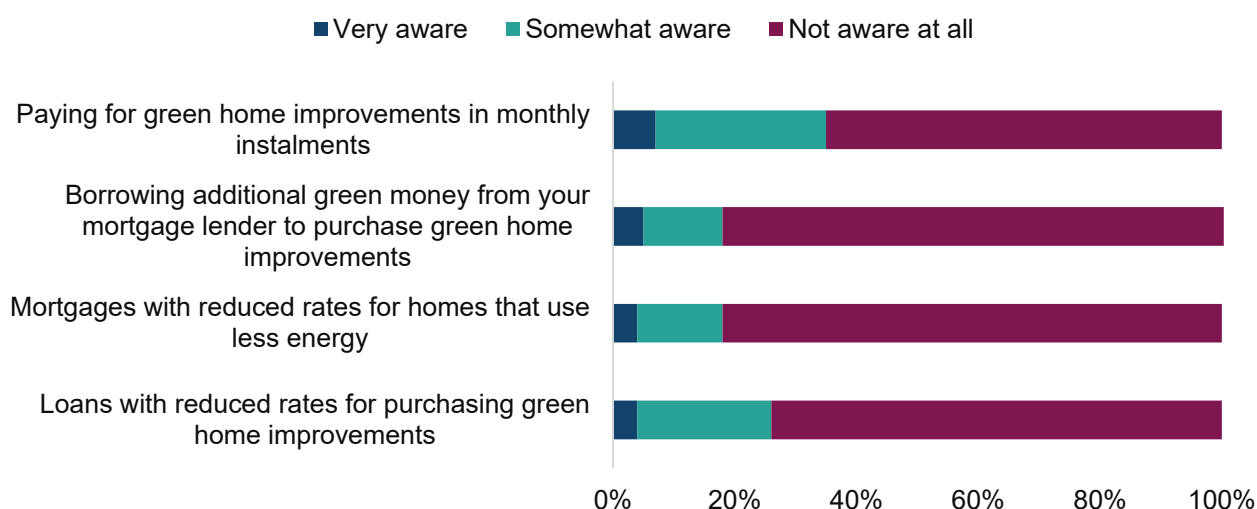
Base: All homeowners (N=1,534 - 1,539. Differences in sample size reflects minor variation in the number of respondents answering each question).

Awareness of green home improvements also varied by socio-demographic group. On average, awareness was higher among people living in detached houses or bungalows, rural areas, those without a mortgage, longer-term residents, older age groups (50 and over years old), and those who feel financially comfortable or are on higher incomes. However, for smart heating controls, the pattern was different: awareness was higher among mortgage holders, urban residents, younger people (aged 18 to 49, and those living in their home for under two years. Still, the relationship between income and awareness about smart heating controls was in line with the pattern seen across other green home improvements, with those on higher incomes being more aware of the improvement.

Awareness of green finance products and government schemes

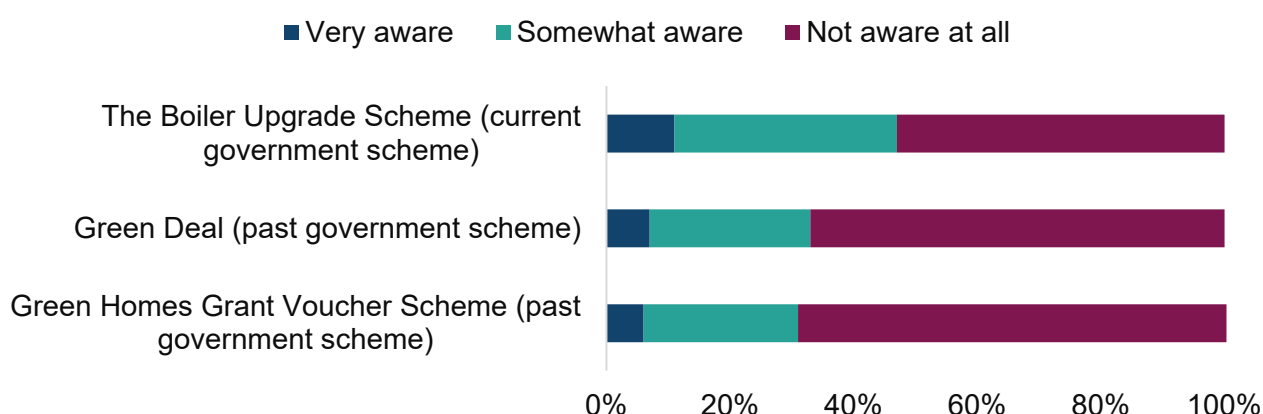
Awareness of financial products was much lower than for the green home improvements themselves (Figure 3, Figure 4), with 4%-11% of respondents saying that they were very aware of the financial products or government schemes. The Boiler Upgrade Scheme had the highest recognition (11% reported being very aware).

Figure 3 - Before today, how aware were you of the following financial products to support green home improvements?



Base: All homeowners (N= 1,536 - 1,540. Differences in sample size reflects minor variation in the number of respondents answering each question).

Figure 4 - Before today, how aware were you of the following government schemes to support green home improvements?



Base: All homeowners (N= 1,538 - 1,540. Differences in sample size reflects minor variation in the number of respondents answering each question).

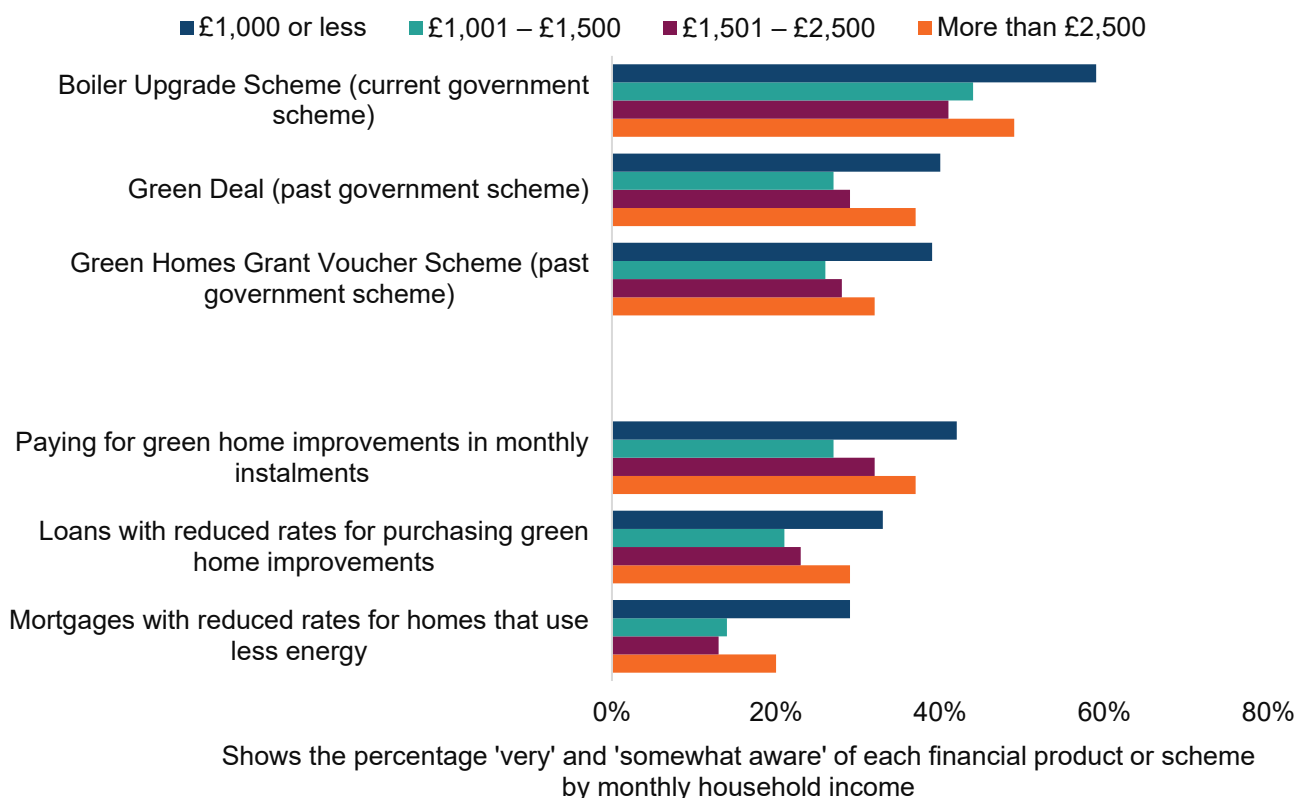
Awareness of green finance options and schemes followed a different pattern from awareness of green home improvements. The groups most familiar with green home improvements - older owner-occupiers without mortgages, who lived in detached, rural homes - were **not** the groups most aware of the financing options.

Instead, the following differences in awareness of green finance options and schemes were observed by income, age and mortgage status.

Homeowners with a household monthly income of £1,000 or less as well as those earning more than £2,500 were more aware of all finance options, compared with those earning £1,001–£2,500 as shown in Figure 5 (except for borrowing additional money from one's mortgage lender for green home improvements, where no statistically significant difference in

awareness was detected), with homeowners on a household monthly income of £1,000 or less reporting the highest awareness across the groups.

Figure 5 - Before today, how aware were you of the following financial products or schemes to support green home improvements? Differences by monthly household income



Base: All homeowners (£1,000 or less (N=181-182), £1,001-£1,500 (N=214-215), £1,501-£2,500 (N=444-446), More than £2,500 (N=614). Differences in sample size reflect minor variation in the number of respondents answering each question).

Younger age groups were more aware of the finance options. For example, 20%-23% of homeowners under 50 years old were aware of “mortgages with reduced rates for homes that use less energy” compared with 13%-17% among those aged over 50. Similarly, 36%-43% of homeowners under 50 years old were aware of “paying for green home improvements in monthly instalments” compared with 29%-32% among those aged over 50.

Additionally, there were differences by mortgage status with a 38% of homeowners with a mortgage being aware of “paying for green home improvements in monthly instalments” compared with outright owners.

When comparing awareness of the different government schemes, the following patterns were observed:

- Awareness of the Boiler Upgrade Scheme was higher among homeowners without a mortgage, rural residents, those older than 40 years old, and those living in their homes for over 15 years.
- Homeowners without a mortgage and older age groups (aged over 60 years old) were more aware about the Green Deal.² There were no statistically significant differences observed for the Green Homes Grant Voucher Scheme.

Additionally, previous use of any point-of-sale green finance product, personal green loan, green mortgage bonus, additional green borrowing or government schemes was associated with greater awareness of the other options:

- Homeowners who had used or applied for at least one green-finance product were much more likely to be more aware of the others: 8–21 % of such homeowners who used a product previously reported being very aware of each other product, compared with 4–6 % of those who had never used any.
- Similarly, Homeowners who had used or applied for at least one of the government schemes were much more likely to be more aware of the other schemes: 14-17 % of such homeowners who used a product previously reported being very aware of each other scheme, compared with 5-9 % of those who had never used any.

Using a single green finance product or government scheme was associated with being two to three times more likely to be very aware of the others.³

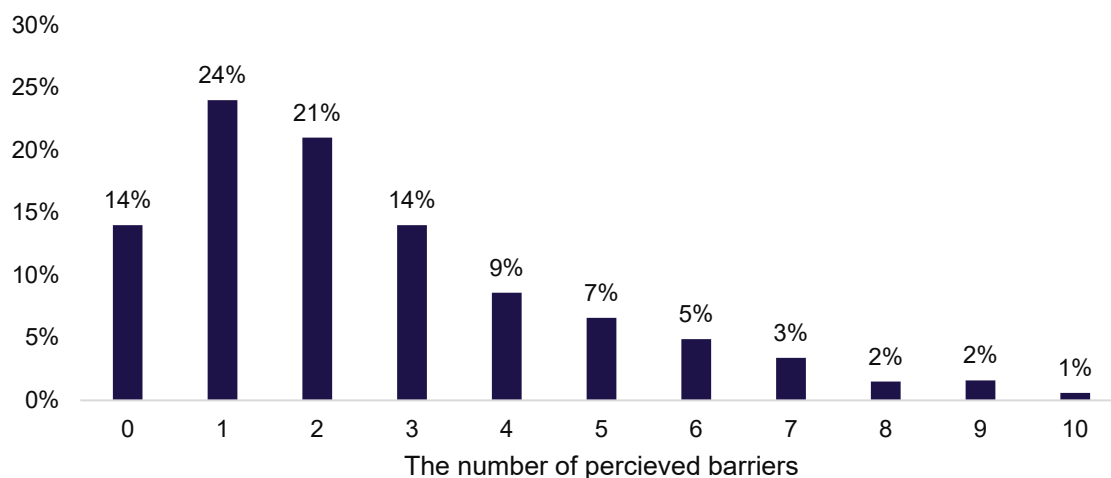
Perceived barriers to installing green home improvements

Overall, aside from high upfront costs, the barriers to installing green home improvements were low—each of the other factors were seen as a major barrier by fewer than a third of homeowners. On average, homeowners perceived two factors as major barriers to installing green home improvements, with the total number of major barriers ranging from 0 (no factors cited) to 10 (all factors cited) (Figure 6).

² These differences in awareness of the Green Deal might be related to the fact that this initiative officially ended in July 2015. The Green Deal was included in this research as DESNZ wanted to explore potential subgroup differences in willingness to use green finance products, based on those who have used available products or schemes in the past. This list of schemes and currently available products was cross-referenced for use in the awareness questions of the segmentation for consistency.

³ Only respondents who were aware of at least one of the financing options were asked whether they have previously used or applied for specific products or government schemes. When comparing awareness of any single option, we compared respondents who had applied for or used all other options.

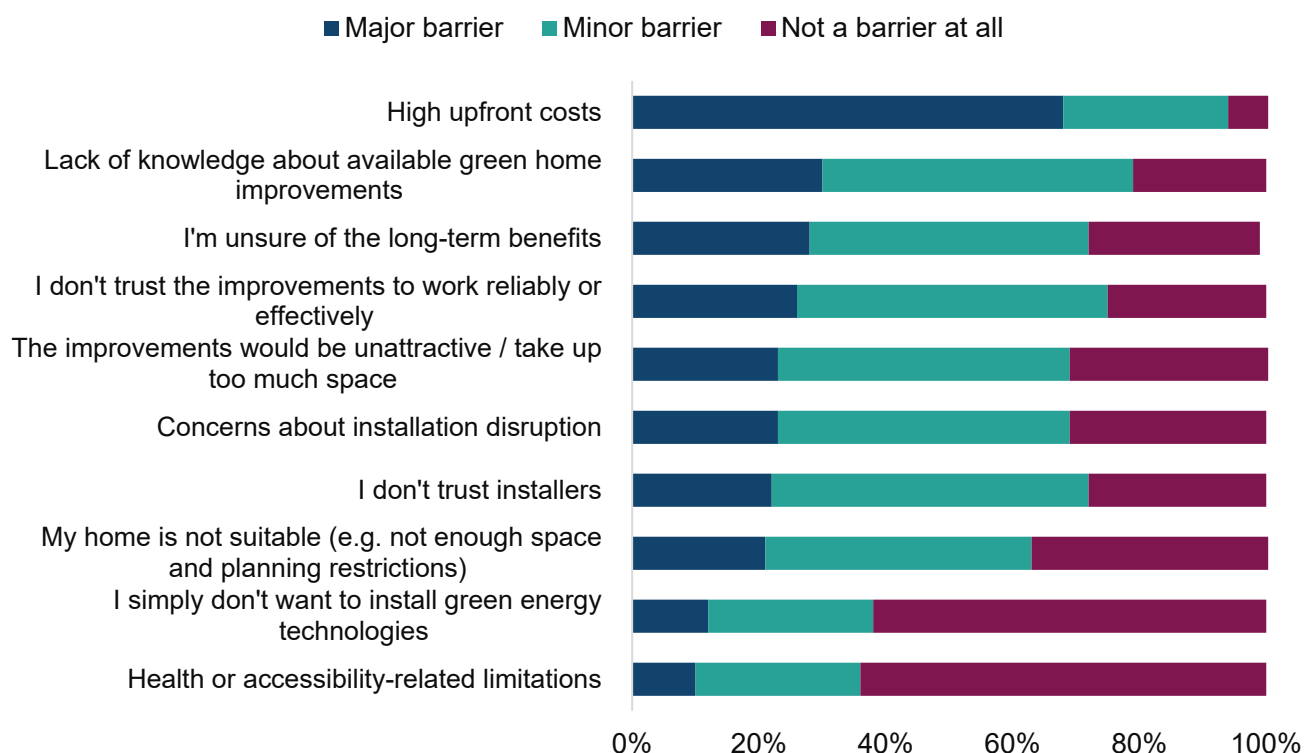
Figure 6 - Distribution of homeowners by the number of perceived major barriers to installing green home improvements



Base: All homeowners (N= 1,507).

High upfront cost was by far the biggest obstacle, with 68% citing it as a major barrier, while other factors were perceived as a major barrier by less than a third of the respondents (Figure 7). Least commonly cited as a major barrier were simply not wanting to install a green home improvement (12%) and health or accessibility related limitations (10%). The other options were all considered a major barrier by a substantial minority of between 10% and 30% of homeowners, showing that reservations about installing green home improvements were grounded in a range of issues, and there was considerable variation between respondents in their concerns.

Figure 7 - To what extent do the following factors prevent you from installing green home improvements?



Base: All homeowners (N = 1,523 - 1,531. Differences in sample size reflects minor variation in the number of respondents answering each question).

How perceived barriers varied by groups

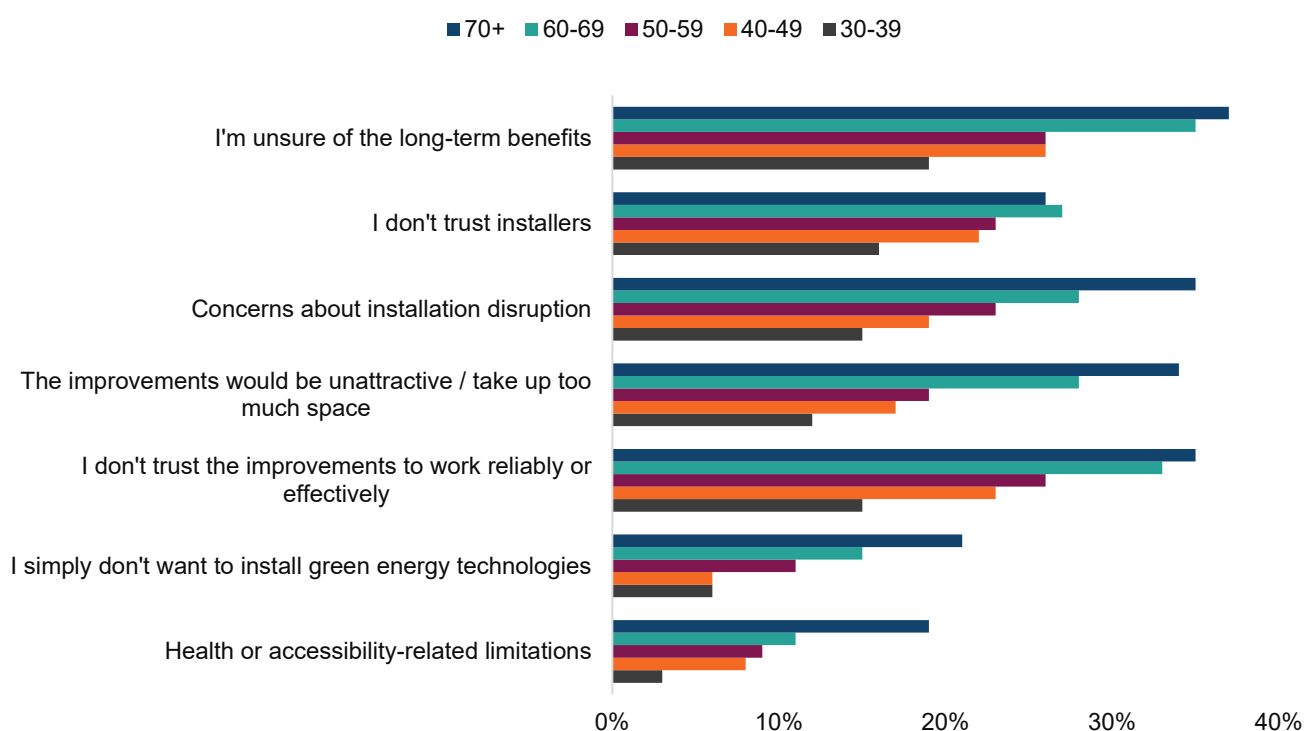
Reported barriers varied most by age, mortgage status, income and length of residence. There were also differences by property type. High upfront cost is discussed separately, because the patterns were different for this barrier.

High upfront costs of installing green home improvements was more likely to be cited by younger homeowners (aged 18 to 39), mortgage holders, those with poorer self-reported financial status and households with a monthly income under £2,500, and those who have lived in their home for less than five years. The following differences between groups were particularly noticeable (over 15 percentage points):

- 87% of homeowners aged 18 to 19 and 78% of homeowners aged 30 to 39 reported high upfront costs as a major barrier compared with 68 – 66% of homeowners aged 40 to 69 and 56% among those aged over 70 years old,
- 76% of homeowners with a mortgage cited high upfront costs as a major barrier compared with 58% among outright owners,
- 97% of homeowners who reported finding it very difficult and 85% among those finding it quite difficult cited high upfront costs as a major barrier compared with 48% among those reporting living comfortably.

The likelihood of perceiving most factors as a major barrier consistently increased with age as shown in the Figure 8. The only exceptions were the high upfront costs discussed in the paragraph above and two factors with no statistically significant difference detected (the lack of knowledge about available green home improvements and the home being not suitable (e.g. not enough space, planning restrictions)).

Figure 8 - To what extent do the following factors prevent you from installing green home improvements? Differences by age group



Shows the percentage of homeowners who perceived each factor as a major barrier to installing green home improvements by age group

Base: All homeowners (70+ (N= 428-348), 60-69 (N=326-327), 50-59 (N=296-298), 40-49 (N=214-216), 30-39 (N=198-199). Differences in sample size reflects minor variation in the number of respondents answering each question).

Homeowners who own their homes outright were consistently more likely to perceive most factors as a major barrier compared with homeowners with a mortgage:

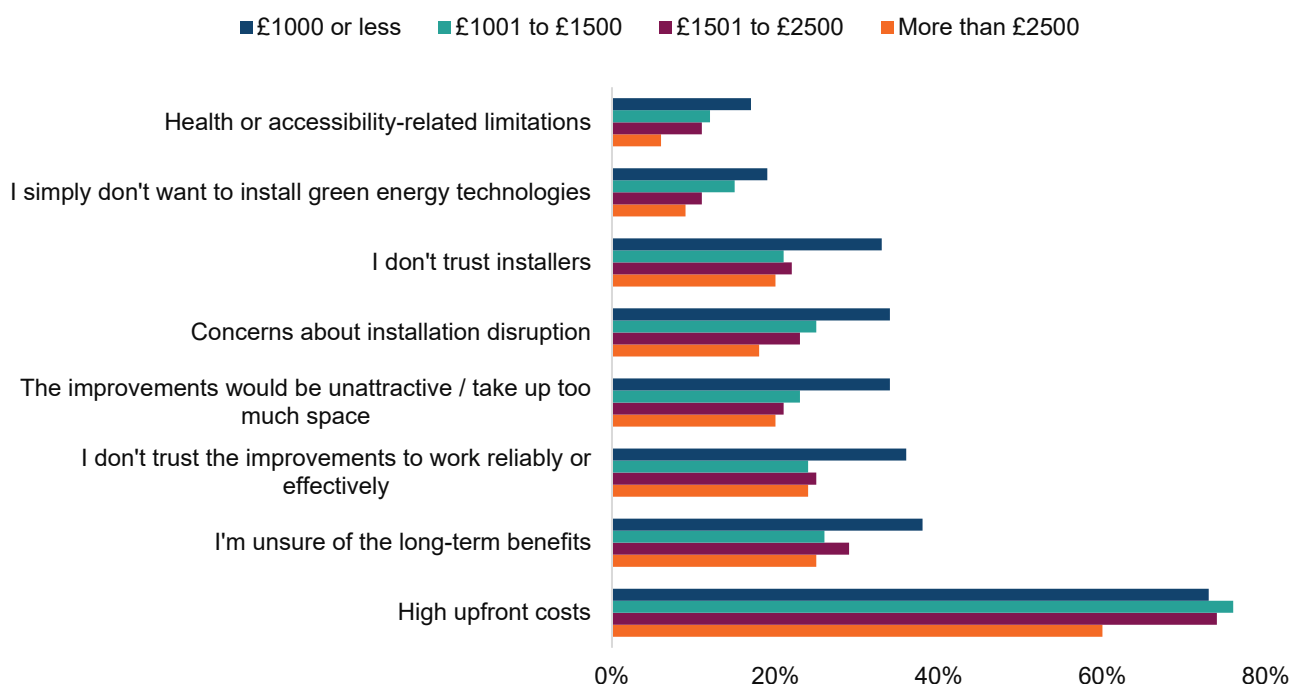
- homeowners without a mortgage were three times more likely to report that they don't want to install green energy technologies compared with mortgage holders (18% against 6%), and
- homeowners without a mortgage were almost twice more likely to report the following factors as major barriers than mortgage holders:
 - doubts that the improvements to work reliably or effectively (33% against 20%),
 - health or accessibility-related limitations (14% against 7%),
 - concerns about installation disruption (30% against 17%) and

- concerns that improvements would be unattractive / take up too much space (29% against 16%).

There were two exceptions from this pattern, with mortgage holders reporting the following factors a major barrier more often than outright owners: high upfront costs and lack of knowledge (33% against 26%).

The likelihood of perceiving most factors as a major barrier was consistently higher among households with monthly income £1,000 or less compared with those with income more than £2,500 as shown in Figure 9. The only exceptions were two factors with no statistically significant difference detected (the lack of knowledge about available green home improvements and the home being not suitable (e.g. not enough space, planning restrictions)).

Figure 9 - To what extent do the following factors prevent you from installing green home improvements? Differences by monthly household income



Shows the percentage of homeowners who perceived each factor as a major barrier to installing green home improvements by monthly household income

Base: All homeowners (£1,000 or less (N=177-181), £1,001 to £1,500 (N=211-215), £1,501 to £2,500 (N=214-215), More than £2,500 (N=608-611). Differences in sample size reflects minor variation in the number of respondents answering each question).

Additional differences by place of residence, property type and length of residence were that:

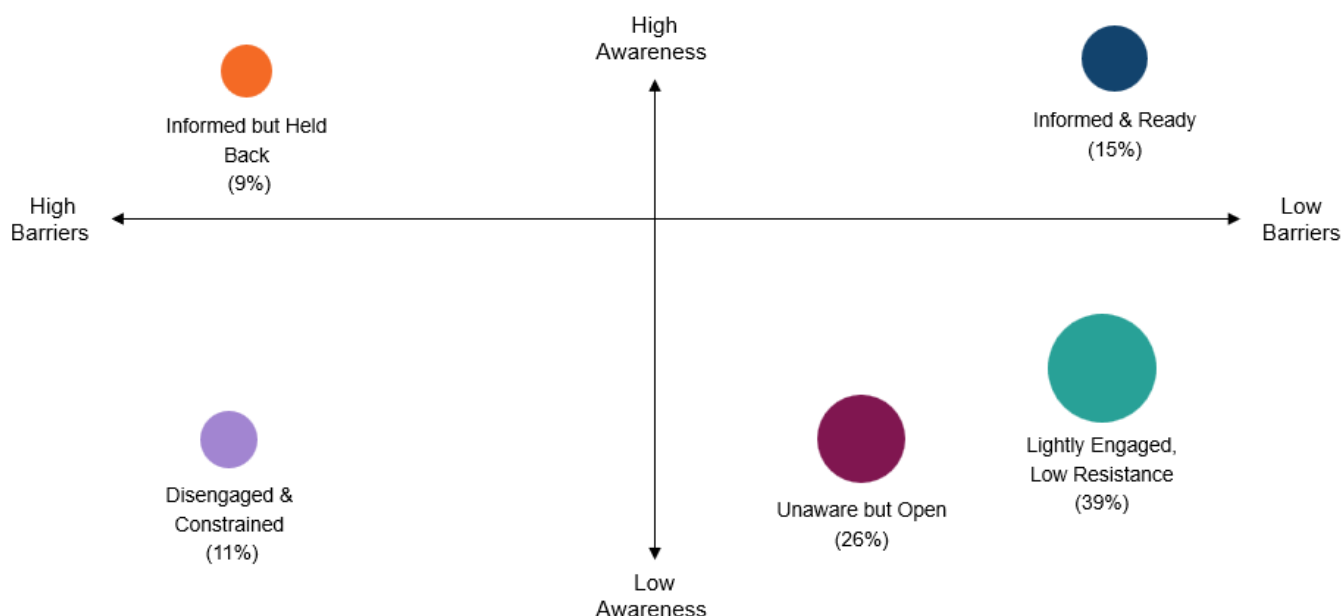
- Residents of self-contained flats were more likely to report that their home is not technically suitable for installing green home improvements (e.g., not enough space and planning restrictions) and to mention health or accessibility-related limitations than residents of other types of properties.

- Urban residents more often cited lack of knowledge and health or accessibility limitations than rural residents.
- Those who had lived in their home for more than 15 years were more likely to cite installation disruption and concern that improvement would be unattractive or take too much space as major barriers than those who had lived in their home less than 15 years. They were also more likely to say they simply do not want to install green energy technologies than those who had lived in their home less than 15 years.

Profiling homeowners' readiness for green finance

A segmentation analysis was conducted, to identify distinct groups of people who share similar patterns in their responses. This was based on the survey questions about awareness of green home improvements, awareness of financial products and government support schemes, and barriers to installing improvements presented in the section above. The analysis identified five distinct segments of the population, each reflecting a different combination of awareness and perceived barriers. The distribution of these segments is shown in Figure 10.⁴ Each segment has been given a descriptive label that captures its typical profile of awareness and perceived barriers. From this point on, we refer to these segments as the Green Finance Readiness profiles.

Figure 10 - Percentage of homeowners in each Green Finance Readiness profile



Base: All homeowners (N= 1,493).

Below, all five segments are described in detail, highlighting the key features and attitudes that define each group.

⁴ Please note that 48 respondents were excluded from the segmentation analysis as they responded with either "don't know" or refused to answer.

Segments open to green home improvements

Informed and Ready (15% of homeowners)

Respondents in this segment were highly aware of both green home improvements (over 60% were very aware of all improvements apart from biomass boiler / wood pellet stove and financial products or government support schemes (over 50% being somewhat or very aware of each of the options). Apart from high upfront costs (cited by 46%), they perceived few barriers to installing measures.

Lightly Engaged, Low Resistance (39% of homeowners)

Most in this segment were very aware of the improvements identified as 'better known' among homeowners in this report (over 60% were very aware of roof / loft / underfloor insulation, solar panels, cavity wall insulation and draught proofing), with lower awareness of other measures (heat pumps, solid wall insulation and biomass boiler / wood pellet stove) Awareness of green finance options and schemes was also low (less than half were aware of each of the finance options). Except for high upfront costs (cited by 63%) and a lack of knowledge about available green home improvements (cited by 18%), they reported few major barriers.

Unaware but Open (26% of homeowners)

Awareness of all green home improvements—even those relatively well-known across this sample—was lower in this segment compared with the other four segments: less than a third were very aware of the solar panels, smart heating controls and roof / loft / underfloor insulation and draught proofing. Recognition of financial options was similarly low: less than a third were aware of all options bar the Boiler Upgrade Scheme. Except for high upfront costs (cited by 75%) and a lack of knowledge about available green home improvements (cited by 47%), they reported few major barriers.

Segments with higher perceived barriers to green home improvements

Informed but Held Back (9% of homeowners)

Most in this segment were aware of green home improvements (86%-95% were very aware of cavity wall insulation, roof / loft / underfloor insulation, draught proofing and solar panels), with moderate awareness of green finance options and government support schemes (over 65% were very aware of government schemes, 60% of paying for green home improvements in monthly instalments and 35% of loans with reduced rates for purchasing green home improvements). They reported several major barriers: top concerns included lack of trust that the improvements will work reliably or effectively (cited by 83%), high upfront cost (cited by 75%), worries about installation disruption (cited by 69%) and the appearance or space requirements of the improvements (cited by 68%).

Disengaged and Constrained (11% of homeowners)

This segment had low awareness across all green home improvements and financial products / schemes and reported the most barriers overall compared with other segments. Over half perceived almost every barrier as major. The main concerns—cited by most in the segment—were high upfront costs (cited by 89%), uncertainty over long-term benefits (cited by 81%) and doubts that the improvements will work reliably or effectively (cited by 86%). These barriers

were followed by concerns about installation disruption and worry that improvements would be unattractive / take up too much space, with 75% and 68% in the segment citing these barriers as major respectively.

Interpreting the Green Finance Readiness profiles.

When thinking about what these profiles mean, it is important to remember that the barriers people perceive are based on their knowledge and experiences at the time of the survey. In particular, the two groups with low awareness and few perceived barriers may simply not have come across these challenges yet. That does not mean these barriers will not matter if they decide to install a green home improvement in the future. So, when making policies for these groups, it is important not to ignore these potential issues. These people are not concerned about them yet, and so are more likely to be open to having green home improvements made, but these issues may still need to be overcome or addressed if they did go through the process.

Segment composition: who is more likely to fall into each group?

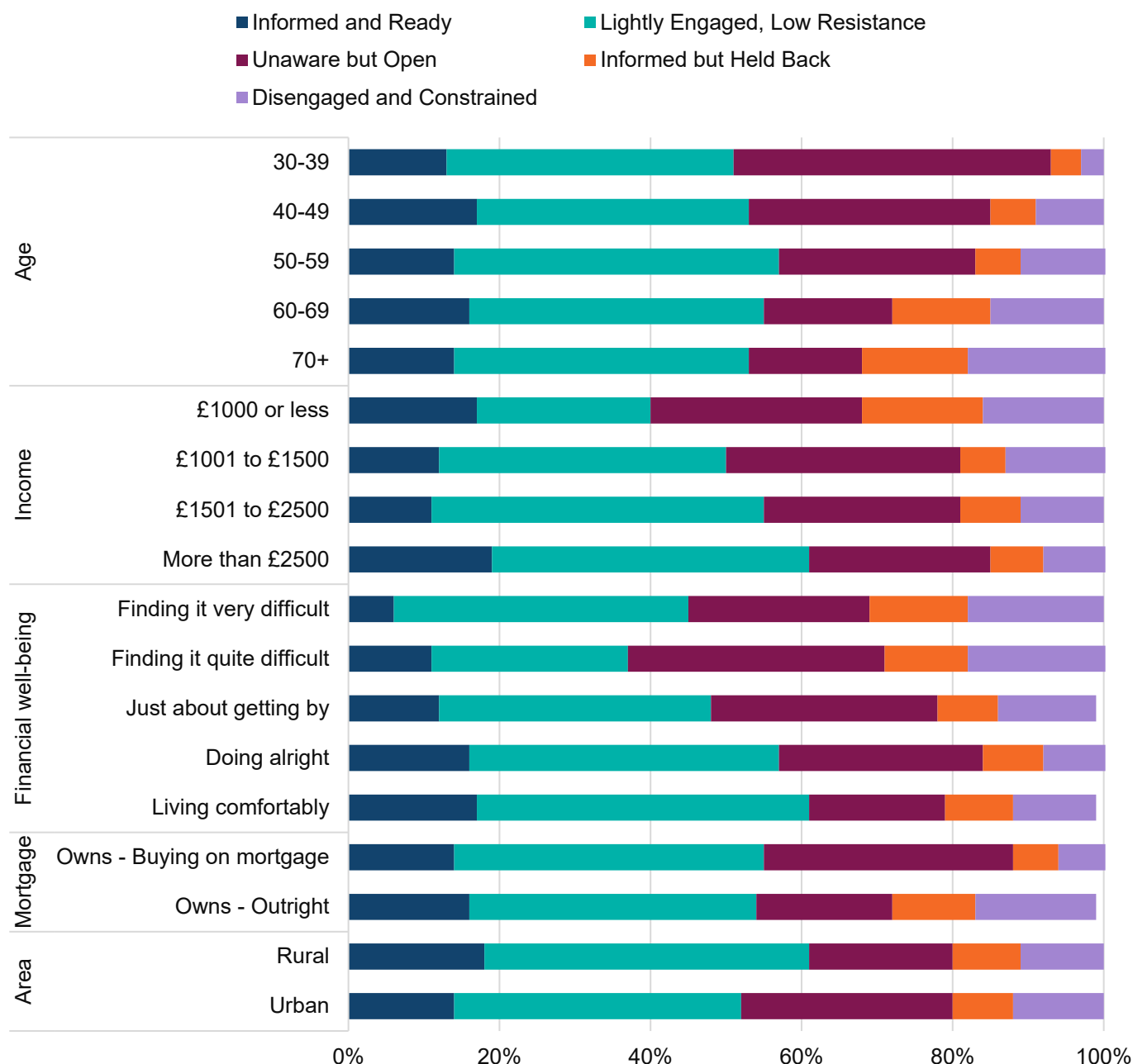
Differences in the likelihood of being in each Green Finance Readiness segment were most pronounced by age group. Older homeowners were more likely to belong to the high-barrier segments ('Informed but Held Back' and 'Disengaged and Constrained'), while younger adults were more likely to be in the 'Unaware but Open' segment. As Figure 11 shows, 3% of 30–39-year-olds were in the 'Disengaged and Constrained' segment, compared with almost one in five (19%) homeowners aged 70+. The pattern was the opposite for 'Unaware but Open' segment, but age differences for other segments were less pronounced.

There were also differences in segments by income and how well people reported managing financially as shown in Figure 11. People from households on lower incomes of less than £1,000 and those describing their financial situation as "quite" or "very" difficult were more likely to fall in the high-barrier 'Informed but Held Back' and 'Disengaged and Constrained' segments. Those who reported "living comfortably" or "doing alright" and homeowners with a household monthly income of more than £2,500 were more likely to be in the 'Informed and Ready' segment, reflecting higher awareness and fewer barriers among homeowners with a better financial situation.

Mortgage holders were more likely to belong to the 'Unaware but Open' segment (33%, compared with 18% of outright owners), while outright owners were more often in the 'Informed but Held Back' or 'Disengaged and Constrained' segments, suggesting greater barriers among people owning their home outright (Figure 11).

Additionally, urban homeowners were more likely than rural homeowners to be in the 'Unaware but Open' segment (28% vs 19%) (Figure 11).

Figure 11 - Percentage of homeowners in each Green Finance Readiness profiles, by age, income, financial well-being, mortgage status and area type



Base: All homeowners (Age: 30-39 (N= 197), 40-49 (N= 212), 50-59 (N= 294), 60-69 (N= 322), 70+ (N= 412); Monthly household income: £1000 or less (N= 171), £1001 to £1500 (N= 208), £1501 to £2500 (N= 438), More than £2500 (N= 602); Financial well-being: Finding it very difficult (N= 33), Finding it quite difficult (N= 92), Just about getting by (N= 341), Doing alright (N= 638), Living comfortably (N= 385); Mortgage status: Owens - Buying on mortgage (N= 636), Owens - Outright (N= 838); Area: Rural (N= 357), Urban (N= 1,135)).

Overall, there was no clear pattern between property type and awareness and barriers, though some contrasts emerged between detached homes and flats. Owners of detached houses or bungalows were more likely to fall in the 'Informed and Ready' segment than owners of other property types. Owners of flats were more likely to belong to the 'Unaware but Open' segment (40% of flat residents compared with 21% of those in detached homes) and the 'Disengaged and Constrained' segment (15% of flat residents compared with 10% of those in detached

homes) than owners of other property types. Residents of houses were more likely to belong to 'Lightly Engaged, Low Resistance' segment than owners of flats: 41%-40% of house owners belonged to this group compared with 22% among flat owners.

4.2 Willingness to use green finance

Key findings

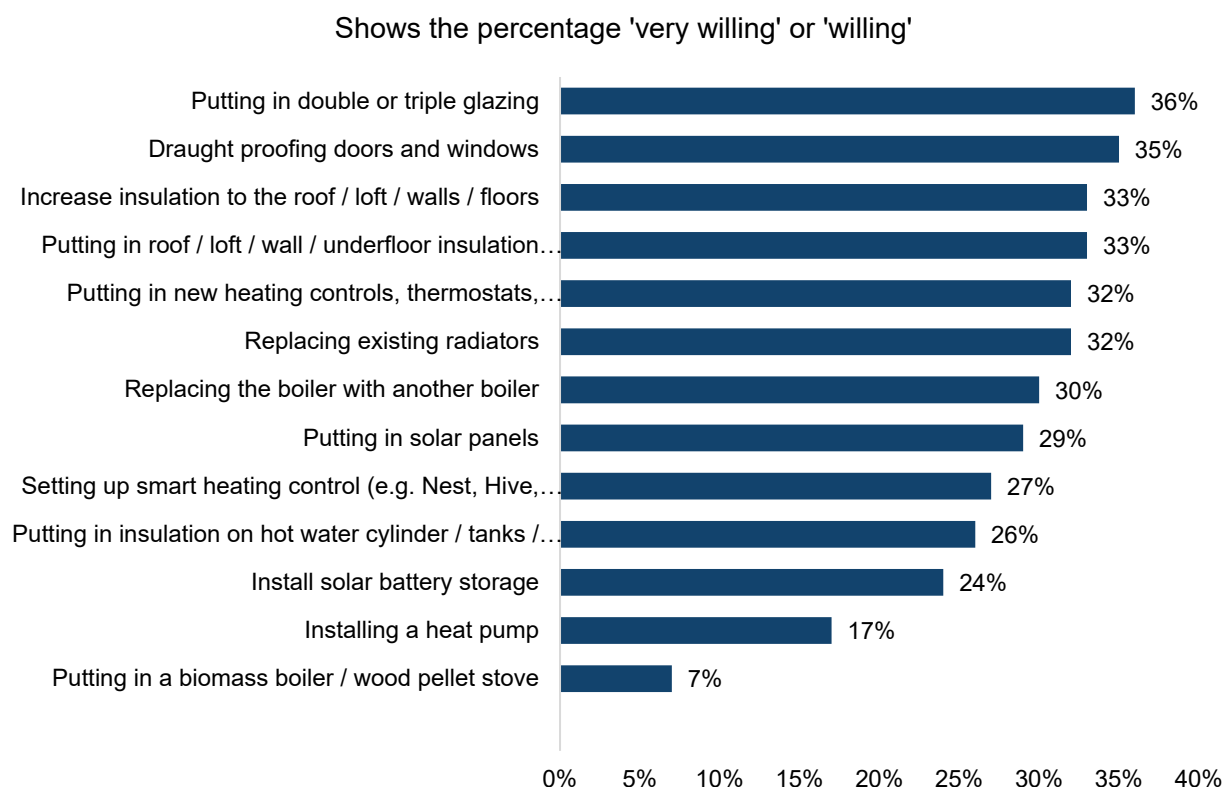
- Around 1 in 4 (23%) homeowners said they were willing or very willing to borrow money for a generic green home improvement.
- However, willingness varied when asked about specific improvements – with the largest proportion of people willing to borrow money in order to fund double or triple glazing (36%) and draught-proofing (35%).
- The likelihood of people taking up green finance also depended on the type of finance offered: most preferable were hypothetical green salary sacrifice schemes (48% likely to use), green savings accounts (42%), and personal green loans (39%), while personal green loans with title restrictions and green equity release were least appealing, with 12% and 11% respectively likely to use these routes if available.
- Willingness to use green finance also varied by demographic factors, with younger, higher-income, and mortgage-holding homeowners showing the greatest openness to adoption.

General willingness to borrow to make green home improvements

Overall, a minority of homeowners expressed willingness to use borrowing to fund green home improvements: 23% reported being willing or very willing to borrow money for this purpose, while nearly half (46%) said they were unwilling or very unwilling.

Willingness to borrow varied by type of home improvement, although willingness remained relatively low overall as shown in Figure 12. The improvements homeowners were most willing to borrow money to install were double or triple glazing (36%) and draught-proofing doors and windows (35%). In contrast, fewer homeowners expressed a willingness to install less familiar or higher-cost measures, such as heat pumps (17%) or biomass boilers (7%) (see section 4.1 for awareness of green home improvements). These patterns indicate that while there is some interest in borrowing money to fund green home upgrades, particularly amongst upgrades that are already widely known, this interest does not extend to all types of green home improvement.

Figure 12 - How willing or unwilling would you be to borrow money for each of the following green home improvements?



Base: All homeowners (N=1,531 - 1,537. Differences in sample size reflects minor variation in the number of respondents answering each question).

Variation in willingness to borrow by demographic characteristics

Willingness to borrow in order to install green home improvements varied substantially across the population. In general, younger homeowners were more open to borrowing money to install green home improvements with 39% of 18–29-year-olds and 42% of 30–39-year-olds being either willing or very willing to borrow, compared to 21% of 50–59 and 13% of 60–69-year-olds. Additionally, 36% of those with a mortgage reported being willing or very willing to borrow money to install green home improvements, compared to 11% of those who owned their homes outright.

Property type

Patterns of willingness to borrow money differed by property type. Homeowners in self-contained flats were among the most likely to express willingness to borrow for measures such as replacing boilers or radiators (37% and 40% respectively), installing double or triple glazing (44%), draught-proofing (46%), and adopting smart heating controls (36%). Meanwhile, those living in terraced houses or bungalows showed relatively higher willingness to install new thermostats, radiator valves (38%), or increase insulation across roofs, lofts, walls, and floors. Both self-contained flat and terraced house residents were also more likely than average to consider adding insulation where none currently exists (38%).

Household income

Household income was significantly associated with willingness to borrow to install several key green home improvements. Homeowners in the lowest income band (£1,000 or less per month) were consistently less willing to borrow to undertake higher-cost improvements—such as replacing boilers (26%), installing heat pumps (11%), or adding solar panels (22%) and battery storage (15%)—compared to those with higher incomes.

Time spent in residence

Length of time in the current property was also associated with willingness to borrow. Homeowners who had lived in their home for a shorter period were generally more open to borrowing for most improvement types, compared to those who had lived in their homes for longer. For example, 44% of those who had lived in their home for less than 2 years reported being either willing or very willing to borrow money to install solar panels, compared to 17% of those who had lived in the residence for more than 20 years. This pattern was true for most home improvement types. However, there were some exceptions to this pattern, including no observable relationship for adding insulation to hot water systems or installing biomass boilers, where willingness did not differ due to time in residence.

Green Finance Readiness profiles

Differences in willingness to borrow also emerged clearly across the five Green Finance Readiness profiles identified through Latent Class Analysis. Those in the ‘Disengaged and Constrained’ group were least likely to express willingness to borrow for any type of green home improvement, with the ‘Informed but Held Back’ group also showing relatively lower levels of willingness. In contrast, homeowners in the ‘Informed and Ready’, ‘Lightly Engaged Low Resistance’, and ‘Unaware but Open’ segments were more receptive to borrowing. These patterns suggest that perceived barriers—rather than awareness alone—may play a more significant role in shaping borrowing intentions.

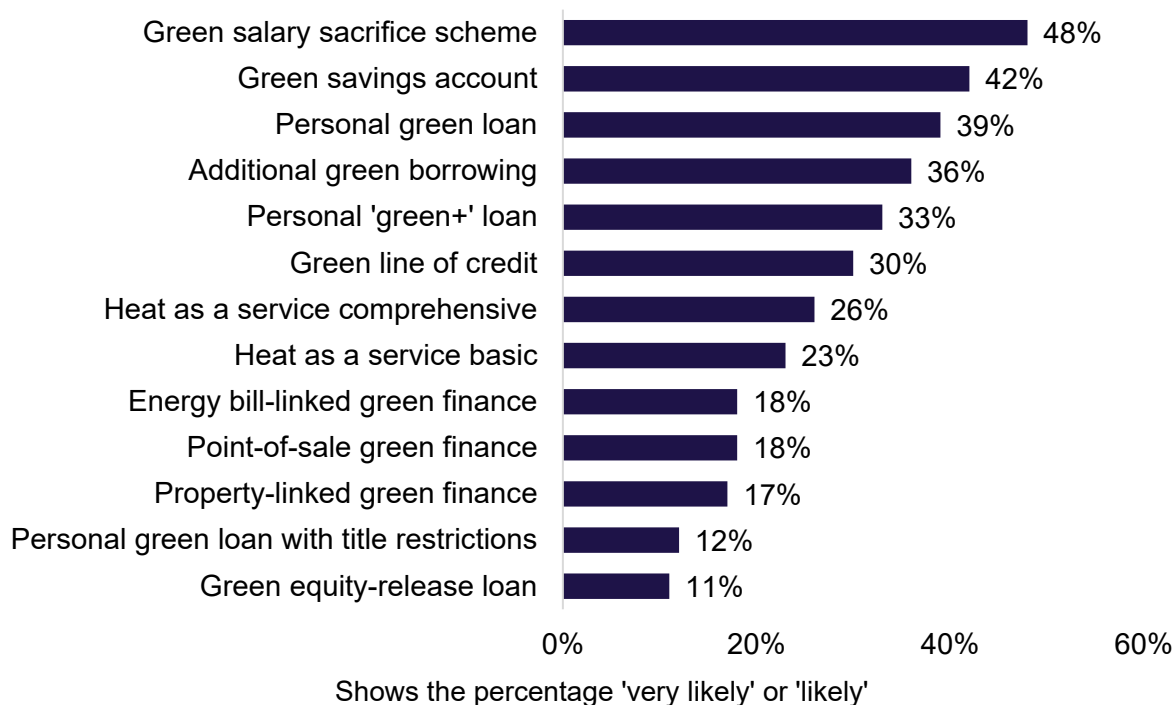
Likelihood of using green finance

This section explores the likelihood of different forms of green finance being used to fund the installation of green home improvements. In general, options framed around savings or incentives—such as salary sacrifice schemes or green savings accounts—were more appealing than products involving traditional borrowing, particularly those tied to property or with restrictive terms.

The green finance options that attracted the highest levels of reported interest were hypothetical green salary sacrifice schemes (48%) and green savings accounts (42%). Personal green loans also attracted some interest (39%), particularly when not secured against the home. By contrast, more complex product models—such as green equity-release loans

(11%), personal loans with title restrictions (12%), or property-linked finance (17%)—were significantly less likely to be considered if available (Figure 13).⁵

Figure 13 - How likely or unlikely would you be to use each option to help finance improvements to the energy performance of your home in the future?



Base: All homeowners (N=599 - 788). Differences in sample sizes reflects the different subsets of respondents to whom each question was presented, as detailed in the text above.

Variation in green finance likelihood by demographic characteristics

The likelihood of adopting particular green finance options varied by residence type, household income, length of time spent living in the residence and segment.

Property type

Likelihood of using green finance products varied by the type of property owned. Homeowners living in self-contained flats were less likely to express interest in salary sacrifice schemes and heat-as-a-service models compared to those in detached, semi-detached, or terraced houses.

Household income

Income was significantly associated with reported likelihood of using green finance products. For example, 58% of those with household incomes over £2,500 per month were likely to use a green salary sacrifice scheme, compared to 36% of those earning £1,001–£1,500, and 32% of those earning £1,000 or less. Similar patterns were observed for personal green loans (30%

⁵ Green finance options were randomly allocated among subsets of respondents, with each participant being asked to respond to 4 questions selected from a total of 10 possible green finance options. Therefore, sample sizes in Figure 12 are smaller and vary based on the subgroups who were asked these questions. For more information, please see the Technical Annex.

for the lowest income group, compared to 44% for the highest) and green lines of credit (16% for the lowest, compared to 39% for the highest income group), where likelihood of uptake decreased markedly among lower-income groups. Interest in property-linked finance also declined with income, though the overall likelihood of using this product remained low across all groups at 17%.

Length of time in residence

Homeowners who had lived in their properties for a shorter period were generally more open to using green finance than those who had lived in their properties for a long time. For example, those who had lived in their home for less than two years were more likely to express interest in a personal green loan (52%) or salary sacrifice scheme (53%) than those who had lived in their home for more than 20 years (27% and 35%, respectively).

Green Finance Readiness profiles

Differences in likelihood of using green finance were also observed across the Green Finance Readiness profiles identified through the segmentation analysis. Homeowners in the 'Disengaged and Constrained' and 'Informed but Held Back' segments consistently reported lower levels of interest in all green finance products. By contrast, those in the 'Lightly Engaged, Low Resistance' segment showed relatively higher levels of openness—sometimes even exceeding those in the 'Informed and Ready' segment. For example, homeowners in the 'Lightly Engaged, Low Resistance' segment were between 7 and 8 percentage points more likely to express interest in heat as a service comprehensive (29% compared with 21%), point-of-sale green finance (23% compared with 16%) and personal green loan (46% compared with 39%). These findings reinforce the broader pattern that perceived barriers—not simply lack of awareness—may be a more powerful influence on willingness to act.

Previous use of finance or government schemes

Additionally, previous use of or application for any point-of-sale green finance product, personal green loan, green mortgage bonus, additional green borrowing or government schemes was associated with greater likelihood of using a personal green loan. While 37 % of those who have not previously used any of the products or schemes said they'd be likely to use a personal green loan, that proportion rises to 60 % among those who'd used or applied for any other product. For the remaining finance options, there were no statistically significant difference detected in the stated likelihood of use by prior use.

Reasons for likelihood of using green finance

This section explores the underlying reasons homeowners gave for being likely to use the three products with the highest reported likelihood of use: green salary sacrifice schemes, green savings accounts, and personal green loans. It then considers reasons for reluctance, including those associated with the least popular products.

One of the most consistently cited barriers to the likelihood of using green finance products was a lack of knowledge about the product in question. Across all products, many homeowners

who were unlikely to use green finance cited a general reluctance to take on debt—either because they preferred to avoid borrowing altogether, or because the perceived value of the loan did not outweigh the costs. Among those open to borrowing, receiving lower interest rates than standard loans was a key motivating factor.

Most commonly considered products

Green salary sacrifice schemes

Green salary sacrifice schemes were the most popular green finance model presented to survey respondents, with 48% of homeowners saying they would be likely to use this option if available. The main appeal was tax efficiency: 90% of those who were likely to use the scheme selected this as a reason. Regular and predictable payments (52%) and familiarity with similar schemes, such as Cycle to Work (48%), were also common motivators. Among those unlikely to use the scheme, the most frequent reason was a lack of knowledge about the product (43%). Others expressed concern that the benefits might not outweigh the impact of a reduced salary (35%) or cited potential limitations on job flexibility (30%).

Green savings account

Green savings accounts were also appealing to many homeowners, with 42% saying they would likely use this option. The most common motivator was the potential for higher interest rates compared to typical savings accounts (60%), followed by the flexibility of not committing to fixed payments (45%) and the ability to save without borrowing (47%). Uncertainty was a key barrier for this product. Around one in four cited concerns about fluctuating interest rates (26%) or potential exit fees (24%), while 42% said they simply did not know enough about the product to make an informed decision.

Personal green loan

Personal green loans were the third most likely option to be selected, with 39% of homeowners saying they would consider using one. Lower interest rates compared to standard personal loans (72%) and the absence of collateral requirements (65%) were the most frequently cited reasons. Over half of those likely to use a green personal loan claimed this was due to the fact that they would need to borrow in order to complete the green home improvements. Among those unlikely to use a personal green loan, the most common reason was being unwilling to take on debt despite being able to do so (41%).

Least commonly considered products

The least popular product models—green equity-release loans, property-linked finance—shared a common feature: both would require homeowners to take on a debt associated with their property. For green equity-release loans, 46% of those unlikely to use such a product said they were concerned about reducing the amount they could leave as an inheritance. For property-linked finance, 53% cited concern that this could make it harder to sell their home. Point-of-sale finance was also one of the least popular green finance products, and 42% of unlikely users said they simply did not want to take on debt. These findings indicate that reluctance is shaped not only by unfamiliarity or cost but also by perceptions of long-term risk and financial control—particularly where property is involved.

4.3 Factors influencing the uptake of green finance

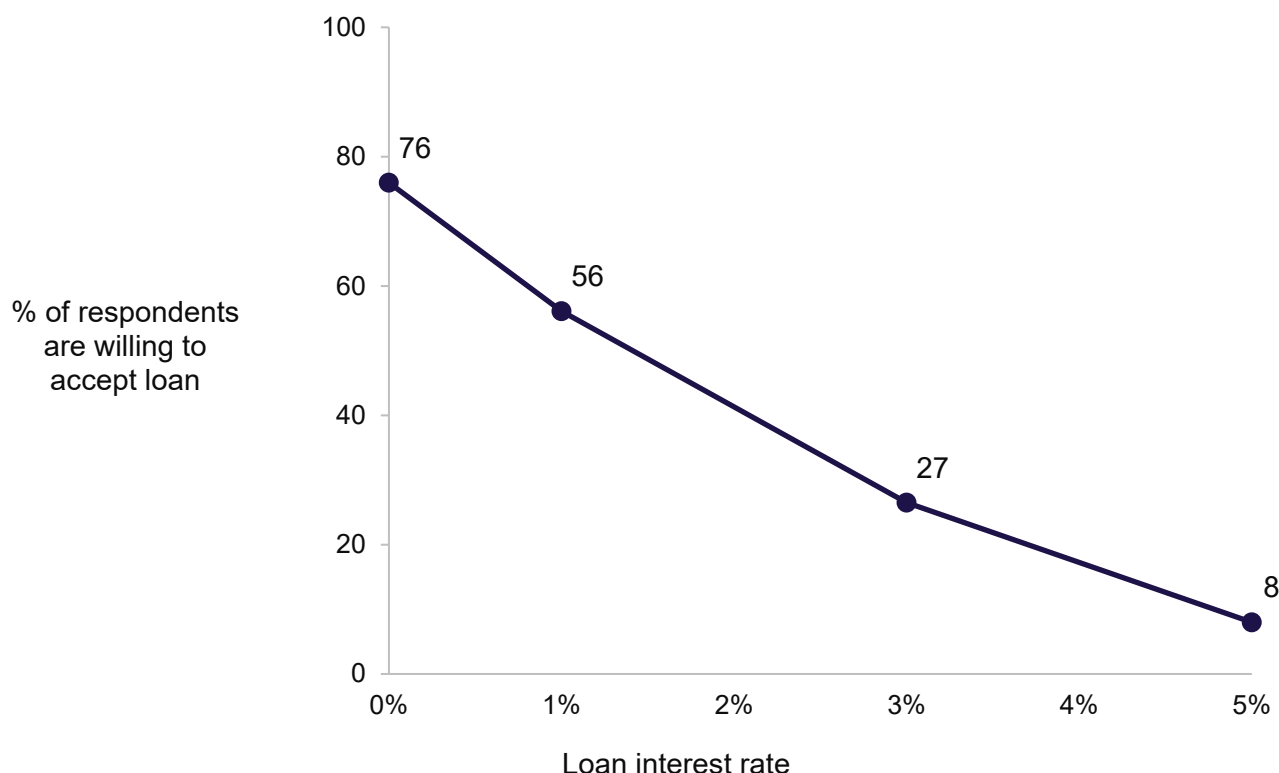
Key findings

- A low interest rate was the strongest driver of green finance uptake, with willingness to take out a £10,000 loan for green home improvements dropping from 76% willingness at 0% interest to 8% willingness at 5% interest. Nearly one-quarter (24%) said they would not take out a loan under any of the conditions tested.
- Similar patterns emerged when respondents were asked to choose between different loan options that varied in interest rate, repayment term, monthly repayment and total cost over the life of the loan. The results showed that both interest rate and loan duration influenced people's choice of loan, with homeowners preferring lower interest rate and shorter-term loans. However, interest rate had a stronger impact than loan duration.

Willingness to take out a green loan

Survey respondents were asked whether they would be willing to take out a loan of £10,000 to be repaid over a 10-year term, in order to install green home improvements that would help reduce their home's carbon emissions and energy bills. Each respondent was asked this question about varying rates of interest – either 5%, 3%, 1% or 0%. The results are presented in Figure 14 below in an 'empirical demand curve'. This illustrates the potential uptake of the loan under different interest rates. It shows that as interest rate increases, willingness to borrow decreases: while just over three quarters (76%) of homeowners would accept the loan at 0% interest, less than 1 in 10 (8%) would do so at 5%. Notably, roughly one in four homeowners (24%) would not accept the loan at any of the interest rates offered.

Figure 14 - Empirical demand curve



Base: All homeowners (N=1,534).

How willingness to accept the loan varied by group

Across every subgroup, willingness to accept the green loan declined as the interest rate increased. Willingness-to-pay was higher among mortgage holders, younger homeowners (especially people aged 30-39), higher-income households, and people who had lived in their home for fewer than ten years, indicating that these groups were more willing to accept a loan at a higher rate.

On average, homeowners in Green Finance Readiness profiles with lower barriers to green home improvements ('Informed and Ready', 'Unaware but Open', and 'Lightly Engaged, Low Resistance') had higher willingness-to-pay for the green loan compared with those from segments with higher barriers ('Disengaged and Constrained' and 'Informed but Held Back').

Preferences for different types of green finance products

To understand preferences for different types of green finance products, respondents were asked to imagine they had already decided to install green home improvements costing £10,000, and that they needed to borrow money to cover the cost. They were presented with three borrowing options, all with the same monthly repayment amount and repayment period and asked to rank them from most to least preferred.

All three options were types of green finance products:

- Personal green loan – A loan from a lender, such as a bank, to help pay for green home improvements.

- Point-of-sale green finance – A green payment plan offered by the seller of the green home improvement, allowing repayment in monthly instalments.
- Green line of credit – A credit limit issued by a lender, such as a bank, which can be used only for green home improvements (e.g. like a credit card).

Overall preferences for green finance products

Preferences were evenly spread across the three options, with no single product clearly standing out as the top choice. The personal green loan was the most preferred option, ranked highest by 36% of respondents. Green line of credit and point-of-sale finance followed closely behind with 27% and 26% preferring these products over the other options respectively.

Around 11% of respondents selected "Don't know" or "Prefer not to say", which may reflect a general reluctance towards borrowing, or a need for more information regarding the relative advantages and disadvantages of each product type.

Differences in preferences for green finance products for groups

Although the personal green loan was the overall preferred product, certain groups were more likely to rank point-of-sale green finance as their first choice: mortgage holders, homeowners younger than 50 years old, those with a household monthly income over £1,500, and people who had lived in their home for less than 10 years. Homeowners in the three low-barrier segments ('Informed and Ready', 'Unaware but Open', and 'Lightly Engaged, Low Resistance') were also more likely than other segments to choose point-of-sale green finance as their first preference. Nonetheless, the personal green loan was the most preferred option across all the segments in line with the overall ranking.

Repayment terms and interest rates

As part of the survey, respondents were asked to choose between different personal green loan options (with a value of £10,000) for installing green home improvements. Each respondent was given three choices to make and in each task was presented with three hypothetical loan offers, differing in their interest rate, loan term length, monthly repayment amount and the loan's total cost (how much is paid back overall, taking account of interest rate and term length). Using participant's answers to these scenarios, we estimated the proportion of people who would choose a loan with a given set of features.

It is important to note that these predictions are specific to the options presented in the survey and should not be interpreted as direct forecasts of real-world uptake—particularly as more flexible or unfamiliar options could yield different results. However, they do provide valuable insights into consumer preferences within the parameters tested.

The results are shown below in Table 1. They indicate that interest rate seemed to have the main role in loan choice. Loans at 1% interest rate dominate the share of chosen loans, accounting for 74.4% of loan choices. In order of preference following that are 3% and 5% loans.

There was also a preference for shorter loan terms, but this effect was smaller in magnitude. While people tended to favour shorter repayment periods, it was not as influential as interest rate in shaping decisions.

Monthly repayment and total cost were not directly included in the analysis, because they are determined by interest rate and loan term length, but we have still presented them in Table 1 because they were shown to participants. The results indicate that loans with lower total costs were consistently more likely to be chosen, reinforcing the idea that respondents were sensitive to the overall cost of borrowing. In contrast, monthly repayment amounts appeared to play a limited role, with both high and low monthly payments appearing among the most frequently selected options.

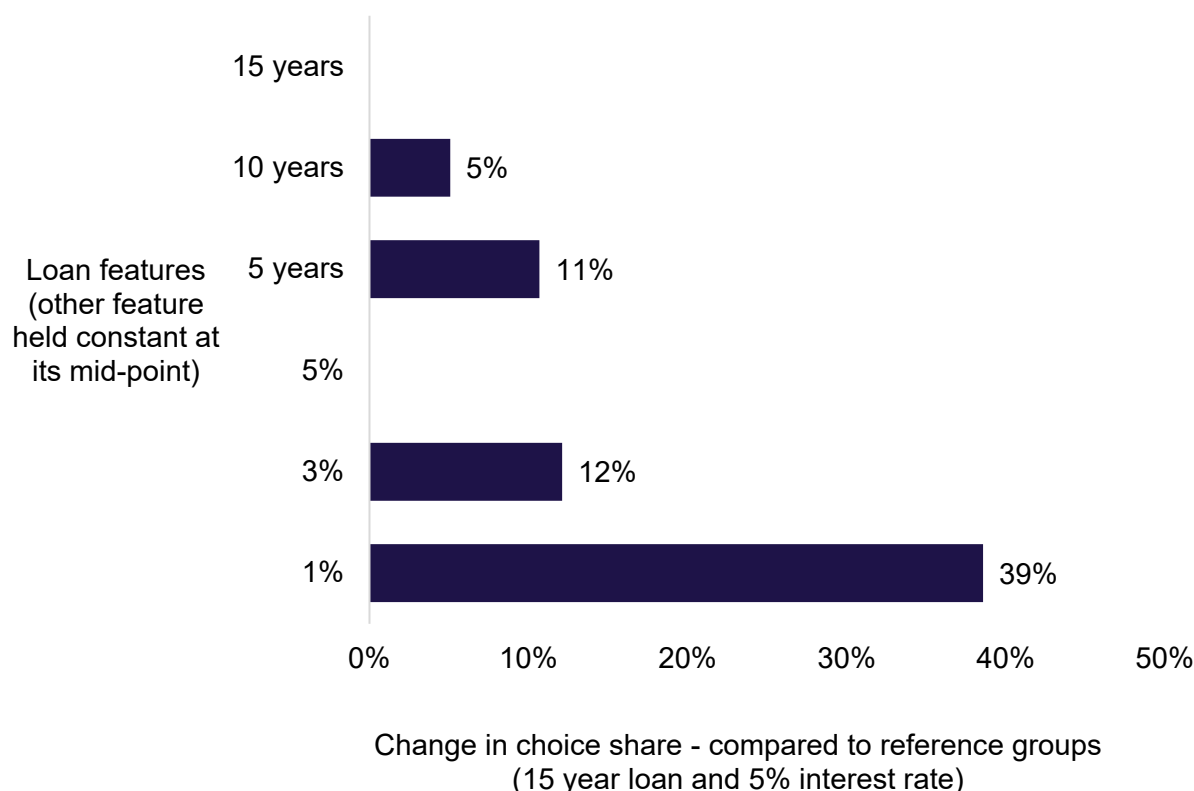
Together, these results suggest that consumers prioritise affordability over time (total cost and interest rate) more than short-term affordability (repayment term and monthly payments) when deciding whether to take out a green loan.

Table 11: Loan share by feature

Interest rate	Term length	Monthly repayment	Total Cost over loan term	Choice share
1%	5 years	£171.0	£ 10,256	31.3
1%	10 years	£87.60	£ 10,512	24.3
1%	15 years	£59.80	£ 10,773	18.8
3%	5 years	£180.0	£ 10,781	8.5
3%	10 years	£96.60	£ 11,587	6.6
3%	15 years	£69.10	£ 12,430	5.1
5%	5 years	£189.0	£ 11,323	2.3
5%	10 years	£106.0	£ 12,728	1.8
5%	15 years	£79.10	£ 14,234	1.4

To illustrate the specific impact of loan features on consumer decision-making, Figure 15 shows the estimated change in the likelihood of a loan being selected as its interest rate or term length is adjusted—while holding the other factor constant at a midpoint value. For example, reducing the term length from 15 years to 10 years (while keeping the interest rate at 3%) is estimated to increase the likelihood of that loan being chosen by around 5%. These estimates reflect a consistent pattern: interest rate is the most influential factor in loan choice, with term length also playing a secondary but meaningful role in shaping preferences.

Figure 15 - Change in choice share for interest rate and term length



Base: All loan choices (N=1,487).

4.4 Advice, access, and trust

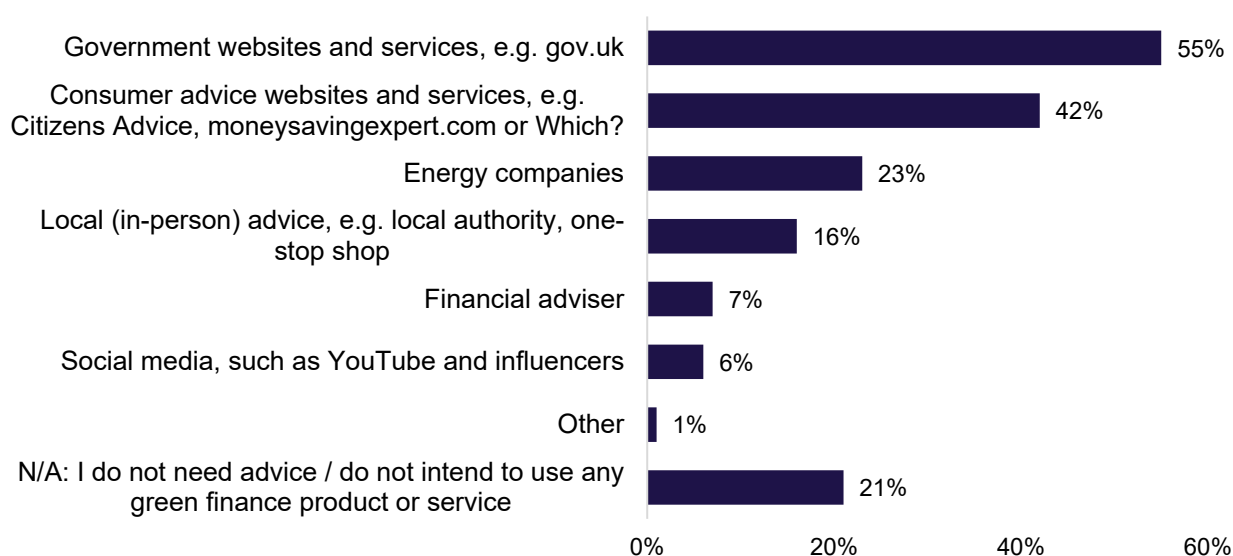
Key findings

- Most homeowners wished to receive advice on green finance: around 1 in 5 (21%) said they either did not need advice or did not plan to use green finance at all.
- The most trusted sources of advice were government websites (55%) and consumer advice services (42%), while fewer wanted guidance from financial advisers (7%) or social media (6%).
- Among those seeking advice, the top priorities were help with comparing similar green finance products (72%) and understanding their terms and conditions (67%).
- When it came to applying for green finance, the preferred method was via a government portal (45%), followed by local authorities (27%), installers (24%), and banks (19%), though nearly a third said they had no intention to use green finance.
- Trust in providers varied: most trusted were banks (74% trusted them somewhat or a great deal), followed by central and local government (62% and 57% respectively), and financial advisers (61%), while least trusted were brokers (33%). Trust levels tended to be higher among younger, higher-income, and financially confident individuals.

Where homeowners would prefer to source advice about green finance products

Preferences for sources of advice about green finance products varied significantly between homeowners (Figure 16). 'Government websites and services' was the most favoured source of advice, with over half of homeowners expressing that this would be one of their preferred options, followed by 'consumer advice websites and services'. The least favoured sources of advice were social media and financial advisors at 6% and 7% respectively. Notably, 21% of homeowners reported they either do not need advice, or do not intend to use green finance products.

Figure 16 - Where would you prefer to receive advice about green finance products? Select up to two responses.



Base: All homeowners (N =1,541).

Variation in where homeowners would prefer to receive advice by demographic characteristics

There were notable differences in where homeowners preferred to receive advice by age, financial situation and segment:

- Younger homeowners were more likely to prefer consumer advice websites, social media, and financial advisors than their older counterparts - 53% of those aged 18-29 would prefer to source advice from consumer advice websites, 11% from social media, and 19% from financial advisors. In contrast, 31% of those aged 70 and over would prefer to source advice from consumer advice websites, 1% from social media, and 5% from financial advisors. Older homeowners were also more likely to avoid seeking advice on green finance altogether (42% among those 70+ compared to 9% of 18–29-year-olds).
- Preferences also varied by subjective income and by confidence in making financial decisions. Those living comfortably and confident making financial decisions were more

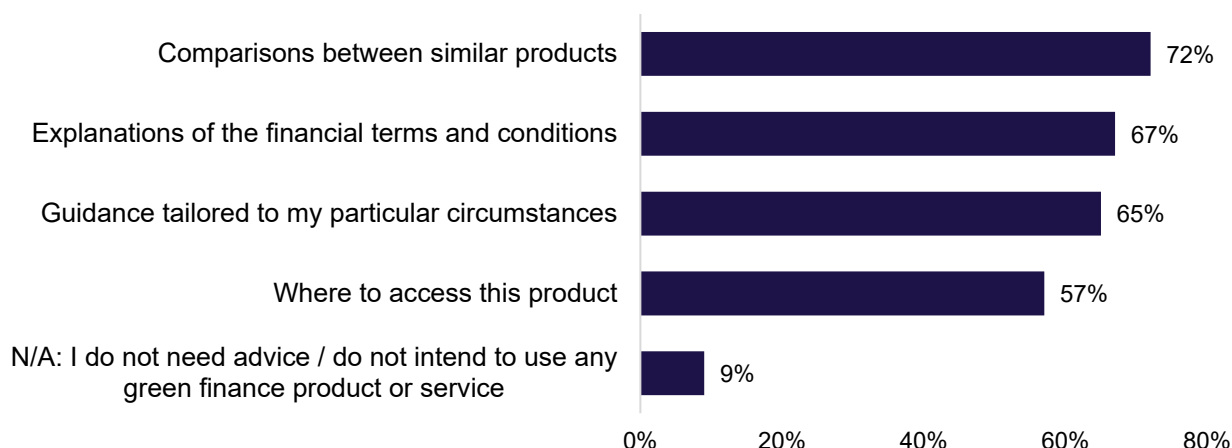
likely to prefer government and citizen advice websites than those struggling financially or lacking in financial confidence. For example, 63% of homeowners who felt somewhat confident making financial decisions selected advice from government sites, compared to 44% of those who feel very unconfident. Nevertheless, government and citizen advice sites still represented the top choice for individuals facing financial difficulties or lacking in financial confidence.

- Preferences on advice also differed by Green Finance Readiness profiles. More than 40% of homeowners in the 'Disengaged and Constrained' and 'Informed but Held Back' groups said they did not need any advice—roughly double the other segments. The 'Lightly Engaged, Low Resistance' segment also had a slightly stronger preference for consumer-advice websites and services at 51% compared to 28-40% in other categories, though other differences between segments were small.

Advice preferences around green finance

Overall, homeowners tended to be in favour of all the advice options asked about (Figure 17), with at least half of respondents expressing interest in the four options. Homeowners were most interested in 'comparisons between similar products' (72%) and least interested in 'where to access the product' (57%). 9% said they do not need advice or do not intend to use any green finance product or service.

Figure 17 - What would you like this advice about green finance products to cover?



Base: All homeowners except those who previously reported that they do not need advice or do not intend to use any green finance products at 'AdviceChannel' (N=1,183).

Variation in advice preferences around green finance by demographic characteristics

Preferences regarding what the advice should cover varied significantly by mortgage status, knowledge of finances, age, and confidence making financial decisions.

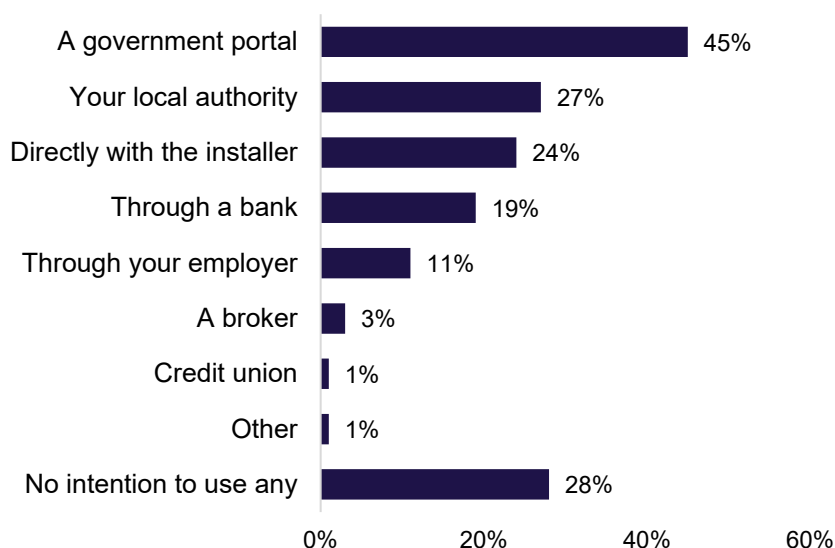
- Homeowners with a mortgage were generally more interested in receiving advice than those who owned outright. For example, among those with a mortgage 75% were interested in advice on terms and conditions compared to 56% who owned outright.

- Homeowners who felt less knowledgeable about finances were less interested in ‘where to access the products’ and ‘comparisons between similar products’ than those who felt financially knowledgeable.
- Older people were less interested in advice covering ‘where to access the products’ and ‘explanations of the financial terms and conditions’ than younger homeowners. For example, 45% of those aged 70+ expressed interest in where to access products, compared to 66% of those aged between 18 and 39.
- Homeowners in the ‘Informed but Held Back’ and ‘Disengaged and Constrained’ Green Finance Readiness profiles were less interested in advice on where to access green finance products.

Where homeowners would like to apply for green finance products

Homeowners were asked where they would ‘prefer to apply for these green finance products’ and to select up to 2 responses from the list of options. Homeowners’ preferred options are shown in Figure 18. It is notable that the two the most common answers were public sector routes: government portals (selected by 45%) and local authorities (27%). These were followed by applying through the installer directly (24%) or through a bank (19%). Least popular among homeowners were credit unions (chosen by 1%) and brokers (3%).

Figure 18 - Where would you prefer to apply for these green finance products? Select up to two responses.



Base: All homeowners (N=1,541).

Variations in where homeowners would like to apply for green finance by demographic characteristics

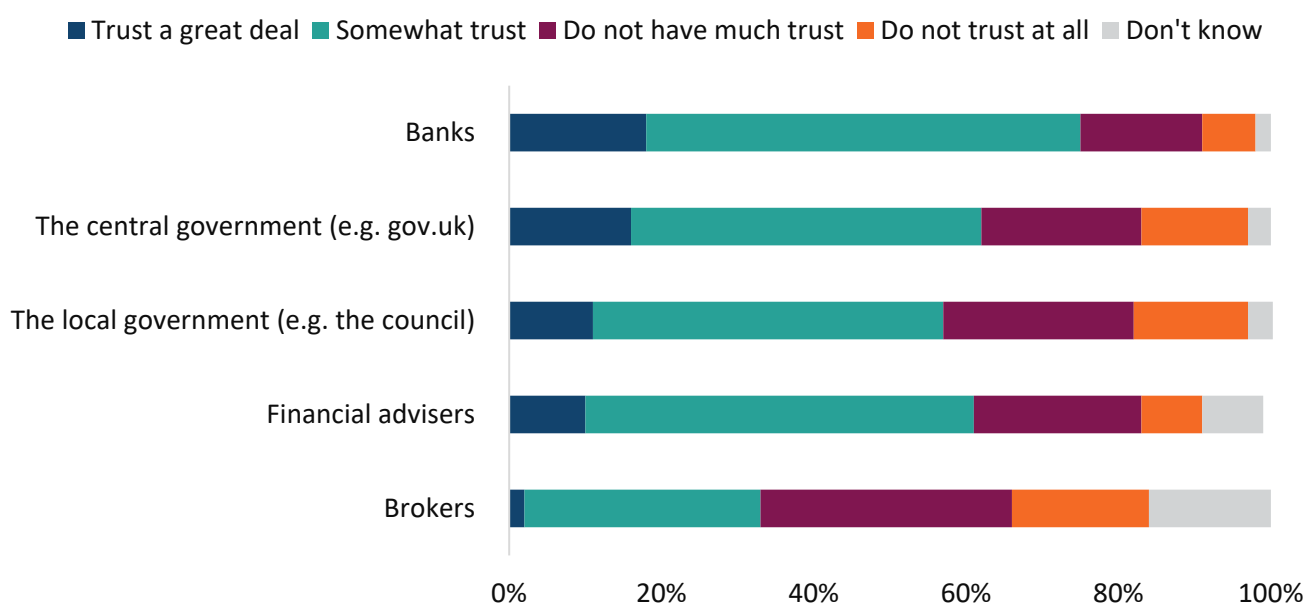
Preferences in where participants would like to apply for green finance products varied by age, household income, and confidence in making financial decisions, as well as the Green Finance Readiness profiles.

- Younger homeowners would prefer to apply with the installer significantly more than older homeowners. For example, 43% of homeowners aged 30-39 would choose to apply through the installer, compared to 12% of those aged 70 and above. Older homeowners were also more likely to report not planning to use a green finance product at all, reported by 52% aged over 70 compared to 17% of 18–29-year-olds.
- Those with higher household incomes would prefer to apply through their employers, than those with lower incomes. For example, 14% of those earning more than £2500 a month would favour this application route, compared to 4% earning £1000 or less.
- Homeowners with low confidence making financial decisions were most likely to have no intention of using any green finance product: 47% who felt very unconfident said they did not intend to take out any product compared to 30% of those who felt 'very confident'.
- Around half of homeowners from the high barrier Green Finance Readiness profiles ('Disengaged and Constrained' and 'Informed but Held Back') said they do not intend to use any green finance product or service, approximately twice the share seen in the other segments. These two high-barrier segments were also less likely to select any specific way of applying than the lower barrier groups.

Homeowner trust in providers of green finance options

In general, homeowners were widely trusting of the organisations in question (Figure 19), with over half of homeowners expressing trust in banks, central government, local government and financial advisors. In contrast, brokers were the least trusted organisation, trusted by a third of homeowners (33%).

Figure 19 - In general, how much trust do you have in the following types of organisation?



Base: All homeowners (N=1,537-1,539. Differences in sample size reflects minor variation in the number of respondents answering each question).

Variations in homeowner trust of green finance providers by demographic group

Trust in providers of green finance varied by a number of demographic characteristics, including:

- Age: younger homeowners tended to trust financial advisors and the government more than older homeowners, particularly those aged 70 and above. For instance, 75% of those aged 30–39 trusted financial advisors, compared to 48% of those aged 70 or older.
- Ownership type: those who own their home on a mortgage were significantly more trusting of brokers, financial advisors, local and central government than those who own their home outright.
- Financial situation: homeowners living comfortably on their current finances were significantly more trusting of both central and local government than those facing financial difficulties. The same pattern was found with household income.
- Financial confidence: homeowners with higher financial confidence were more trusting of all organisations, compared to those with lower financial confidence.
- Homeowners in the high-barrier Green Finance Readiness profiles ('Informed but Held Back' and 'Disengaged and Constrained') consistently reported lower trust in every type of organisation.

5 Conclusions

Awareness and barriers

While awareness of green home improvements was generally high—especially for insulation and solar panels—knowledge of green finance options was much lower, with most homeowners being unaware of all available products. High upfront cost was the most frequently cited barrier to adoption, affecting two-thirds of homeowners. Other perceived barriers such as installation disruption, doubts about effectiveness, and lack of information were cited less frequently but varied across the population.

Five distinct segments of homeowners were identified based on awareness and perceived barriers to installing green home improvements. About 1 in 6 were well-informed and low-barrier. The remaining groups could benefit from additional support—particularly the two largest groups (67% of homeowners combined), who perceived few barriers but lacked knowledge of improvements or finance options.

Willingness to use green finance

There was a minority (26%) of homeowners who reported a general willingness to borrow money to adopt green home improvements, with even lower support for specific measures (e.g., 17% for heat pumps). Conventional or employer-backed models—salary sacrifice (48%), green savings accounts (42%), and personal green loans (39%)—were significantly more appealing than equity-release or title-restricted products. Willingness to use green finance was higher among younger adults, higher-income households, mortgage holders, and those newer to their homes.

Drivers of green finance uptake

Experimental research confirmed interest rate was the strongest predictor of uptake. While 76% of homeowners would accept a green loan at 0% interest, this fell to 35% at 3% interest and 8% of homeowners at 5% interest. Nearly a quarter of respondents would not take a green loan at any interest rate tested. The DCE also showed that homeowners prioritised overall affordability over time (interest rate and total cost) over lower monthly payments.

Advice, access and trust

Most homeowners were open to advice, but preferred to access advice on green finance from government websites (55%) and consumer advice services (42%). Few wanted advice from social media and financial advisers. Application preferences followed a similar pattern, skewing toward public channels: government portals (45%) and local authorities (27%), followed by applying directly through the installers (24%) or through a bank (19%). Notably, while homeowners were more likely to want to receive advice from and apply for green loans through either government portal or local authorities, they were most likely to report trusting banks (74%), followed by central government (62%) and financial advisers (61%).

Differences between population groups

Patterns in awareness, willingness, and perceived barriers varied across demographic groups:

- **Age:** Younger homeowners (18–39) were more open to green finance but had lower awareness. In contrast, older adults (70+) were better informed but more sceptical and less willing to act.
- **Income:** Higher-income households were more likely to express willingness to use green finance and were better able to navigate the market. Lower-income households reported more barriers and were less trusting of available products.
- **Mortgage status:** Mortgage holders were consistently more willing to adopt green finance than outright owners, who reported more concerns and resistance.
- **Residence type:** Residents of detached homes were more likely to be aware and receptive; those in self-contained flats were more likely to be unaware or constrained.

Policy-relevant implications

The findings suggest several key levers relevant to future green finance strategy:

- **Interest rates:** Homeowners expressed much higher rates of preference for products with 1-3% interest rates than those with 5%.
- **Awareness and information:** Many who are open to green improvements are nonetheless unaware or unsure of available green finance options. Clear, comparative advice through trusted channels—especially digital government platforms—may lower entry barriers.
- **Green Finance Readiness profiles:** The ‘Unaware but Open’ and ‘Lightly Engaged, Low Resistance’ segments offer strong potential if supported appropriately. High-barrier groups may require different solutions, such as grants or concierge-style support.
- **Application routes:** Public rather than private application routes are preferred—especially among the most financially constrained and least confident groups.
- **Trust in green finance providers:** a barrier to access identified by this research is that those less financially confident and with lower household incomes also have lower levels of trust in all potential green finance providers.

This publication is available from: www.gov.uk/government/publications/green-home-finance-products-homeowner-awareness-and-attitudes

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