



UK Government

RAF037/2223: Evaluation of the Warm Home Discount Scheme in England and Wales 2022/23 to 2023/24

Interim process and outcome evaluation

Authors

The Department for Energy Security and Net Zero (DESNZ) appointed RSM UK Consulting, supported by Fortia Insight (formerly part of RSM UK Consulting), subcontracted via RSK, and GC Insight (formerly Winning Moves) to conduct a process and outcome evaluation of the Warm Home Discount scheme in England and Wales from August 2023 to November 2026.



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Executive summary

The Warm Home Discount scheme (WHD) is a government scheme that requires obligated energy suppliers to provide support to eligible low income, fuel poor households, or those at risk of being fuel poor, in England, Wales and Scotland. This support is provided in the form of a rebate on electricity bills and Industry Initiatives.

The WHD scheme in England and Wales was reformed in 2022 with the aims of reaching a wider cohort, better targeting fuel poor households, and increasing the level of support provided and simplifying the process to access the rebate for many working-age households. This included creating a new 'Core Group 2', matching households who were both in receipt of means-tested benefits and lived in higher cost to heat properties, replacing the previous 'Broader Group'. Before the reforms, households receiving certain means-tested benefits or tax credits could access rebates by applying through their energy supplier. The Broader Group was maintained in Scotland, due to differences in data availability that meant an equivalent Core Group 2 could not be implemented in Scotland.

RSM UK, supported by Winning Moves, has been appointed by the Department for Energy Security and Net Zero (DESNZ) to evaluate the reformed WHD scheme in England and Wales from August 2023 to November 2026. The evaluation focuses on examining the scheme delivery mechanisms, recipient and supplier experiences with the reforms and identifying emerging outcomes. This interim report presents findings from a large-scale recipient survey, as well as interviews with energy supplier representatives and recipients on their experiences across the 2022/23 and 2023/24 scheme years. Energy supplier representatives were asked to consider the differences in delivery between the schemes in England and Wales, and Scotland, but the evaluation is otherwise focused on the England and Wales scheme.

Evaluation findings

WHD recipient population

It should be noted that findings from the quantitative survey and qualitative interviews focused only on recipients of the rebate and did not consider members of the public who were previously eligible under the broader group in place prior to the scheme reforms. This was due to the challenges in establishing a representative sampling frame and identifying and contacting members of the public who were previously eligible. This will potentially be considered further in future evaluation work but findings from this interim report should be viewed with this taken into account with further consideration provided in the limitations section.

The characteristics of rebate recipients, as estimated based on the survey, largely reflect the scheme eligibility criteria.¹ A large share have low household incomes reflecting that they must be in receipt of a means-tested benefit to receive the WHD. Of the recipients who disclosed their income², 52% reported earning less than £16,000. Many recipients have a disability and/or health conditions. Just over a fifth (21%) have physical disabilities, slightly higher than the average across the UK population (18%). A large proportion of WHD recipients were White British (82%), similar to the share of the population of England and Wales. According to the survey, there are several differences between Core Group 1 and Core Group 2 recipients. In scheme year 2023/24, Core Group 1 comprised 28% of all WHD recipients and Core Group 2 comprised 72%. Core Group 2 are less likely to have a physical disability, but more likely to have a mental health condition, less likely to own their own house, and more likely to pay their energy bills through a pre-payment meter.

Emerging outcomes of the WHD

Recipients generally reported very positive perceived outcomes from receiving the WHD. The vast majority of survey respondents reported that the rebate had made it easier to cover their energy costs (88% strongly agree or agree), had reduced their anxiety about paying energy bills (84%), and helped them achieve comfortable warmth (76%).

Recipients most commonly used the rebate to reduce their energy bills. Nearly half (46%) reported using the WHD to reduce the amount they paid on future energy bills. One in five (20%) used the rebate to pay energy bill arrears.

Many recipients interviewed find it difficult to cover the cost of their energy bills during winter, particularly given the rises in energy prices experienced in recent years. The rebate helped recipients offset the rising energy costs experienced during 2022/23 and 2023/24.

Two in five (41%) respondents reported increasing their energy consumption because of receiving the WHD. A large number of interviewees said that the rebate enabled them to heat their homes moderately more than they otherwise would have been able to, mainly by switching their heating on for longer or by setting it to a higher temperature.

Core Group 2 were significantly more likely than Core Group 1 to report that, if they had not received the WHD, they would have needed to cut back on essential purchases during winter (63% compared to 54%), have gone into arrears on energy or other bills (25% compared to 16%) and have had to borrow money to keep up with their energy bills (25% compared to 13%).

¹ The survey sample frame wasn't split between CG1 and CG2 in proportion to the recipient population however survey responses have been weighted to be representative of WHD 2023/24 recipients. Further detail on the distribution by cohort in the population and sample is available in the technical annex.

² Approximately two-thirds of the sample disclosed their income.

WHD Delivery

Nearly all WHD recipients receive a government letter informing them of their eligibility. Most receive the WHD automatically (known as 'matched' recipients), but some 'unmatched' recipients need to call a helpline to provide additional details before they can receive the WHD. Generally, both matched and unmatched recipients reported a high-level of understanding from the WHD eligibility letter and the process to receive the rebate.

All unmatched recipients needed to use a helpline to receive the WHD. Among those who reported not receiving a letter advising them to call the helpline, the most common reasons recipients called the helpline were because they had previously received the WHD (46%), they believed they should be eligible (23%) and a friend or family member advised them to (14%). Interviewees stated that the helpline was straightforward and had successfully supported them to access the WHD.

Some energy supplier representatives raised operational issues with the helpline, including receiving duplicates of payment instructions, inaccurate recipient information or delays in receiving data for unmatched recipients.

Suppliers described the rebate distribution process as straightforward, and government guidance as useful. Some concerns were raised around recipients' understanding of the eligibility criteria and the number of recipients who may be eligible but do not receive WHD.

2022/23 scheme reforms

Most recipients interviewed had a positive experience of receiving the WHD since the 2022/23 reforms. Most who had previously applied to their energy provider to access WHD as part of the working-age Broader Group were appreciative of receiving the rebate automatically. Some unmatched interviewees found the new process of providing missing information more straightforward.

On the whole, interviewed suppliers were positive about the reforms, with some explicitly stating that Core Group 2 was easier to administer than the previous Broader Group. Some concerns were raised about the amount of staff time and resource spent on handling data mismatches relating to unmatched cohorts.

Energy supplier interviewees felt that the reforms reduced their overall administrative costs for delivering the WHD scheme. However, some concerns were raised about the costs of administering the Broader Group in Scotland, which remained resource intensive.

Industry initiatives

Ofgem's annual report for scheme year 2022/23 showed that spending on Industry Initiatives (additional activities delivered by energy companies) in Great Britain substantially increased after they were made compulsory, from £34.8 million in scheme year 2021/22 to £44.3 million in scheme year 2022/23.³ However, delivering a larger overall Industry Initiatives budget was identified as challenging by some interviewed suppliers.

The report also showed that, in England and Wales, the largest proportions of spending were allocated for energy efficiency measures (£7.23 million, 21% of total spend) and financial assistance (£6.60 million, 19.2% of total spend).⁴ Most suppliers interviewed relied on external delivery partners to deliver at least part of their Industry Initiatives activities.

In their annual report, Ofgem reported they were satisfied that the Industry Initiatives delivered were at a reasonable cost in comparison with industry benchmarks, confirming that delivery costs were necessary to provide and manage the service effectively.⁵

Conclusions

The findings provide a basis to assess whether the aims of the 2022 reforms have been met:

- **Better targeting fuel poor households** – while targeting was not directly assessed through the evaluation, the evaluation did find evidence that a large share of WHD recipients face difficulties adequately warming their home and keeping up with energy bills.
- **Increasing the level of support provided** – the rebate was increased in nominal terms from £140 to £150. While recipients reported positive outcomes from the scheme, this was against a very challenging backdrop of rising energy bills.
- **Simplifying the process to access the rebate for many working-age households** – many Core Group 2 recipients who had previously accessed the WHD as part of the Broader Group appreciated receiving the WHD automatically, and energy suppliers reported that the reforms had reduced their administrative burden.

In all, the evidence gathered in phase one of this evaluation suggests that the 2022 reforms have been effective at meeting their aims.

³ Ofgem (2022) '[Warm Home Discount Annual Report: Scheme Year 12](#)'. At the time of writing, Ofgem had not yet released data on the 2023/24 scheme year.

⁴ Ofgem (2022) '[Warm Home Discount Annual Report: Scheme Year 12](#)'

⁵ Ofgem (2022) '[Warm Home Discount Annual Report: Scheme Year 12](#)'

1. Introduction

Policy context

Recent years have seen strong increases in energy costs for UK households, including a 54% rise to the energy price cap in April 2022 following the spike in wholesale energy prices.⁶ Although energy costs have fallen since then, household bills in late 2024 remain well above their pre-2022 levels.⁷

Increases in energy costs particularly impact low income and fuel poor households. Whilst official estimates show that the fuel poverty rate in England has been stable over the past five years⁸, research has shown that the higher costs have led to higher energy debts, more people cutting back on energy usage and greater fuel poverty depth.⁹

In order to mitigate fuel poverty in the long-term, the government is aiming to improve energy efficiency in homes and shift energy use to cheaper, sustainable sources. This is a particular focus of the new government's flagship 'Warm Homes Plan'.¹⁰

However, given that such policies take time to have impact, the government has recognised the need to provide short-term relief to alleviate financial hardship. Several temporary support measures have thus been provided in recent years, including the Energy Bill Support Scheme, alongside existing support schemes including the Cold Weather payments and the Warm Home Discount.

Programme overview

The Warm Home Discount scheme (WHD) is a government scheme that requires obligated energy suppliers to provide support to eligible low income, fuel poor and vulnerable households in England, Wales and Scotland. This support is provided in the form of a rebate on electricity bills and Industry Initiatives. Industry Initiatives include a variety of measures such as energy advice and energy debt write-offs and can either be delivered directly by the energy supplier or delivered in partnership with other external organisations.¹¹ The WHD policy contributes towards the government's objective of alleviating fuel poverty.

⁶ House of Commons Library (2024) '[Domestic energy prices](#)' – Research Briefing

⁷ House of Commons Library (2024) '[Domestic energy prices](#)' – Research Briefing

⁸ Measured changes in fuel poverty depend on the measure used. The Low Income, Low Energy Efficiency (LILEE) measure of fuel poverty used in England is fairly insensitive to energy price rises. For further detail on the LILEE measure see: DESNZ [Fuel Poverty Methodology Handbook](#).

⁹ House of Commons Library (2025) '[Fuel Poverty in the UK](#)' – Research Briefing

¹⁰ DESNZ (2024) '[Home upgrade revolution as renters set for warmer homes and cheaper bills](#)' – Press release

¹¹ Ofgem WHD regulations determine which activities are permitted for England and Wales or Scotland.

The scheme was launched in 2011 and has been extended several times, with the most recent extension at the time of this report from October 2022 through to March 2026. The Department for Energy Security and Net Zero (DESNZ) is responsible for the scheme and it is administered by Ofgem. The Department for Work and Pensions (DWP) identifies eligible households and works with participating suppliers to match their details to an energy supplier account.

Prior to 2022, WHD rebates were paid to a 'Core Group' of households that were in receipt of the guaranteed credit element of the Pension Credit. A 'Broader Group' of working-age households receiving certain means-tested benefits or tax credits could also access rebates by applying through their energy supplier. Industry Initiatives were not compulsory at this time, but most scheme suppliers chose to provide them. In its final year before being reformed in 2022, the scheme provided rebates to 2.3 million households and over £359 million in support including Industry Initiatives.¹²

Programme reforms

The WHD in England and Wales was reformed in 2022. The reforms aimed to reach a wider cohort, better target fuel poor households, increase the level of support provided, and simplify the process to access the rebate for many working-age households. The reforms did not all apply in Scotland due to differences in data availability.¹³ Consequently, certain elements of the Scottish scheme now run separately.

The changes saw the level of funding in Great Britain increase by around £170 million in 2022/23 and the rebate increase from £140 to £150.¹⁴ The other principal scheme changes involved:

- Introducing 'Core Group 2' in place of the Broader Group in England and Wales. Core Group 2 is formed of low-income, mainly working-age, households that receive certain benefits or tax credits and are also estimated to have relatively high heating costs.¹⁵ The previous 'Core Group' is now termed 'Core Group 1' and is still formed of those that receive the Guarantee Credit element of Pension Credit.
- Making the Industry Initiatives mandatory, with a spending target of £40 million in 2022/23, up from the £34.8 million that was spent in the previous scheme year. This targeted increase reflected a rise in the number of suppliers obligated to take part from 2022/23.

¹² Ofgem (2022) '[Warm Home Discount Annual Report: Scheme Year 11](#)'

¹³ Under the reformed scheme, data on household characteristics is used to estimate the costs to certain households of heating their homes, to help determine eligibility. The reforms were not implemented in Scotland because this type of data is not available there.

¹⁴ Ofgem (2022) '[Warm Home Discount Annual Report: Scheme Year 11](#)'

¹⁵ The eligible benefits for Core Group 2 are: Housing Benefit, Income-related Employment and Support Allowance (ESA), Income-based Jobseeker's Allowance (JSA), Income Support, the 'Savings Credit' part of Pension Credit, and Universal Credit. To estimate a property's cost to heat, DESNZ use data on property characteristics (such as age and size) from the Valuation Office Agency to calculate an energy cost score. Households that receive one of the above benefits and have a cost score above a certain threshold are eligible for Core Group 2.

- Reducing the scheme's supplier obligation threshold from 150,000 domestic customer accounts to 50,000 accounts. This was reduced further to 1,000 accounts in 2023/24.

Following the reforms, in 2022/23 the WHD provided rebates to 2.4 million recipients in England and Wales and £395 million in support including Industry Initiatives.¹⁶ At the time of writing, the scheme had provided £3.95 billion in support in Great Britain over its lifetime.¹⁷

Recipient cohorts

The majority of WHD recipients in both Core Group 1 and 2 receive the rebate automatically. However, a minority are 'unmatched' – their eligibility to receive the rebate has been confirmed but they have not been matched with an energy supplier account. These households receive a letter advising them to contact a helpline to provide their energy supplier details.

There are a small number of households who receive an eligible benefit, but it has not been possible to determine their home's energy cost score, or their energy cost score has been imputed due to missing data.¹⁸ They receive a letter advising them that they may be eligible for WHD and need to call the helpline and provide details of their property characteristics to confirm whether they are eligible. We term these households Core Group 2 Other. Finally, households who are assessed as having a low energy cost score do not receive a letter. However, they may contact the helpline to challenge their energy cost score, and if they are successful, receive the WHD. We term this cohort Core Group 2 No Letter.

One aim of this evaluation is to draw out different experiences and outcomes among the different cohorts. 'Unmatched cohorts' is used throughout this report to encompass Core Group 1 Unmatched, Core Group 2 Unmatched, Core Group 2 Other and Core Group 2 No Letter.

¹⁶ Ofgem (2022) '[Warm Home Discount Annual Report: Scheme Year 12](#)'. At the time of writing, Ofgem had not yet released data on the 2023/2024 scheme year.

¹⁷ Ofgem (2022) '[Warm Home Discount Annual Report: Scheme Year 12](#)'.

¹⁸ DESNZ models the energy cost score of domestic properties in England and Wales by using three characteristics of each property, including the property type, age and floor area. If there is missing data on one or more of these characteristics then DESNZ will attempt to impute an energy cost score e.g. using data for similar neighbouring properties. In some cases DESNZ is unable to estimate an energy cost score and (more commonly) the address of the benefit claimant cannot be matched to an address in the energy cost score dataset therefore their eligibility cannot be determined.

Table 1: WHD cohorts

Cohort	Description	Estimated share of WHD recipients in England & Wales in 2023/24
Core Group 1 Matched	Pension-age eligible household, matched to energy supplier account.	27%
Core Group 1 Unmatched	Pension-age eligible household, not matched to energy supplier account, required to call helpline to provide energy supplier details.	1%
Core Group 2 Matched	Eligible Core Group 2 household, matched to energy supplier account.	64%
Core Group 2 Unmatched	Eligible Core Group 2 household, not matched to energy supplier account, required to call helpline to provide energy supplier details.	7% (note the majority are Unmatched)
Core Group 2 Other	Household on qualifying benefits or tax credits, with no energy cost score or an imputed cost score. Can call the helpline to provide missing details and, if assessed as high cost, will receive WHD.	
Core Group 2 No Letter	Household on qualifying benefits or tax credits, assessed as low energy cost. May call the helpline to challenge energy cost and, if successful, will receive WHD.	

Source: DESNZ WHD statistics, 2023 to 2024. Available at: <https://www.gov.uk/government/statistics/warm-home-discount-statistics-2023-to-2024>

Evaluation aims

This ongoing evaluation is exploring the implementation and delivery of the reformed scheme in England and Wales. The evaluation aims to:

- Assess the extent to which the rebates have successfully targeted groups at greatest risk of fuel poverty, by exploring the demographic and socioeconomic characteristics of recipients and the extent to which they meet the Low Income, Low Energy Efficiency (LILEE) fuel poverty measure.
- Provide an understanding of the delivery of the scheme from both recipients' and suppliers' perspectives.
- Assess the extent to which the WHD has achieved its intended outcomes. These are to: tackle fuel poverty, increase thermal comfort, reduce energy bills and contribute to financial security, improve health and well-being, and provide a straightforward process for suppliers delivering the support.

The evaluation fieldwork is split into two phases:

1. **First Phase:** The first phase is covered in this evaluation report and includes findings from recipient interviews, a recipient survey and energy supplier interviews on experiences of the 2022/23 and 2023/24 scheme years.
2. **Second Phase:** At the time of writing, the second fieldwork phase has not yet taken place. It will cover findings from recipient interviews, a recipient survey and energy supplier interviews on experiences of the 2024/25 and 2025/26 scheme years.

Report scope and structure

This interim report presents findings from the first phase of this evaluation running from August 2023 to December 2024, focusing on the 2022/23 and 2023/24 scheme years. Subsequent sections of the report are structured as follows:

- **Evaluation methodology:** This chapter provides an overview of the theoretical framework and evaluation approach, a summary of high-level evaluation questions, a description of the data collection and analysis methods used and a discussion of study limitations.
- **Evaluation findings – WHD delivery:** This chapter presents findings from the process evaluation fieldwork conducted so far. It provides insights on recipient characteristics, the usefulness of scheme communication and support services, and experiences of the reformed scheme for both recipients and suppliers.
- **Evaluation findings – Emerging outcomes of the WHD:** This chapter presents findings from the outcome evaluation fieldwork conducted so far. It provides insights on how the rebates have been used and the outcomes that have resulted. It also explores the scheme's success in reaching the groups targeted, as well as any differences in outcomes observed.
- **Conclusions and next steps:** This chapter discusses the main implications of the findings presented and lessons learned. It additionally summarises next steps that relevant stakeholders may wish to take in delivering the WHD.
- **Annexes:** The annexes provide detailed information on the evaluation questions addressed in this report, the development of a Theory of Change, Customer Journey Maps and Supplier Process Maps which were used to inform the evaluation, fieldwork conducted to inform the evaluation and the analytical approaches used.

2. Evaluation methodology

Evaluation approach

Phase one of this evaluation delivered a mixed-methods process and outcome evaluation of the WHD for 2022/23 and 2023/24 scheme years, to address the following high-level evaluation questions (detailed evaluation questions can be found in Annex 1):

1. How is the recipient population of WHD structured?
2. How effective was the implementation and delivery of the WHD rebate?
3. How effective was the implementation and delivery of Industry Initiatives?
4. What outcomes have been achieved through providing WHD to recipients?
5. What are the wider lessons from the reformed WHD scheme?

Detailed Theory of Change, Customer Journey Maps and Process Maps were created (see Annex 2 for details of how these were developed) based on programme documentation and workshops held with DESNZ, DWP and Ofgem officials. These were used to inform the development of fieldwork materials to ensure these would capture different customer routes to accessing the WHD, relevant supplier processes and relevant anticipated outcomes.

Fieldwork conducted

Phase one of the evaluation included four strands of fieldwork:

- Recipient interviews wave one. The first wave of recipient interviews covered experiences of the 2022/23 scheme year, with 26 interviews conducted.¹⁹ Purposive sampling was used to ensure coverage of all cohorts. Interviews focused on knowledge of the scheme and referral routes, use of the online eligibility checker and the helpline, use of the rebate, changes in energy consumption, and perceived outcomes on thermal comfort, health and well-being.
- Energy supplier interviews. Ten energy suppliers were interviewed about their experience delivering the WHD and Industry Initiatives in 2022/23. Purposive sampling ensured coverage of large, medium and small energy suppliers.²⁰ Topics included experiences of administrative processes and costs of distributing the WHD rebate, processes and outcomes of Industry Initiatives, and perceptions of targeting of the most fuel poor customers.

¹⁹ Fewer interviews were conducted than anticipated owing to low response rates to invite letters, perhaps due to interviews taking place around a year after the end of the scheme year.

²⁰ Energy suppliers were split into small, medium and large based on their customer size. Large energy suppliers include the largest six suppliers that supply around 60% of UK households. Medium suppliers include those with customer base over 1,000,000 and small suppliers include suppliers with customer base under 1,000,000.

- Recipient survey. The survey asked participants about their experience of receiving the WHD in winter 2023/24. The survey questionnaire was tested during an initial pilot which took place over a six-week period between July and August 2024. The mainstage survey took place in October and November 2024. 32,042 households were invited to participate in the survey and a total sample of 4,014 was achieved across the pilot and mainstage survey. The overall survey response rate achieved was 12.5%. Survey responses are weighted by cohort to mean that findings are representative of people who received WHD in 2023/24. Throughout this report, differences between cohorts are only reported when statistically significant.²¹ The survey questionnaire covered topics including use of the eligibility checker, helpline, and perceived outcomes.
- Recipient interviews wave two. The second wave of recipient interviews covered experiences of the 2023/24 scheme year. 52 interviews were conducted in total with purposive sampling again used to ensure coverage of all cohorts. Interviews covered the same set of topics as for the first wave of interviews.

Further detail on the fieldwork and analytical approach can be found in Annexes 3 and 4.

Monitoring and wider data sources

Alongside the fieldwork conducted, the evaluation was informed by analysis of the following data sources:

- WHD scheme data, used to assess the characteristics of WHD recipients and to weight survey results, to ensure findings are representative of WHD recipients.²²
- The English Housing Survey (EHS), which is used as the basis for official measures of fuel poverty in England.²³ The EHS was reviewed to assess the targeting of WHD by comparing the characteristics of WHD recipients with the characteristics of households in fuel poverty. The full analysis will be used to assess targeting of WHD in subsequent reports.
- Ofgem administrative data, as reported in the Ofgem WHD Annual Report – scheme year 12 and subsidiary documents.²⁴ This data was triangulated with findings from the energy supplier interviews, including on Industry Initiatives.

²¹ Statistically significant results indicate that differences are unlikely to be explained solely by chance or random factors. In other words, a statistically significant result has a very low chance (less than 5%) of occurring if there were no true effect in the population being studied.

²² DESNZ (2024) '[WHD statistics, 2023 to 2024](#)'

²³ DESNZ (2024) '[Fuel poverty detailed tables 2024 \(2023 data\)](#)'

²⁴ Ofgem (2024) '[Warm Home Discount Annual Report, Scheme Year 12](#)'

Limitations

The evaluation faced the following limitations:

- It was not feasible to collect data from those who were eligible for, but did not successfully claim, the WHD. This was due to it not being possible to identify a sample frame of eligible members of the public who didn't claim the rebate, as they had not interacted with the scheme and provided their details for further contact. It was therefore not possible to assess the characteristics or the experiences of unmatched cohorts that did not receive the WHD. Recipients' experiences of the helpline only reflect those recipients that successfully claimed the WHD. This means there is a risk that views on the helpline may be overly positive.
- Response rates to survey and interview invites were lower for some cohorts. Core Group 1 had lower response rates, perhaps reflecting a greater chance of being digitally excluded. Response rates were lower from matched than unmatched recipients, perhaps reflecting the fact that they receive the rebate automatically and felt they had less to share on the process of accessing the rebate. The first wave of recipient interviews faced very low response rates, so interviews were conducted with a smaller number than originally intended. While this does not have a bearing on the overall validity of the qualitative findings, it does mean there may be a gap in evidence for recipients from Core Group 1 which is provided to households in receipt of the guaranteed element of Pension Credit.
- Recipients' difficulties recalling their experiences sometimes affected the quality of data collection. A large share of unmatched cohorts that participated in the survey reported that they had received a letter informing them they would receive the WHD automatically, which should not have been the case. Difficulties of recall also affected the first wave of recipient interviews, as these were conducted approximately a year after the 2022/23 scheme year. Interviewers mitigated this as far as possible by reminding participants of the correct scheme year in scope for the evaluation.

3. Evaluation findings: WHD delivery

Recipient population

This section explores the characteristics of the WHD recipient population, including income, health and disability, ethnicity, housing tenure and characteristics and how they pay their energy bills.

Characteristics of rebate recipients

The characteristics of rebate recipients largely reflect the targeting mechanism of the scheme. A large share have low household incomes reflecting that they must be in receipt of a means-tested benefit to receive the WHD. Of the recipients who disclosed their income, 52% reported having a pre-tax household income of less than £16,000.²⁵

Many recipients have a disability and/or health conditions. Just over a fifth (21%) of recipients have physical disabilities, slightly higher than the average across the UK population (18%).²⁶ Nearly two in five (38%) report living with long-term physical conditions or illnesses, and nearly a third (30%) report living with mental health conditions.

A large proportion of WHD recipients were White British (82%), similar to the share of the population of England and Wales. Recipients in the unmatched cohorts were more likely to belong to ethnic minorities compared to matched cohorts. Among Core Group 1, 16% of matched recipients identified as being from an ethnic minority, compared to 32% of unmatched recipients. Among Core Group 2, 19% of matched recipients were from an ethnic minority, compared to 23% of unmatched recipients.

The differences in ethnicity between matched and unmatched cohorts are potentially important since unmatched cohorts have to go through the process of providing missing information to the helpline to claim the WHD. If there is under-claiming of the WHD among these groups, then ethnic minorities may disproportionately miss out on receiving the rebate.

²⁵ Survey participants were asked about their 'household's total income, before taxes and any other deductions'. While sources of income could include earnings, benefit income, pension income and other sources, some participants may undercount their income or not report the income of all members of the household. Note around two-thirds of the sample disclosed their income, with a third selecting 'don't know' or 'would rather not say'.

²⁶ See ONS (2023) ['Disability, England and Wales: Census 2021'](#)

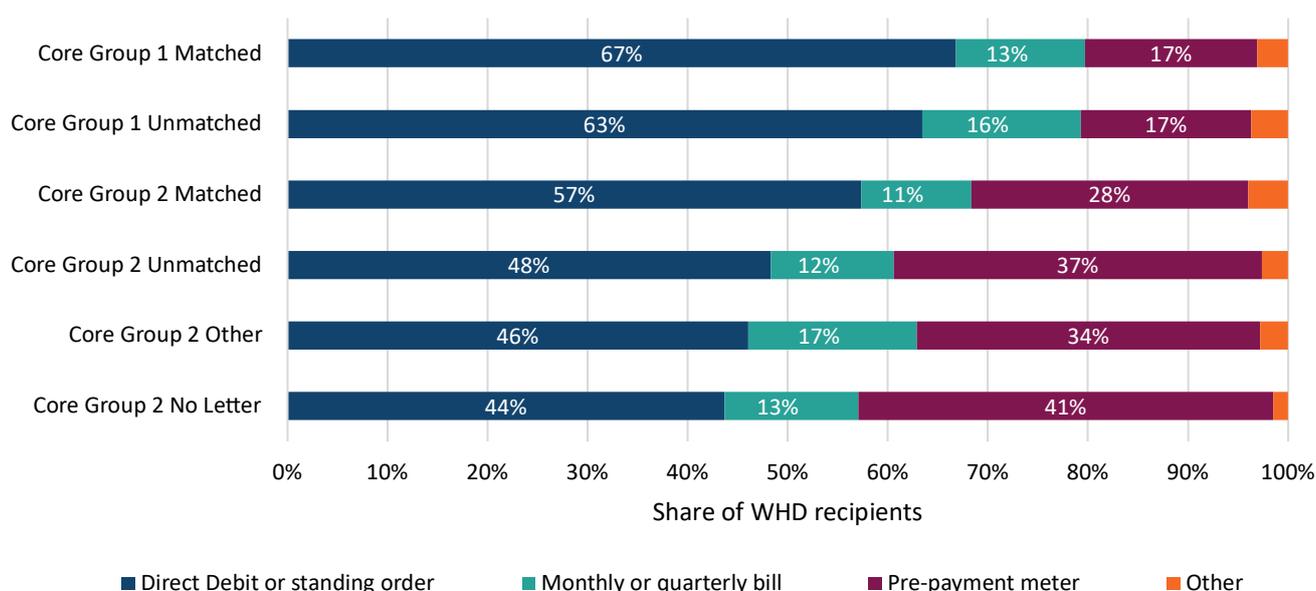
Differences between Core Group 1 and Core Group 2

There were several important differences in characteristics between Core Group 1 and Core Group 2. Recipients from Core Group 1 were more likely (74%) than Core Group 2 (44%) to report incomes below £16,000.²⁷ Core Group 2 recipients, however, were more likely to have children living with them, which are likely to contribute to higher household expenses.

Core Group 1 recipients were notably more likely to report physical disabilities (29%) or long-term physical conditions (53%), while Core Group 2 recipients were more likely to report mental health conditions (35%).

In terms of housing tenure, Core Group 1 recipients were more likely to own their home outright (32%) and live alone (62%), with the majority (68%) also paying by direct debit. In contrast, Core Group 2 recipients were less likely to own their home outright (17%) and were more likely to live with others (85%).

Figure 1: Electricity bill payment type by cohort



Note: Response to question: 'How do you pay for your electricity?' n = 4014.

Core Group 2 recipients were more likely than Core Group 1 recipients to pay their energy bills through pre-payment meters (28%), which are associated with a higher rate of fuel poverty than other payment types.²⁸ Core Group 1 were most likely to pay their gas and electricity by direct debit or standing order. Within Core Group 2, those who were unmatched were more likely to pay through pre-payment meters than those who were matched.

²⁷ Note that the measure of income is a pre-housing cost measure. Survey findings suggest that Core Group 2 are less likely to own their own home and so they are likely to, on average, have higher housing costs. Therefore, we cannot infer that Core Group 1 have lower disposable income (net of housing costs) on average than Core Group 2.

²⁸ DESNZ (2024) '[Annual Fuel Poverty Statistics in England, 2024 \(2023 data\)](#)'

The characteristics of the Core Group 2 Other cohort may reflect the reasons that it is harder to automatically match their address data, or why there is missing data on their housing characteristics. Recipients in this group were more likely to live in flats or maisonettes (67%), which may be more likely to have addresses formatted differently in the two datasets used for matching. They were also more likely to rent privately (57%) and were less likely to own a home (12%). Additionally, they were more likely to live alone (48%) compared to other cohorts.

Scheme communications, online eligibility checker and helpline

This section explores the effectiveness of scheme communications and platforms designed to support potential recipients to determine their eligibility and receive the WHD.

WHD awareness and sources of information

Nearly all interviewees had heard of the WHD scheme and knew how it differs from other energy support schemes, including the Winter Fuel Payment (WFP). There was a small number of interviewees who, when prompted about the WHD, initially confused it with the WFP, which was a more salient policy at the time of interviews due to the announcement in July 2024 by government that the WFP will be means-tested going forward. Most interviewees also had good knowledge of the overall value of the rebate (£150), the process for receiving it and their eligibility criteria.

Many interviewees had received the WHD in previous years. Some Core Group 1 interviewees who had been receiving the rebate for many years could not recall how they first heard about it. Many of those who had not received the WHD before, reported first hearing about the scheme from the government letter they received.

Other common ways of hearing about the WHD included from energy suppliers, charities, Citizens Advice, on the news, the Money Saving Expert website, word of mouth, from friends or relatives, online, and on the GOV.UK website.

“I got a letter through the post that said that I may be entitled to it, but I needed to go online and check and add my details.”

(Recipient interviewee, Core Group 2 Other)

A minority of survey respondents (12%) reported contacting their energy supplier about the WHD. The Core Group 2 No Letter (37%) and Core Group 2 Other (32%) cohorts were most likely to contact their energy company. The most common reasons for contacting the energy supplier were to check whether they had been notified of the recipient’s entitlement to the rebate (60%) and to find out when it would be received (33%).

Government letter

Generally, recipients across all cohorts reported a high-level of understanding of eligibility and process to receive the WHD. The table below shows that both matched and unmatched recipients reported a high level of understanding of most aspects of the letter.

A large share of matched recipients reported that they fully or mostly understood why they were eligible (92%), how the rebate would be paid (91%), how much they would receive (92%), and when they would receive it (88%). Similarly, a large share of unmatched recipients reported that they fully or mostly understood how to contact the helpline (96%), how much they would receive (91%), and whether they would need to provide additional information (86%).

Most interviewees recalled receiving the government letter and felt that it was informative on what the rebate is, the eligibility criteria, the timescales for receiving the rebate and the process for confirming eligibility where applicable.

"It explains everything on the letter, including why I qualify for it."

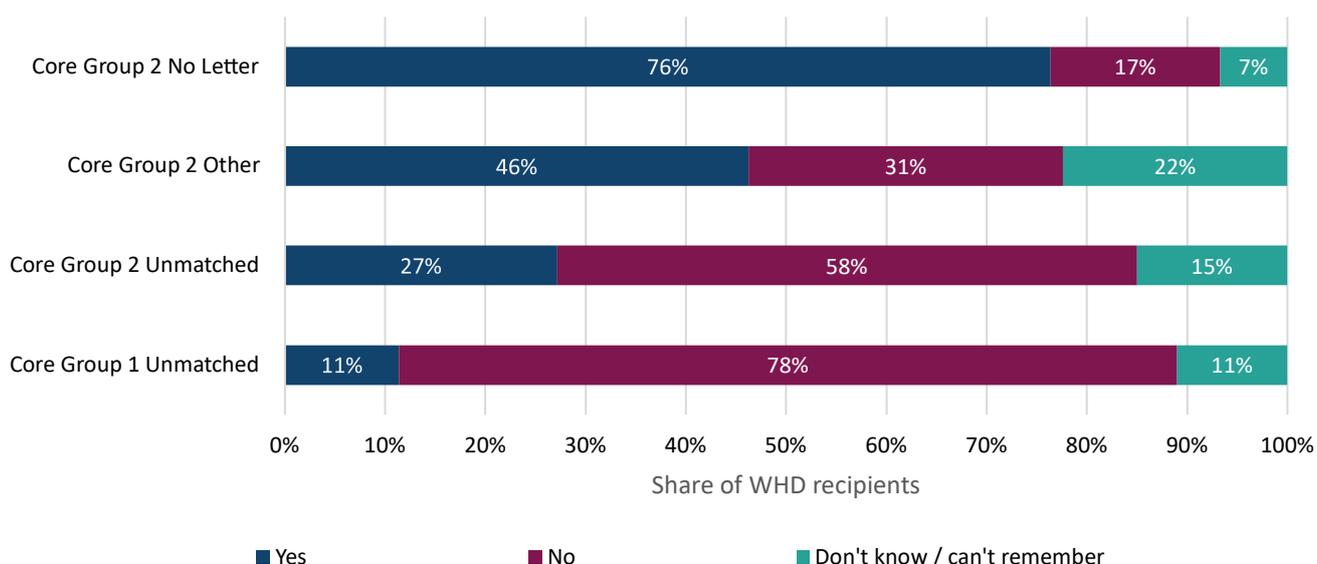
(Recipient interviewee, Core Group 1 Unmatched)

Some respondents said they did not expect to receive the letter, either because they did not know about the scheme and whether they are eligible, or because they were not sure whether they were still eligible having previously received the rebate.

Use of online eligibility checker

Just over a quarter (27%) of unmatched survey respondents reported using the online eligibility checker. As expected, the Core Group 2 No Letter cohort were most likely to use the eligibility checker (76%), followed by the Core Group 2 Other cohort (46%), with just over a fifth of Core Group 1 unmatched and Core Group 2 unmatched cohorts using the eligibility checker, as shown in Figure 2.

Figure 2: Use of the eligibility checker by unmatched cohorts



Note: Response to question, 'The government has an online tool which asks a series of questions to help you check if you are eligible for the Warm Home Discount. Did you use this online eligibility checker before you called the helpline?' (n = 548)

Whilst most interviewees were not aware of the eligibility checker, a small number were and had used it. This included unmatched interviewees who were directed to it from the letter, and those who proactively wanted to check their eligibility and found the link online.

"I wasn't aware of it before the letter, but then obviously it was stated on the letter, and I checked online, and it said I should be eligible."

(Recipient interviewee, Core Group 2 Unmatched)

"I checked that because I was not sure if I am going to receive the discount this year and then I found the website and I checked that I may be eligible."

(Recipient interviewee, Core Group 2 Other)

Most interviewees felt that the eligibility checker was straightforward and easy to understand. A small number of interviewees mentioned that some of the details requested were harder to locate, including the size of their property and the year when it was built.

"I thought it was pretty straightforward. It just asked some basic questions, and then the result came up saying yes you are eligible."

(Recipient interviewee, Core Group 2 Unmatched)

Only two suggestions were made on how the eligibility checker could be improved. One interviewee suggested that it might have been helpful if there was a chat support service for people who may find the webpage difficult to navigate, including older people or people with dyslexia. Another respondent mentioned that it would have been preferable if both checking eligibility and calling the helpline were merged into one service instead of having to go through a two-step process.

Use of the WHD helpline

All unmatched recipients needed to use the helpline to receive the WHD. Among those who reported not receiving a letter advising them to call the helpline, the most common reasons recipients called the helpline were because they had previously received the WHD (46%), they believed they should be eligible (23%), a friend or family member advised them to (14%) and they had been advised by their energy supplier to (13%).²⁹

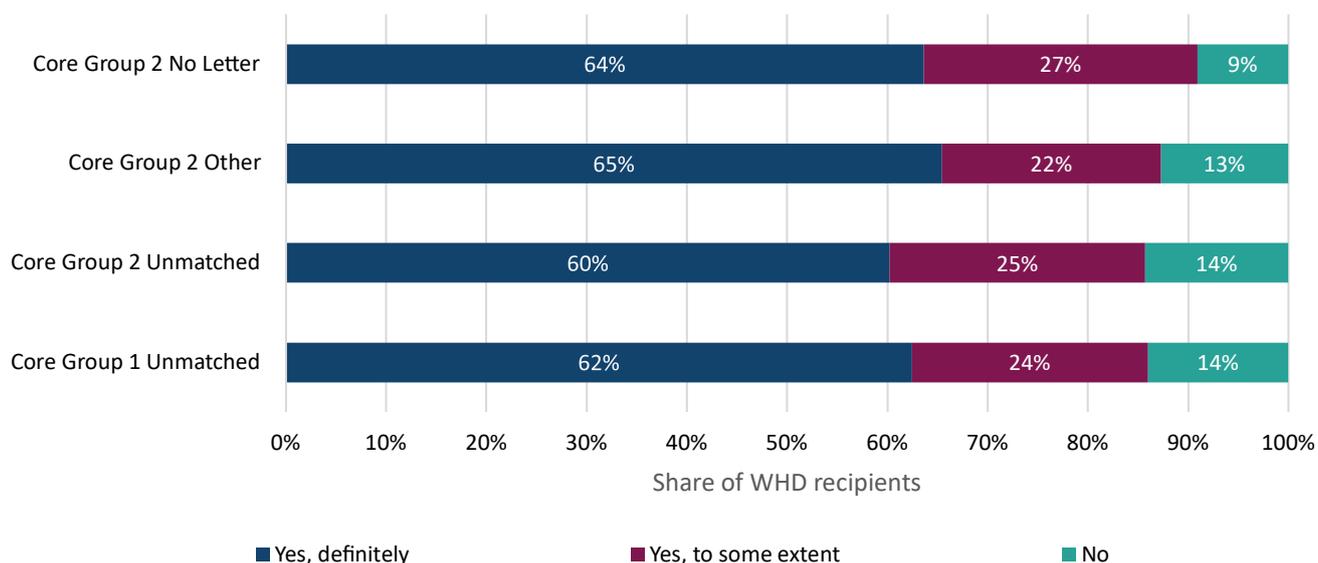
Just over 60% of all unmatched cohorts reported 'definitely' understanding their eligibility for the WHD scheme after using the helpline, as shown in figure 3. Only a small share reported not understanding their eligibility.³⁰ Differences across cohorts were not statistically significant. However, it is important to note that the sample only includes those that successfully claimed

²⁹ Note: one common reason to call the helpline may have been that a household first used the eligibility checker and this informed them that they may be eligible for the rebate and that they should contact the helpline. There was no option relating to this reason included in the survey, so it was not possible to report how many households' primary reason for using the helpline was being referred by the eligibility checker.

³⁰ Note: there was a large amount of recall bias in responses to questions on hearing about the scheme among un-/non-matched cohorts. For example, 63% of Core Group 1 unmatched and 65% of Core Group 2 unmatched reported received a letter saying they would get the discount automatically. These 'incorrect' responses have been removed from the sample for analysis in this section.

the WHD after using the helpline, so cannot capture the experiences of those who were not eligible or did not manage to claim the WHD.

Figure 3: Understanding of eligibility from use of the helpline



Note: Response to question: ‘Did the helpline staff explain why you were eligible for the discount in a way you could understand?’ (n = 548). Those reporting ‘I did not need an explanation’ and ‘don’t know’ excluded.

Most interviewees were aware of the helpline and had access to the number from the letter. A small number of matched interviewees had called it to confirm their eligibility, particularly those that had received the rebate for a number of years.

“It did say in the letter, if you want to check your eligibility then go on the gov.uk website and it gave you the information to check. But I knew I was eligible, as nothing had changed anyway, so I didn’t go online, I just called the helpline to confirm.”

(Recipient interviewee, Core Group 2 Unmatched)

Some unmatched recipients recalled calling the helpline to provide missing information, including their address, details about their property, benefits received, their electric account and energy supplier. Most of them stated that the process was straightforward, and the helpline had successfully supported them to resolve their issue. No suggestions for improving the helpline were raised by any of the recipients interviewed.

A small number of interviewees raised issues with the phone signal and being re-directed to different people on the phone. However, all of those managed to effectively provide their information and receive the rebate.

There was generally little awareness of what the energy cost score was among the interviewees. Only one respondent recalled challenging their energy score and described the process as going smoothly, including providing information about the property’s size and energy details.

Energy supplier views on the helpline

Some of the medium and large energy supplier representatives interviewed raised operational concerns on the use of the helpline to collect information from recipients and issue instructions to pay to the energy suppliers. They stated that the system has led to them receiving duplicates of payment instructions as well as instructions containing inaccurate recipient information.

“There have been some administrative failings of the helpline due to inefficiencies of their CRM [customer relationship management] system whereby we receive duplication. Sometimes we receive the same accounts to pay.”

(Medium energy supplier interviewee)

“They’re relying on what the customer tells them over the phone... but it feels like we see a lot of errors that lead us to not getting a match.”

(Large energy supplier interviewee)

Some energy suppliers also raised concerns that some unmatched eligible households may have missed out on the WHD because they do not contact the helpline. One supplier felt that an online account where recipients can manage their benefits, including receipt of the WHD scheme, may encourage more eligible unmatched households to claim the WHD and be less prone to error than sharing information via phone call. They suggested this could be linked to the eligibility checker, rather than having to call the helpline to provide details.

Several energy suppliers reported a delay in receiving instructions to pay unmatched recipients in the 2022/23 scheme year, which was caused by the company managing the helpline at the beginning of the delivery period going into administration. Respondents reported that this put significant pressure on them to fulfil their WHD obligation on time in that year. However, it was acknowledged by one respondent that the process was much improved in the following scheme year.

“The biggest obstacle we had was last year when the company managing the sweep-up process unexpectedly folded. It has been massively improved this year with [new helpline provider] managing it again for us.”

(Large energy supplier interviewee)

Scheme reforms

This section explores how rebate recipients and energy suppliers have experienced the reforms to the WHD scheme, first implemented in 2022/23.

Recipient experiences of the WHD reforms

Most recipients interviewed had a positive experience of receiving the WHD in either 2022/23 or 2023/24. Among the interviewed Core Group 2 matched recipients who were eligible before the reforms, most were appreciative of receiving the rebate automatically in comparison with having to proactively apply to their energy provider prior to the 2022/23 scheme year. Reasons listed behind this preference included not having to provide information that may be difficult to locate and not risking forgetting to apply.

Some unmatched interviewees also reported that the new process of providing missing information was more straightforward and easier to follow than applying as part of the Broader Group. For example, some mentioned that calling the helpline to confirm their details was easier and more efficient than having to fill a new application every year. Others expressed preference for talking to a real person on the phone who could answer their questions, rather than filling an online application.

"I used to apply for it by a certain date and sometimes due to my illness, I didn't always remember. So, some years I benefited from it, but other years the window closed."

(Recipient interviewee, Core Group 2 Unmatched)

"I think it's a little bit easier now because you call up, you either meet the criteria or you don't and then it's pretty simple. It's pretty straightforward now because you get to speak to a real person."

(Recipient interviewee, Core Group 2 Unmatched)

One concern about the reforms mentioned by recipients was that there may be some people who could be missing out on the WHD due to lack of awareness. Another concern was that recipients lack control over when they receive the rebate. Interviewees reported that they could receive the rebate any time between September and March. Some reported a strong preference towards receiving it in the earlier winter months so that they can better budget and adjust their energy consumption throughout the winter.

Supplier experiences with the WHD reforms

Energy supplier representative interviews expressed mixed views on the administration of the Core Group 2 compared to the previous Broader Group. On the whole, suppliers were positive about the reforms. Some medium and large suppliers stated that the Core Group 2 was easier to administer because more customers were being automatically matched and therefore receiving the rebate without additional marketing, engagement and verification by the supplier.

"I think definitely from a resource perspective within the supplier it has been a lot easier administering Core Group 2."

(Large energy supplier interviewee)

“In terms of how we run the scheme and how we administer payments, it's pretty easy on the whole for England and Wales. I remember what it was like before and that was far more difficult when you had to run a Broader Group for England and Wales.”

(Medium energy supplier interviewee)

Some large and medium energy supplier interviewees raised concerns that the ‘sweep up’ process for unmatched recipients, whereby they had to check internal customer records to check for errors in data passed to them by the helpline provider, was resource intensive. Some suppliers reallocated administrative staff towards the sweep up process. Some interviewees felt that the sweep up process was too slow at times, with reports of delays in receiving data from the helpline provider or, in one case, failure to receive data at all.

“There would have been an increase in our core sweep manual exceptions. The volumes last year were massively increased, so we had to throw a bit of additional resource at it too.”

(Large energy supplier interviewee)

The small energy suppliers interviewed did not report major issues to do with the ‘sweep up’ process for unmatched recipients. This could potentially be related to their smaller customer base leading to this process being less time and resource intensive for relevant staff.

“I think it [the ‘sweep up’ process] is not too bad. 90% of the accounts that we get through from the unmatched files are fine. The other 10% maybe we need to check.”

(Small energy supplier interviewee)

Some energy suppliers also raised concerns about the quality and timeliness of the data being sent to them from the helpline operators. One interviewee claimed that 15-20% of the recipient records sent to the energy supplier from the helpline provider required manual one-to-one review because of data mismatches, which took time and resource. They reported that there was a larger than expected volume of Core Group 2 unmatched recipients in particular whose details needed processing. Other reported data mismatch issues related to multiple family members with different surnames living at the same address, or family members with the same surname living at different addresses.

“The challenge has been the data matching not being as good. We have had to devote more resource to checking when we get sweep up data for the customers who call the [provider name] helpline.”

(Large energy supplier interviewee)

Impact of scheme reforms on administrative costs

Reducing supplier costs was a key aim of the WHD reforms. Several energy supplier representatives did report that the reforms had reduced the administrative costs of delivering the WHD scheme because replacing the Broader Group with Core Group 2 had hugely reduced the amount of data verification needed due to the efficiencies of data matching.

“The change from broader group to Core Group 2 in England and Wales, that’s probably where we’ve made a saving on administration costs for the [Warm Home Discount].”

(Large energy supplier interviewee)

Some smaller suppliers reported that the scheme reforms had actually increased their administrative costs as they had a larger proportion of customers contacting them directly and raising enquiries. However, these suppliers were not obligated to pay the WHD prior to the 2022 reforms, and so they did not previously face the costs of administering payments to the Broader Group.

“And in terms of administrative costs, I guess it [the reform] has probably added to it. We have more customers that contact us, and we’ve got more communications to send.”

(Small energy supplier interviewee)

Some interviewees contrasted the administrative costs of delivering the scheme in England and Wales with those in Scotland, where the Broader Group has not been replaced. They reported that the administrative costs for delivering the Broader Group in Scotland remained high and burdensome. This was particularly inefficient where Scottish WHD recipients made up less of the supplier’s customer base but most of their manual administrative focus.

“Scotland is a huge resource cost to be honest against England and Wales, even though it’s less portfolio, less customers in comparison”

(Medium energy supplier interviewee)

Delivery of rebates

This section focuses on delivery on the rebates themselves, and differences in the delivery process between energy suppliers and between England and Wales and Scotland.

Energy supplier experiences of delivering the rebates

Energy suppliers interviewed included those who had delivered the WHD since its introduction in 2011 and those who joined scheme delivery in 2022/23. Overall, delivering the rebate was described as straightforward by both groups and suppliers were supportive of the scheme and the groups that it targets. Furthermore, suppliers found it particularly easy to distribute the rebate to the matched cohorts and found government instructions and processes helpful.

“In terms of delivering the rebates, it’s great. We know exactly what our remit is. We receive the instruction; we do our own due diligence to ensure we are the supplier who’s obligated to pay that household.”

(Medium energy supplier interviewee)

“Applying the £150 inclusive of VAT across the board to the customers is a relatively straightforward exercise. I suppose the key learning was just making sure that our call centre team which deals with inbound customer queries both from calls and emails was up to speed.”

(Small energy supplier interviewee)

Some suppliers raised concerns that their customers lack a comprehensive understanding of the new eligibility criteria, following the replacement of the Broader Group with Core Group 2. This is in contrast with findings from the recipient survey and interviews. This apparent contradiction could perhaps reflect the fact that suppliers disproportionately engage with recipients who struggle with claiming the rebate or have queries on the eligibility criteria, or the fact that it was not possible to conduct research fieldwork with people who were eligible for, but did not successfully claim, the rebate.

Some suppliers suggested that recipient understanding could be improved if customers received further and more accessible guidance explaining eligibility.

“You got the new Scheme rules, and I think a lot of customers were very confused by that...we did see a lot of English and Welsh customers trying to apply for the broader group in Scotland.”

(Large energy supplier interviewee)

Some suppliers also stated that they received a high volume of calls from customers who did not receive the government letter to additionally enquire about their eligibility for the WHD. Suppliers mentioned directing these customers to the WHD helpline if they were required to provide additional information, or to alternative support schemes if deemed ineligible.

Delivery in England and Wales compared to Scotland

A significant delivery challenge mentioned by all suppliers interviewed irrespective of their size or target customer group was differences in administering the scheme in England and Wales compared to Scotland.

The main challenge highlighted by supplier interviewees was administering payment to Broader Group recipients in Scotland, who were still required to fill out an application to receive the rebate.

Many suppliers said that meeting the Broader Group target was challenging, with many having to do significant outreach to find enough eligible customers. They reported that some eligible customers were not aware of the scheme or that they had to apply for it. Others missed the application window and only contacted their supplier after the March deadline.

“The broader obligation has been much harder to hit the last couple of years. Customers just don't seem as keen to apply or aware of it. We've had to operate extensive customer mailing campaigns or e-mail campaigns or text campaigns to chase customers to make sure they're aware that the scheme exists and that they have to apply.”

(Large energy supplier interviewee)

“I would say that there is a challenge around the application process for Broader Group in Scotland, as many of the people applying via our website are not eligible.”

(Small energy supplier interviewee)

Some suppliers felt that this challenge of meeting their Broader Group obligation was made more difficult because Ofgem's calculation of Broader Group spending targets in Scotland was based on a supplier's overall UK customer base. Since some suppliers had a smaller proportion of customers in Scotland, they felt that their Scottish spending targets were disproportionately high.

As a result, administering the Broader Group in Scotland was reported as having an overall knock-on impact on scheme delivery in England and Wales. Some suppliers highlighted that they concentrated disproportionate amounts of their scheme delivery time, operational efforts and spending on reaching their Broader Group targets.

“Broader Group in Scotland costs us more money. We have to do a lot of direct marketing to try and find eligible customers.”

(Large energy supplier interviewee)

Industry initiatives

This section explores the delivery of the Industry Initiatives, seeking to understand the types of initiatives that were popular in different locations, and the effectiveness of their delivery, including in reaching the right target populations.

Energy supplier experiences of the reforms

Most energy suppliers interviewed felt that the reforms did not significantly affect their Industry Initiatives delivery as the majority of the respondents were previously delivering them on a voluntary basis. They felt there was substantial continuity with the previous scheme since the eligibility criteria for targeting different customer cohorts remained largely unchanged and they were able to engage with the same external partners to continue delivery.

“No major changes. Our partners cover the whole of the UK, so I do not think the split [between England and Wales, and Scotland] impacted it greatly.”

(Large energy supplier interviewee)

Two challenges were mentioned in relation to the reforms by a small number of respondents. Some suppliers highlighted the significant increase in the Industry Initiatives budget in scheme year 2022/23 as challenging to deliver in the context of low recipient participation rates and challenges with engaging the charity sector for delivery support. Other suppliers mentioned that having to deliver Industry Initiatives for England and Wales separately to Scotland was challenging as it required engaging delivery partners that cover the whole of the UK, and accounting for additional resources to administer, audit and deliver Industry Initiatives separately for England and Wales and Scotland.

“Separating England and Wales from Scotland, and doing the administering, providing evidence, and auditing them separately is inefficient.”

(Medium energy supplier interviewee)

Capacity to deliver Industry Initiatives and key delivery challenges

Ofgem monitoring data shows that spending on Industry Initiatives substantially increased after they were made compulsory. Suppliers delivered £44.3 million across England, Wales and Scotland through Industry Initiatives in scheme year 2022/23, up from £34.8 million in scheme year 2021/22.³¹ The majority of energy suppliers in England and Wales (16 out of 18) and Scotland (16 out of 18) met their Industry Initiative obligations.³²

The suppliers who failed to meet their spending obligations through Industry Initiatives, left a shortfall of £13,431 overall.³³ Whilst this may seem like a small amount in the context of the wider scheme, Ofgem highlighted that it is vital that suppliers make every effort to avoid a shortfall in any size given the importance of the scheme for many households.

Most of the energy suppliers interviewed relied on external partners to deliver at least some of their Industry Initiative activities. Many felt that being able to engage external partners was a strength of Industry Initiatives, since they felt partners were adept at identifying areas of deprivation that would benefit from additional fuel poverty support and achieving good recipient outcomes. Suppliers also stated that they often engage with multiple delivery partners to be able to meet their Industry Initiative obligation components and target different demographic and geographical areas. Some suppliers felt that they would face significant administrative costs to run activities themselves, and it is more efficient to use an external partner to deliver Industry Initiative activities.

Some energy supplier interviewees identified the overall increase in the Industry Initiatives budget between 2022/23 and 2023/24 as a significant challenge as it put pressure on them and delivery partners to spend more on activities within the same delivery timelines. Furthermore, some suppliers said that having to work to a hard end-of-March deadline was restrictive, stating that they would benefit from having some flexibility around the deadline.

³¹ Ofgem (2024) [‘Warm Home Discount Annual Report, Scheme Year 12’](#)

³² Ofgem (2024) [‘Warm Home Discount Annual Report, Scheme Year 12’](#)

³³ Ofgem (2024) [‘Warm Home Discount Annual Report, Scheme Year 12’](#)

“It would put less stress on them [delivery partners] if there was just a little bit more flexibility, instead of a hard deadline.”

(Large energy supplier interviewee)

One supplier felt that activities not linked to energy consumption, such as providing financial advice and providing household appliances, could be allowed to be extended beyond the March deadline.

Additionally, some suppliers mentioned that having hard spending caps on individual measures limited the impact that they could have on customers. One supplier suggested allowing more flexibility of how funds could be spent on the scheme to provide adequate support to some customers.

“You have a debt write-off cap of £2000, but you might have a customer that is in £4000 of debt. You are a bit limited in the impact you can have.”

(Medium energy supplier interviewee)

Choice of industry initiatives and rationale

In England and Wales, the largest proportions of spending were allocated for energy efficiency measures (£7.23 million, 21% of total spend) and financial assistance (£6.60 million, 19.2% of total spend). However, the categories where most customers received support were training (862,428) and energy advice (134,059).³⁴

On average, the spend per customer varied substantially between the different Industry Initiatives measures, from 0.55p on training to £335 on energy efficiency measures.³⁵ The spend per customer for some other measures was also comparable or higher than the £150 rebates. Examples include debt assistance (£168 average spend per customer), mobile home rebates (£160) and financial assistance (£112).

The most cited Industry Initiative activities carried out by interviewees were debt write-off, energy advice, financial assistance and boiler schemes. Other Industry Initiatives mentioned included income maximisation schemes, delivering electric blankets, and smart meter advice.

There were four new pilot initiatives introduced in England and Wales in 2022/23 aimed at better meeting the needs of vulnerable customers, all of which were deemed compliant.³⁶ These initiatives included providing non-monetary debt advice, providing in-home visits to provide energy saving advice, introducing a web-based entitlement finder to help locate benefit entitlements, and offering a holistic support package to vulnerable people in or at risk of fuel poverty.

³⁴ Ofgem (2024) [‘Warm Home Discount Annual Report, Scheme Year 12’](#)

³⁵ Author calculations based on Ofgem (2024) [‘Warm Home Discount Annual Report, Scheme Year 12’](#)

³⁶ Ofgem (2024) [‘Warm Home Discount Annual Report, Scheme Year 12’](#)

Many suppliers suggested that their choice of Industry Initiative was informed by their delivery partners' area of expertise. They felt that their partners were able to reach customers locally, as well as having well established internal processes and a specialised workforce to enable them to deliver Industry Initiative activities.

Other reasons for choosing specific suppliers or activities included achieving a wider Industry Initiatives reach across target populations, being able to better meet their spending obligations and better addressing recipient needs.

“They [the delivery partner] have very long-established schemes that are very well run, they have good governance, and we have seen the impact reports, we know they deliver good outcomes.”

(Large energy supplier interviewee)

“We have partnered with an external supplier as with most of the energy suppliers. They reach out to local authorities, councils, other charitable organisations, so they have their own customer database.”

(Small energy supplier interviewee)

Industry Initiatives effectiveness and geographical distribution

Ofgem reported that, following completion of an annual compliance assessment in scheme year 2022/23, the regulator was satisfied that the customers who received support through the Industry Initiatives were fuel poor or at risk of fuel poverty.³⁷

Ofgem was also satisfied that the Industry Initiatives delivered were at a reasonable cost in comparison with industry benchmarks, confirming that delivery costs were necessary to provide and manage the service effectively.

The initiatives were viewed by suppliers as generally being successful in creating a positive impact for vulnerable customers. Suppliers commented that anecdotally Industry Initiative activities have had a very good uptake and customers in fuel poverty were interested in participating.

“They [Industry Initiatives] have great response rates – who does not like the idea of a free energy efficient appliance.”

(Small energy supplier interviewee)

Some energy supplier interviewees further mentioned that these anecdotal observations are also backed up by the regular reports they receive from their partners, as well as their own reporting.

³⁷ Ofgem (2024) [‘Warm Home Discount Annual Report, Scheme Year 12’](#)

Suppliers stated that the key reason behind this success was working closely with delivery partners to target groups most in need, such as those situated in areas of high deprivation and impoverished rural communities. Interviewees also stated that partners were particularly good at targeting these communities because of the strong customer database they had established by working with local post offices, local authorities and other charitable organisations.

Furthermore, suppliers felt that they were successful in reaching customers across England, Wales and Scotland. Interviewees generally said that the Industry Initiatives they provide were nationwide, with one stating that they deliberately targeted a range of places to ensure wide coverage of customers.

“It is important to us to have variety [of locations]. We specifically have partners in different locations, [...] we try and capture everything with the philosophy of doing the right thing by fuel-poor customers.”

(Medium energy supplier interviewee)

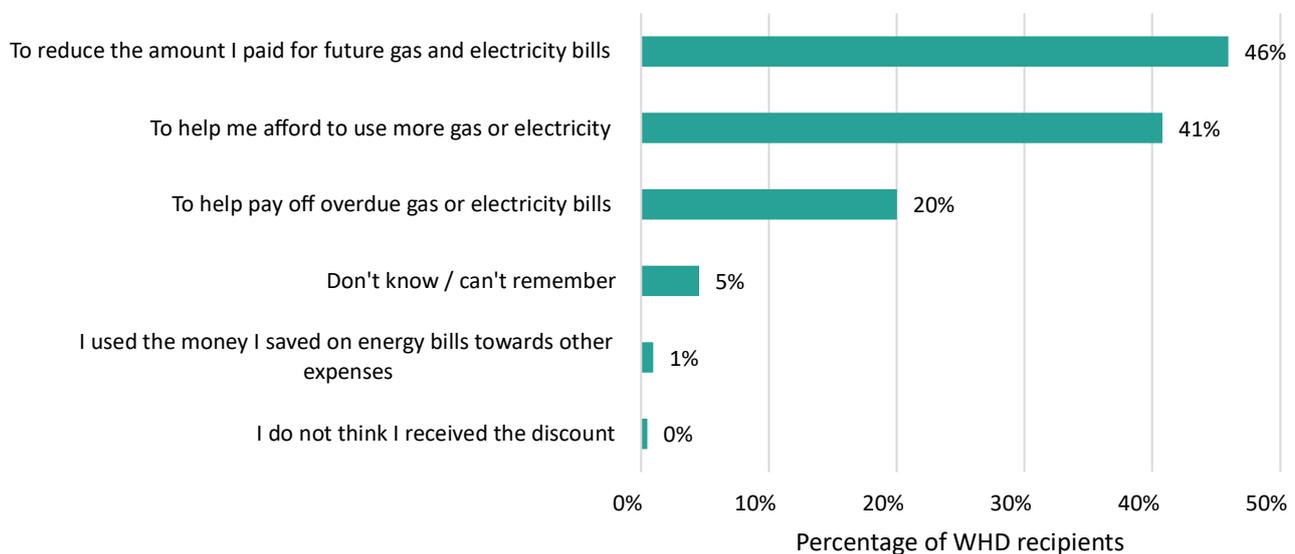
4. Evaluation findings: Emerging outcomes of the WHD

Outcomes

Use of the rebate

Recipients most commonly used the rebate to reduce their energy bills. Nearly half (46%) reported using the WHD to reduce the amount they paid on future energy bills. One in five (20%) used the rebate to pay energy bill arrears.³⁸

Figure 4: Use of the WHD rebate



Note: Response to the question: 'Once you received the Warm Home Discount payment, how did you use it? (Select all that apply)' (n = 3555)

Offsetting rising costs

Many recipients interviewed stated that they find it difficult to cover the cost of their energy bills during winter, and that increases in energy prices experienced across 2022/23 and 2023/24 affected them substantially. A large number said that as a result, they often had to make difficult choices between energy usage and other household expenses during this period. Many interviewees from each recipient group said that the WHD rebate provided them with financial relief, by reducing the cost of energy consumption.

³⁸ Note: surveyed respondents could select more than one response, so these categories are not mutually exclusive

“It takes a bit of weight off your shoulders because you don’t have to find extra money to keep the house warm. It’s a relief.”

(Core Group 2 No Letter interviewee)

Many interviewees stated that receiving the rebate helped to offset these rising energy costs to a degree, because it reduced the share of their overall energy bill that they had to pay. The rebate was considered by many to have brought peace of mind as a result. However, a large number stated that they still remained mindful due to the high costs.

“It was a like a little sigh of relief, that there was a little bit of money there that I could fall back on with the costs still being high.”

(Core Group 2 Matched)

Heating usage

Many recipients commented that as a result of rising prices, they decreased their gas and electricity consumption. For most, this amounted to a reduction in heating usage compared to previous years, with many adding that they increased their reliance on other measures to help keep warm, including wearing more clothes, using more blankets and making use of warmer spaces, such as libraries and relatives’ homes.

“We were very conscious about the costs. We didn’t put the heating on as often, we didn’t have a bath as often, because in the winter, it’s done through the central heating. So, we were very conscious to keep usage down, so that our bill was lower.”

(Core Group 2 Unmatched)

Two in five (41%) respondents reported increasing their energy consumption because of receiving the WHD (as shown in figure 4). However, a large majority (71%) said they ‘would have needed to reduce the amount of time spent with the heating on’ if they had not received the rebate, demonstrating that many perhaps thought of the WHD as helping them maintain energy consumption rather than increasing it.

A large number of interviewees from each recipient group stated that the rebate enabled them to heat their homes moderately more than they otherwise would have been able to, mainly by switching their heating on for longer or by setting it to a higher temperature. Many respondents said that they carefully limited the extent of these increases, due to high costs and constraints on their income.

“With the Warm Home Discount, I have been less worried about putting my storage heater on. Without the discount, I wouldn’t have put it on.”

(Core Group 1 interviewee)

Some interviewees stated that they did not increase their energy consumption as a result of receiving the rebate. A number added that this was because they gained assurance from keeping the rebate as additional credit in their energy account, in case it was needed later on (i.e., due to price rises, income fluctuations, or a drastic change in the weather). A small number from Core Group 2 said that the rebate enabled them to reduce their overall monthly bill payments, which made them more financially secure over a longer period.

“I don’t know if I did anything differently. The biggest thing is that it reduced my monthly payments overall.”

(Core Group 2 No Letter interviewee)

Among the interviewees that increased their energy consumption, a small number from Core Group 2 mentioned that they had separate accounts for gas and electricity and would have benefited more if they could have chosen to split the rebate across these accounts. Under the existing system, these households received the rebate in only one of these accounts, which prevented them from regulating their additional spending across gas and electricity usage.

Effects on wider spending

A large number of interviewees from each group stated that receiving the rebate allowed them to increase other household expenditures, because the rebate released money that would otherwise have gone towards paying for heating. This brought benefits to many, most notably a small number of interviewees from Core Group 1 and 2 who said that they often have to cut back spending on essentials (including food) during winter to afford heating.

A number of respondents from each group said that they purchased more food as a result of receiving the rebate, while several households from Core Group 2 said that they were able to afford other bills more comfortably, including rent. Many interviewees said that the rebate helped to ease financial pressure overall, as it reduced the extent to which they had to make difficult choices between heating usage and other household expenses.

“The £150 helps us buy food in those months because we have not got that going towards energy bills. We’re able to have that cushion to afford food and other minor bills.”

(Core Group 2 interviewee)

Targeting those at risk of fuel poverty

Accurately measuring the incidence of fuel poverty would require an extensive survey questionnaire, as is used for the English Housing Survey, which is the basis for the official measures of fuel poverty.³⁹ It was not possible through the survey to collect an accurate measure of fuel poverty to assess whether recipients were in or at risk of fuel poverty. Previous analysis conducted by DESNZ estimated that the WHD scheme reforms would increase the share of recipients who were fuel poor from 39% to 47%.⁴⁰ A key driver of this improved targeting is the replacement of the Broader Group, which was allocated on a first-come first-served basis, with Core Group 2, which explicitly included a high energy cost criterion.

Data collected through the survey and interviews suggests that a substantial minority of recipients face challenges keeping up with energy bills and keeping warm during winter. Even with the support provided by the WHD, nearly a quarter (23%) of survey respondents reported never or rarely being warm on a typical winter day. Nearly a third (32%) report finding it quite or very difficult to manage financially. A similar proportion (34%) report being behind with some or all bills.

Interviews with WHD recipients supported these findings. Whilst people reported positive perceived outcomes from receiving the WHD, for many this was against a challenging backdrop.

Many interviewees reported that they sometimes struggle to heat their homes. Frequently, this was because of their overall financial situation and rising energy costs. For a small number, this was related to low energy efficient housing, such as from poor insulation.

"Especially in the winter, it feels like I live in the Arctic. In the winter, I am paying five times more."

(Core Group 2 Other)

Among the interviewees that said they were able to increase their heating usage as a result of the rebate, a large number stated that this led to noticeable improvements in the warmth of their homes, with many adding that this resulted in increased comfort for them and their family members.

"I think it's just being happier. We have four kids and two are disabled. There is less of a need to lay up. The kids don't have to wrap up, or go to bed cold"

(Core Group 2 No Letter interviewee)

³⁹ ONS (2023) '[How fuel poverty is measured in the UK: March 2023](#)' [Accessed 19/12/24]

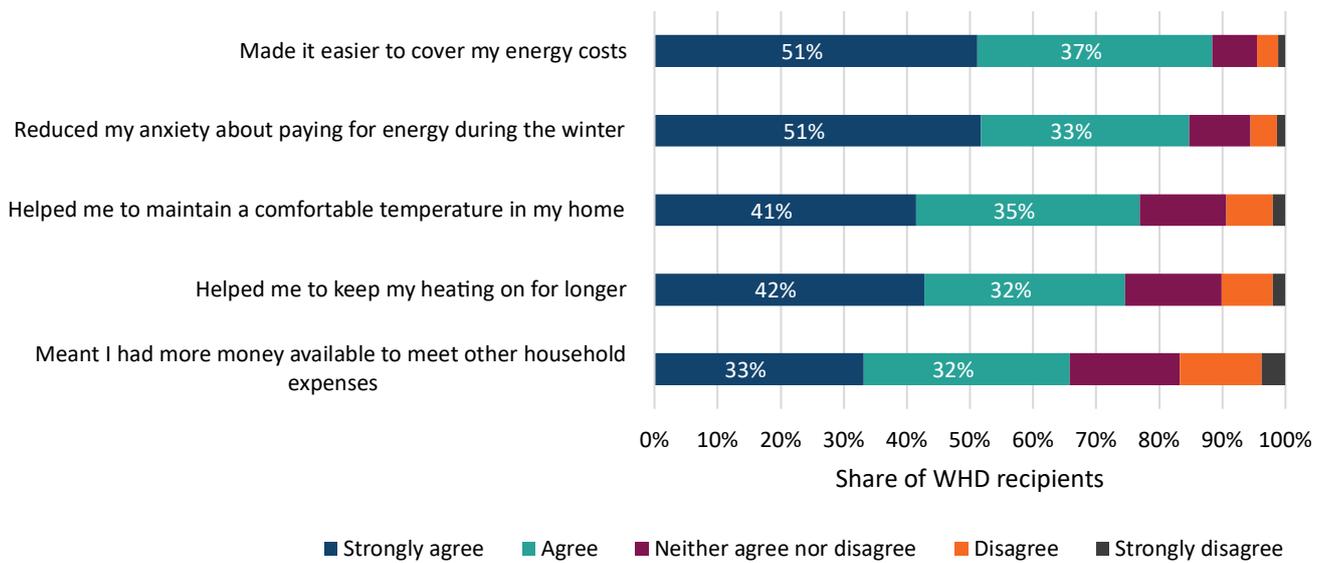
⁴⁰ BEIS (2022) '[Warm Home Discount, Better targeted support from 2022](#)', Final Stage Impact Assessment [Accessed 19/12/24]

Perceived outcomes achieved

Recipients generally reported very positive perceived outcomes from receiving the WHD. The vast majority reported that the rebate had made it easier to cover their energy costs (88% strongly agree or agree) and had reduced their anxiety about paying energy bills (84%). A substantial majority also reported that it helped them achieve comfortable warmth (76%).

All matched and unmatched cohorts reported similarly positive outcomes. There were no significant differences in self-reported outcomes across cohorts.

Figure 5: Reported outcomes from receiving WHD



Note: Response to questions: 'Please say how much you agree or disagree with the following statements' (n = 3555)

Health and well-being

A significant number of interviewees within each recipient group also mentioned that either they or a member of their household suffers from a physical disability or other health condition. These respondents in particular emphasised the importance of being able to keep their homes warm. Among this group, a large number stated that the rebate enabled them to heat their home more and consequently helped them or their family member to cope better with health difficulties.

"I am more comfortable, definitely. Less physical pain. The cold causes a lot of ache and pain."

(Core Group 1 interviewee)

Most interviewees from each recipient group also stated that receiving the rebate created a positive overall impact on their mental well-being. The most commonly cited reason for this was that the financial support provided by the rebate helped to alleviate stress and anxiety around being able to heat their homes while also being able to afford other household expenses. Being able to keep their homes warmer, and the added comfort that this brought, also contributed to many feeling in a more positive state of mind.

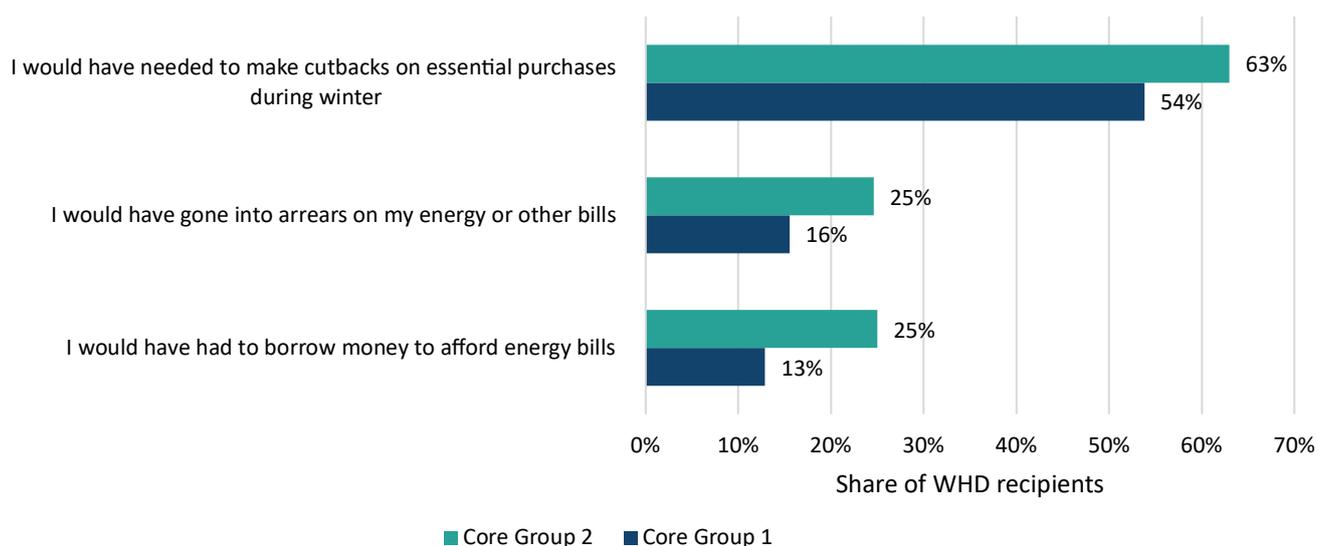
“Your mental health improves, because you are not stressed. You don’t have to worry, and then obviously this has a knock-on effect on the people around you, with your family, friends, your kids, knowing you are in a better mood.”
 (Core Group 2 unmatched)

Differences between Core Group 1 and 2

There were some important differences between Core Group 1 and 2 in the actions they reported they would have taken without the WHD. As shown in Figure 6, Core Group 2 were significantly more likely than Core Group 1 to report that they would have needed to cut back on essential purchases during winter (63% compared to 54%), have gone into arrears on energy or other bills (25% compared to 16%) and have had to borrow money to keep up with their energy bills (25% compared to 13%).

In contrast, Core Group 1 and 2 were equally likely to report that they would have taken actions to try to reduce energy consumption, such as by reducing time with the heating on or the number of rooms being heated.

Figure 6: Actions that would have been taken without the WHD



Note: Response to question: ‘What do you think would have happened if you had not been eligible for the discount? (Select all that apply)’. Only options where a significant difference between Core Group 1 and 2 is found are shown. (n = 3555)

The differences between Core Group 1 and 2 in the reported actions they would have taken if they had not received the WHD may be related to the differences in the challenges managing winter warmth and energy bills that they face. On average, Core Group 2 reported greater challenges on subjective indicators of fuel poverty than Core Group 1:

- 40% of Core Group 2 were behind with some or all bills compared to 19% of Core Group 1
- 39% of Core Group 2 report finding it quite or very difficult to manage financially, compared to 20% of Core Group 1
- 26% of Core Group 2 report never or rarely being warm enough at home in winter compared to 15% of Core Group 1

Differences between other household characteristics and demographics

Table 2 widens the analysis to consider whether household characteristics including housing tenure, ethnicity, cohort and age had an impact on the perceived outcomes reported from receiving WHD. The table summarises regression analysis conducted by showing only statistically significant results.⁴¹ The table highlights the following important differences between household types:

- Social renters were more likely to use the WHD to increase energy consumption, and less likely to reduce future gas or electricity bills or pay off overdue bills, more likely to say the WHD helped them achieve adequate warmth and free up money for other expenses
- In contrast, private renting made someone more likely to use the WHD to pay off overdue bills, and less likely to report that the WHD made it easier to cover energy costs and freed up money for other expenses
- Ethnic minorities were more likely than White British households to use the WHD to pay off overdue energy bills and less likely to report that the WHD made it easier to cover energy costs

⁴¹ Regression analysis is a statistical process for estimating the relationship between a dependent variable (in this instance the outcomes column) and a set of independent variables (in this instance household characteristics including housing tenure, ethnicity, cohort and age). This analysis used logistic regression.

Table 2: Household characteristics with significant impacts on outcomes

Outcome	Characteristics making outcome more likely	Characteristics making outcome less likely
Used WHD payment to reduce future gas and electricity bills	<ul style="list-style-type: none"> • Homeowner (outright) • No disability 	<ul style="list-style-type: none"> • Social renters • Having a disability
Used WHD payment to help pay off overdue gas or electricity bills	<ul style="list-style-type: none"> • Single adult with children, couple without children • Private renters • Ethnic minorities • Core Group 2 Other 	<ul style="list-style-type: none"> • Single adults without children • Social renters • White British
Used WHD payment to help afford to use more gas or electricity	<ul style="list-style-type: none"> • Social renters • White British • Having a disability 	<ul style="list-style-type: none"> • Homeowners (outright) • Ethnic minorities • Core Group 2 Other • Own house outright
Found it easier to cover energy costs because of the WHD payment	<ul style="list-style-type: none"> • Core Group 1 matched 	<ul style="list-style-type: none"> • Private renters • Ethnic minorities
Found it easier to maintain a comfortable temperature at home because of the WHD payment	<ul style="list-style-type: none"> • Core Group 1 unmatched • Social renters 	<ul style="list-style-type: none"> • Owned home outright
Had more money available to meet other household expenses because of the WHD payment	<ul style="list-style-type: none"> • Social renters 	<ul style="list-style-type: none"> • Owned home outright or with mortgage, private renters

5. Conclusions and next steps

Summary of key findings

The findings from phase one of this evaluation provide a basis to assess whether the aims of the 2022 reforms have been met:

- **Better targeting fuel poor households** – targeting was not directly assessed through the evaluation, as data was not collected on the fuel poverty status of recipients. The evaluation did collect evidence that a large share of WHD recipients face difficulties adequately warming their home during winter and keeping up with energy bills. Core Group 2, on average, face more difficulties on these measures than Core Group 1, which may reflect the additional targeting criteria relating to energy costs in place for Core Group 2 relative to Core Group 1.
- **Increasing the level of support provided** – the rebate was increased in nominal terms from £140 to £150. While recipients reported positive outcomes from the scheme, this was against a very challenging backdrop of rising energy bills. For many recipients, this meant that they saw the WHD as helping to offset rising energy costs, but many still faced challenges affording energy bills.
- **Simplifying the process to access the rebate for many households** – many Core Group 2 recipients who had previously accessed the WHD as part of the Broader Group appreciated receiving the WHD automatically, and energy suppliers reported that the reforms had reduced their administrative burden of delivering the scheme. However, a small number of Core Group 2 households for whom there is missing information meaning they don't have an energy cost score, still face a lengthier process to access the scheme by providing information to the helpline.

In all, the evidence gathered in phase one of this evaluation provides an indicative suggestion that the 2022 reforms may have been effective at meeting their aims. Further analysis of targeting and other factors affecting recipients' spending power should be considered in future phases to better contextualise the relative benefit or effectiveness of WHD.

One challenge that has arisen has been the quality of data provided to energy suppliers from the helpline for unmatched cohorts. Energy suppliers felt that this meant that a small number of cases created a relatively large administrative burden for them.

Wider lessons

Phase one of this evaluation has highlighted several wider lessons for future iterations of the WHD scheme or future energy bill relief schemes. This section highlights some of these wider lessons, and some suggestions for improvements to the scheme from recipients and energy suppliers (separately identified by bold text) that may warrant further consideration.

Accessibility issues

The shift from an application-based Broader Group to a data-driven Core Group 2 model has simplified the process for recipients to access the scheme. This success demonstrates the value of data matching property and energy cost data to identify high-need households.

However, several energy suppliers reported challenges relating to data accuracies, with mismatched records creating inefficiencies. It is also possible that some types of households are more likely to miss out on support due to being eligible but not successfully claiming via the helpline. Prioritising improved data integration, and quality-checks on recipient data provided may reduce inefficiencies for energy suppliers.

Supplier recommendation: Some suppliers suggested offering recipients access to online accounts for managing benefits, thus potentially reducing errors and streamlining administration.

Efficiency and flexibility

Automatic payment processes introduced for matched customers appear to have been widely praised for reducing administrative burdens and ensuring timely rebate distribution. However, energy suppliers noted that rigid deadlines for delivering Industry Initiatives and spending caps on individual support measures limited their ability to address specific needs. The benefits of this flexibility for suppliers should be balanced against the fact that much fuel poverty support will be most valuable during the winter period, which is ensured by the current deadlines.

Supplier recommendation: Some energy suppliers suggested granting suppliers greater discretion in resource allocation and extending delivery deadlines.

Recipient recommendation: Some recipients requested being able choose when rebates are disbursed to improve household budgeting and energy planning.

Communication and engagement

Clear communication of eligibility criteria and scheme processes is crucial for improving accessibility and user satisfaction. While recipients generally valued the government's communications and the online eligibility checker, some recipients and energy suppliers were concerned that some eligible households from unmatched cohorts may be confused about their eligibility and missing out on the rebate.

Recipient recommendation: One recipient recommended improving the clarity and accessibility of guidance materials, and integrating a chat function into the eligibility checker.

Addressing differences in delivery between England and Wales and Scotland

The administrative challenges posed by Scotland's continued reliance on a Broader Group model sometimes diverted energy suppliers' administrative resource from delivering the England and Wales scheme. Suppliers reported high administrative costs and inefficiencies in managing applications from a smaller Scottish customer base. Aligning Scotland's delivery model with the streamlined processes in England and Wales could reduce administrative overheads and ensure consistency in recipient experiences.

Operational resilience

The disruption caused by the administrative failure of the helpline provider during the 2022/23 scheme year highlights the importance of robust contingency planning. Future schemes should incorporate mechanisms to ensure continuity in service delivery, such as maintaining backup providers and diversifying communication channels.

Next steps

Phase two of the evaluation will include further fieldwork with recipients and energy suppliers on their experiences and outcomes of the WHD in 2024/25 and 2025/26. Interviews will be conducted with recipients in both scheme years. A second wave of the recipient survey will be conducted in 2026 with recipients in the 2025/26 scheme year. Energy supplier interviews will also be conducted in 2026. This will draw on further evidence around the effectiveness of the scheme. The final evaluation report will cover findings from all fieldwork conducted across the evaluation, to draw out experiences and outcomes of the WHD from 2022/23 to 2025/26.

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