UK Government

Warm Home Discount industry initiatives: insulation and microgeneration measures

Consultation

Closing date: 20 December 2026

Department for Energy Security and Net Zero (2026)

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Introduction

The Warm Home Discount is a key policy in the government's approach to tackling fuel poverty and reducing the energy costs of low-income and vulnerable households. The schemes in England and Wales and in Scotland operate primarily through £150 energy bill rebates, funded through a levy on domestic gas and electricity customers.

Since 2011, the Warm Home Discount scheme has provided almost £6bn in support to low-income and vulnerable households. In winter 2025/26 alone, around 5.7 million households were supported through a £150 rebate taken directly off their electricity or gas bill.[1]

Alongside bill rebates, obligated energy suppliers must fund approved 'industry initiatives' that provide additional help to consumers, either directly or through delivery partners. Industry initiatives are defined broadly in the Warm Home Discount regulations, giving suppliers flexibility to design targeted support within broad categories and limits. Eligible activity currently includes energy advice, energy debt support, benefit entitlement checks, assistance with managing energy costs, support for people living in park homes, energy efficiency and thermal efficiency measures, energy efficient appliances and electricity microgeneration technologies such as solar panels. The current framework does not, however, set specific consumer protection and quality assurance requirements for insulation and microgeneration measures. This differs from the approach taken in other government schemes.

The government recently consulted on how the consumer protection system for home upgrades should be reformed to support delivery of the Warm Homes Plan.[2] While the reforms to consumer protection systems are in development, the government is now consulting on a proposal to remove insulation and microgeneration measures from eligible industry initiatives in England and Wales.

Following removal, suppliers would need to deliver their obligations through other industry initiative support, so the government is also consulting on changes to the limits placed around other industry initiatives to enable that delivery.

In Scotland, fuel poverty and some aspects of the design of the Warm Home Discount Scheme are devolved. The UK government is consulting on a position reflecting Scottish Government's preferred position and agreed with the Scottish Government to introduce additional controls on insulation and microgeneration installs carried out under Warm Home Discount industry initiatives in Scotland.

The government seeks evidence to inform the final decision and its implementation, including evidence on consumer impacts, delivery, redistribution of funding, transition, equality and environmental effects.

This consultation is relevant to energy suppliers, delivery partners, installers, consumer and fuel poverty organisations, regulators, standards and certification bodies, local authorities, housing providers, and households with experience of measures delivered through industry initiatives.

[1] DESNZ (2026) 'Warm Home Discount statistics, 2025 to 2026'
[2] DESNZ (2026) 'Reforming Consumer Protection for Home Upgrade Schemes'

General information

Why we are consulting

The government wants support funded through the Warm Home Discount to be safe, effective and targeted at households in, or at risk of, fuel poverty. Insulation and microgeneration can provide longer-term benefits, but poorly designed, unsuitable or substandard measures may expose consumers to risks including property damage, inadequate advice, ineffective guarantees and unclear routes to redress.

The current Warm Home Discount framework does not prescribe a comprehensive set of specific consumer protection and quality assurance requirements for insulation and microgeneration measures delivered through industry initiatives. The government recently consulted on wider reforms to consumer protection for home energy improvements.[3] Pending the development of that framework, the government's proposed approach is to remove these measures from the Warm Home Discount in England and Wales, rather than create a separate interim regime.

The consultation seeks evidence on the proposed removal, its consequences and practical implementation. Respondents who do not support removal are invited to set out what alternative action the government should take to address the identified consumer protection and quality assurance risks.

The Scottish Government has proposed a different approach for the Scotland Warm Home Discount Scheme, so we are also seeking evidence on how their proposed approach should be implemented in Scotland.

Consultation details

Issued: 23 November 2026

Respond by: 20 December 2026 (11:59pm)

Enquiries to:

Warm Home Discount Team
Department for Energy Security and Net Zero
3 Floor, 3-8 Whitehall Place
London
SW1A 2AW

Email: whd.consultation@energysecurity.gov.uk

Consultation reference: Warm Home Discount industry initiatives: insulation and microgeneration measures

[3] DESNZ (2026) 'Reforming Consumer Protection for Home Upgrade Schemes'

Audiences:

Energy suppliers; delivery partners; installers; consumer and fuel poverty organisations; regulators; standards and certification bodies; local authorities; housing providers; environmental organisations and interested individuals.

Territorial extent:

The Warm Home Discount applies across Great Britain, with different Regulations giving effect to a slightly different regime in Scotland to that applicable in England and Wales. These proposals distinguish between the amendment to the Scheme proposed in England and Wales and the amendment proposed to the Scheme in Scotland, where we are consulting on behalf of the Scottish Government.

How to respond

Respond online at:

https://energygovuk.citizenspace.com/home-local-energy/whd-insulation-microgeneration

Email to:

whd.consultation@energysecurity.gov.uk

Write to:

Warm Home Discount Team
Department for Energy Security and Net Zero
3 Floor, 3-8 Whitehall Place
London
SW1A 2AW

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018, the UK General Data Protection Regulation and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our privacy policy.

We will summarise all responses and publish this summary on GOV.UK. The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the government's consultation principles.

In this instance the government has adopted a four-week consultation window. This timeframe is necessary to ensure that any potential changes to the Warm Home Discount Regulations can be made in time to take effect for the next scheme year. To mitigate the shorter timeframe, the consultation has been targeted towards stakeholders most likely to be affected and to hold relevant evidence to inform the consultation.

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

The proposals

The Warm Home Discount and industry initiatives

In addition to providing £150 energy bill rebates, the Warm Home Discount scheme requires obligated energy suppliers to deliver wider support through industry initiatives. Industry initiatives are supplier-funded activities that provide flexible and targeted assistance to households in, or at risk of, fuel poverty. Energy suppliers may deliver support directly or through delivery partners such as charities, local authorities and community organisations.

Eligible activities currently include energy advice, energy debt support, benefit entitlement checks, assistance with managing energy costs, support for people living in park homes, energy efficiency and thermal efficiency measures, energy efficient appliances and microgeneration technologies.

These initiatives are intended to complement rebate provision by helping households reduce energy costs, improve energy affordability, increase the energy performance of their homes and access wider support services, while enabling suppliers to respond to local needs that may not be addressed through a bill rebate alone.

The industry initiative framework is deliberately broad, enabling suppliers to respond to different customer needs and delivery opportunities but there are requirements and limits set out in the regulations for some types of initiative to ensure that these initiatives benefit consumers and are good value for money.

The Secretary of State (England and Wales) and Scottish Ministers (Scotland) can also define ‘Specified Activities’ through a published notice, allowing additional measures not currently in regulations to be carried out by energy suppliers as part of their non-rebate obligation.

The issue under consideration

Insulation and microgeneration can provide longer-term benefits by reducing energy use, lowering bills or generating electricity. However, poorly designed, unsuitable or substandard measures may cause consumer detriment. In most cases, work on government schemes is safe and carried out to a high standard. However, evidence of failings in Energy Company Obligation 4 and the Great British Insulation Scheme highlighted weaknesses in the current consumer protection and oversight framework for home upgrades. The risks include poor installation, damage to property, inadequate assessment or advice, ineffective guarantees, unclear accountability and difficulties obtaining redress. Such risks are particularly concerning where support is provided to households that may be vulnerable.

Energy suppliers remain responsible for ensuring that activity funded through their Warm Home Discount obligations complies with the scheme requirements and offers good outcomes to households through clear consumer protection, quality assurance and remediation processes. Where third parties undertake delivery, energy suppliers are expected to carry out appropriate due diligence and oversight, including having assurance arrangements in place to support quality installations, effective complaint handling, and timely remediation where issues arise. However, the Warm Home Discount Regulations do not currently prescribe specific

installation standards, accreditation requirements or redress arrangements for all insulation and microgeneration activity.

The government is not aware of evidence of widespread consumer detriment arising specifically from these measures under industry initiatives. Nevertheless, given the nature of the potential risks of the current setup and the ongoing development of a reformed consumer protection framework, the UK government is proposing the precautionary removal of insulation and microgeneration measures from industry initiatives in England and Wales available through the Warm Home Discount, pending refinement of the consumer protection framework (see below).

Policy objectives

The government's objectives are to:

- protect consumers receiving support through industry initiatives
- support safe, high-quality and effective delivery
- maintain clarity and coherence between the Warm Home Discount and wider consumer protection reforms
- ensure industry initiatives remain targeted, deliverable and provide value for money; and
- manage the transition proportionately and minimise disruption

Options under consideration

England and Wales

Remove insulation and microgeneration measures

Under the government's proposal, insulation and microgeneration measures would cease to be eligible industry initiatives in England and Wales from the effective date of the legislation coming into force, expected to be spring 2027. This would be subject to the final decision and legislation. This means energy suppliers would not be permitted to count the cost of these measures towards their required industry initiatives spend from this time.

The government would consider the case and arrangements for next steps and/or the option of reintroducing these measures once the consumer protection framework has been reformed and applicable standards going forwards have been clarified, work which is currently ongoing. The reintroduction of insulation and/or microgeneration measures would be dependent on overall consumer framework considerations.

Removal of the measures would avoid establishing a separate interim consumer protection regime solely for industry initiatives under the Warm Home Discount Scheme. Removal would reduce exposure to installation-related risks through this route but would also remove a source of longer-term home energy improvements for some households.

Reallocation of Industry Initiative Funding

Industry initiatives spend is fixed within the overall Warm Home Discount scheme and would not be reduced as a result of removing insulation and microgeneration measures. Funding

currently used for insulation and microgeneration would remain available for other eligible industry initiatives activities or Specified Activities.

The government would expect suppliers to redirect expenditure to other types of industry initiative such as energy advice, energy debt support, benefit entitlement checks, assistance with managing energy costs, support for people living in park homes and providing energy efficient appliances, subject to the scheme rules and Ofgem approval arrangements.

The government therefore seeks evidence on the most effective use of this funding. There are currently limits to how much money obligated suppliers can spend on debt relief and financial assistance payments and who can receive such support, so we are seeking views on whether changes are needed to the limits around these (or any other) existing initiatives, and any new forms of support that could better assist households in or at risk of fuel poverty. The government also welcomes views on how suppliers can retain appropriate flexibility in delivering support.

Plug-in solar products

For the purposes of this consultation, plug-in solar products are treated as microgeneration and would therefore no longer be eligible as an industry initiative under the proposal. The government is not consulting on a separate exemption for plug-in solar products.

Implementation and transition

The government recognises that suppliers and delivery partners may have activity that is approved, notified to Ofgem, contracted or in progress. To manage existing commitments fairly and practically, our proposal is that insulation or microgeneration activity industry initiatives can proceed where a supplier or delivery partner has formally notified Ofgem of the planned works before the amended regulations come into force. It is proposed that the new approach should apply only to Industry Initiative notifications submitted to Ofgem after the amended regulations come into force. Ofgem approves such notifications where it is satisfied that the proposals appear to meet the relevant legislative requirements. This approach is intended to avoid creating any new delivery without the proposed consumer protections in place.

As part of the transition, we would encourage energy suppliers to consider that there are adequate consumer protections in place in relation to any proposed insulation or microgeneration work being commenced prior to the new amendment regulations coming into force. Energy suppliers remain responsible for ensuring that activity funded through their Warm Home Discount obligations complies with the scheme requirements and offers good outcomes to households through clear consumer protection, quality assurance and remediation processes. Where third parties undertake delivery, suppliers are expected to carry out appropriate due diligence and oversight, including having assurance arrangements in place to support quality installations, effective complaint handling, and timely remediation where issues arise.

Scotland

Fuel poverty and some aspects of the design of the Warm Home Discount scheme in Scotland are devolved matters. The UK government is consulting on behalf of the Scottish Government regarding the future treatment of insulation and microgeneration measures delivered through Warm Home Discount industry initiatives in Scotland.

The Scottish Government's preferred approach is to continue permitting insulation and microgeneration measures under Warm Home Discount industry initiatives in Scotland where adequate protections can be implemented to ensure the work is done to a good standard. Such measures would need to be installed alongside publicly funded measures delivered by local and national government retrofit schemes and meeting the requirements set out for eligible measures and quality set out within those schemes. For example, this could be by requiring a declaration of eligibility to have been provided by a relevant local authority and only provided to those installers that meet the same quality standards and consumer protections required to attract public finance. Further or alternatively, energy suppliers could be required to appoint an independent Clerk of Works to supervise projects funded as part of industry initiatives.

Consultation questions

Unless stated otherwise, all respondents may answer the questions. Questions seeking delivery data are particularly directed to energy suppliers, delivery partners, installers, standards bodies and Ofgem.

1. **Have you delivered, funded or overseen insulation measures, including but not limited to solid wall insulation, cavity wall insulation, loft insulation, through Warm Home Discount industry initiatives?**

   - Yes
   - No
   - Don’t know

   If yes, describe the type of measure, delivery route, approximate scale and relevant scheme year or years. Do not include personal data.

2. **What consumer protection and quality assurance arrangements, if any, have you applied or required for those insulation measures?**

   Please provide evidence on property assessment, installer competence, technical standards, accreditation, guarantees, monitoring, complaints, redress, audit and the responsibilities of each party.

3. **Have you delivered, funded or overseen microgeneration measures, such as solar photovoltaic panels, through Warm Home Discount industry initiatives?**

   - Yes
   - No
   - Don’t know

   If yes, describe the type of measure, delivery route, approximate scale and relevant scheme year or years. Do not include personal data.

4. **What consumer protection and quality assurance arrangements, if any, have you applied or required for those microgeneration measures?**

   Please provide evidence on property assessment, installer competence, technical standards, accreditation, guarantees, monitoring, complaints, redress, audit and the responsibilities of each party.

The following questions (5-16) relate to industry initiatives in England and Wales only.

5. To what extent do you agree or disagree with the proposal to remove insulation and microgeneration measures from eligible industry initiatives until the new consumer protection framework is in place?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

6. What would be the principal benefits of removal?

Please address consumer protection, access to longer-term energy savings, delivery capacity, market impacts, scheme administration and coherence with wider government programmes, as well as any other benefits you consider relevant.

7. What would be the principal disadvantages of removal?

Please address consumer protection, access to longer-term energy savings, delivery capacity, market impacts, scheme administration and coherence with wider government programmes, as well as any other disadvantages you consider relevant.

8. What effect would removal have on the Warm Home Discount's ability to support households in, or at risk of, fuel poverty?

- Very positive effect
- Somewhat positive effect
- No significant effect
- Somewhat negative effect
- Very negative effect
- Don't know

Please explain your answer and provide supporting evidence where possible.

9. If insulation and microgeneration measures are not removed, what action do you consider the government should take instead?

Please describe the alternative approach, including any safeguards or requirements that could apply, how it would address consumer protection and quality assurance risks, who would be responsible for delivery and oversight, and whether it could be implemented before the next scheme year. Please also consider if different measures might need different approaches. Provide supporting evidence on feasibility, costs and likely impacts.

10. What effect would the proposed removal have on suppliers, delivery partners, installers and existing delivery models?

Please provide evidence on delivery capacity, contractual arrangements, supply chains, administrative impacts, costs and any wider market effects.

11. If insulation and microgeneration are removed, should there be any changes to the rules around other industry initiatives to enable suppliers to reallocate the associated expenditure?

- Yes
- No
- Don't know

Please set out any potential changes. For example, allowing more funding to go to debt relief or financial assistance payments, changes to the people eligible for such support, or changes to the nature of such support. Please explain your answer and the expected effect on the number and types of households supported.

12. Should the government consider adding any alternative eligible industry initiatives activities or Specified Activities if insulation and microgeneration are removed?

- Yes
- No
- Don't know

If yes, describe the activity, intended consumer benefit, likely cost, delivery model and any necessary safeguards or regulatory changes.

13. Do you agree with the government's proposed timings and treatment of future work that has already been approved?

Please provide views on the treatment of completed work, work already underway, binding contractual commitments and future planned activity. Identify any necessary notice period, cut-off date or transitional provision.

14. The government will undertake an Equalities Impact Assessment and a Public Sector Equality Duty assessment for any potential policy change. What impacts could removal have on people with protected characteristics or on other groups of consumers?

Please provide evidence on positive or negative impacts and suggest proportionate mitigations where relevant.

15. The government will undertake an Environmental Impact Assessment for any potential policy change. What environmental impacts could removal of these Industry Initiatives related to insulation and microgeneration have?

Please consider energy use, carbon emissions, material use, waste, building condition and any indirect effects. Suggest proportionate mitigations where relevant.

16. Is there any further evidence the government should consider when deciding whether and how to implement the proposed removal?

Please identify the source and relevance of any evidence provided.

The following questions (17-19) relate to industry initiatives in Scotland only.

17. Do you agree with the Scottish Government's proposal to continue permitting insulation and microgeneration measures under Warm Home Discount industry initiatives in Scotland, where these are installed alongside publicly funded measures delivered by local and national government retrofit schemes and meeting the requirements set out for eligible measures and quality set out within those schemes?

- Yes
- No
- Don't know

Please provide reasons for your answer, including any views on the proposed consumer protection requirements.

18. Do you agree with requiring energy suppliers to appoint an independent Clerk of Works to supervise projects funded as part of industry initiatives?

- Yes
- No
- Don't know

Please provide reasons for your answer, including any views on the proposed consumer protection requirements.

19. If you disagree with the options in questions 17 and 18, please set out what approach you think should be taken for consumer protections for industry initiatives in Scotland.

Please provide reasons for your answer, including any views on the proposed consumer protection requirements.

Next steps

The government will analyse consultation responses and publish a response setting out its decision and intended next steps. The response will summarise the evidence received on removal of insulation and microgeneration measures from the scheme, any alternative approaches proposed by respondents, reallocation of funding and transition.

If the government proceeds with removal in England and Wales and/or introductions of stronger protection in Scotland, it will consider the necessary amendments to the Warm Home Discount Regulations, legal and analytical advice, commencement arrangements and any proportionate transition before the change takes effect.

The government will consider the future eligibility of insulation and microgeneration once the wider consumer protection framework is sufficiently developed. Any future reintroduction would be subject to further assessment and, where required, stakeholder engagement and legislative change.

This publication is available from: www.gov.uk/government/consultations/warm-home-discount-insulation-and-microgeneration-measures

Any enquiries regarding this publication should be sent to us at:
whd.consultation@energysecurity.gov.uk

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