



WARM HOME DISCOUNT COST RECOVERY CONSULTATION

END FUEL POVERTY COALITION RESPONSE

5 January 2026

The End Fuel Poverty Coalition is a [broad coalition of more than 100 anti-poverty, health, housing and environmental campaigners, charities, local authorities, trade unions and consumer organisations](#). It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

The End Fuel Poverty Coalition supports efforts to make energy bills fairer and less regressive. We see value in the proposal to recover WHD costs through unit rates rather than standing charges, but this change must be underpinned by thorough impact analysis and safeguards for vulnerable households.

Ultimately, a shift to general taxation funding would be the most equitable and socially responsible way to support the Warm Home Discount in the long term.

Q1. Considering the impacts across all consumers, including protected groups, do you support moving WHD costs to unit rates?

We support the principle of moving WHD cost recovery from standing charges to unit rates if it is accompanied by robust impact assessments, safeguards for the lowest-income and vulnerable households (e.g. those with high energy usage due to medical / disability needs). We also need to have clarity on how changes will interact with other reforms and changes to energy bills announced in the Budget.

Q2. Are there alternative approaches that should be considered to mitigate potential negative impacts on consumers?

Yes. EFPC suggests exploring mixed funding models including partial funding from general taxation, differential impacts by tariff and payment method, and additional targeted rebates or credits for households with medical dependencies or electric-only heating.

Q3. To support rebalancing of costs between gas and electricity, should the government consider placing greater cost recovery of WHD onto gas?

We are concerned that any rebalancing of these costs at the current time would increase the numbers of households unable to afford to heat their homes. Even taking into account the welcome changes to bills in the Budget, energy costs are still too high with [12.1m](#) households spending more than 10% of their income on energy bills and a third of the country [unable](#) to heat their home to 18 degrees centigrade. Increasing the unit costs of gas will mean even more households are unable to achieve this threshold and the risk of living in cold damp homes will increase.

Therefore, any rebalancing between fuels should be guided by detailed impact analysis and mitigations, ensuring that the millions of households that rely on gas for heating are not unfairly disadvantaged.

Supplier-focussed questions:

Suppliers should be able to recover costs predictably. However, concerns about cost variability under a unit-rate system should be explored further and reflected in reconciliation mechanisms. There should also be more transparency about cost recovery and payments to households.

We would be grateful if you could continue to keep the Coalition informed about developments in this consultation.

About the End Fuel Poverty Coalition

The End Fuel Poverty Coalition is a [broad coalition of more than 100 anti-poverty, health, housing and environmental campaigners, charities, local authorities, trade unions and consumer organisations](#). It is also supported by academics, social enterprises and those working on the front line of fighting fuel poverty.

We believe that everybody has the right to a warm, dry home that they can afford to heat and power.

Members of the Coalition include: [Action with Communities in Rural England](#), [ACE Research](#), [Age UK](#), [All Birmingham's Children](#), [Austerity Action Group](#), [Association of Green Councillors](#), [Association of Local Energy Officers](#), [Association for Decentralised Energy](#), [Asthma + Lung UK](#), [Basingstoke & Deane Borough Council](#), [Beat the Cold](#), [Bruton Town Council](#), [Camden Federation of Private Tenants](#), [Carers Trust](#), [Child Poverty Action Group](#), [Church Poverty Action](#), [Chartered Institute of Environmental Health](#), [Chartered Institute of Housing](#), [Community Action Northumberland](#), [Centre for Sustainable Energy](#), [Climate Action Network West Midlands](#), [Debt Justice](#), [Disability Poverty Campaign Group](#), [Disability Rights UK](#), [E3G](#), [Energise Sussex Coast](#), [Energy Advice Line](#), [Energy Cities](#), [Epilepsy Action](#), [Exeter Community Energy](#), [Fair Energy Campaign](#), [Fair By Design](#), [Foster Support](#), [Fuel Poverty Action](#), [Fuel Poverty Research Network](#), [Generation Rent](#), [Good Law Project](#), [Groundwork](#), [Hackney Foodbank](#), [Heat Trust](#), [the HEET Project](#), [Home Start Oxford](#), [Independent Age](#), [Independent Food Aid Network](#), [Inner City Life](#), [Joseph Rowntree Foundation](#), [Lambeth Pensioners Action Group](#), [London Borough of Camden](#), [London Borough of Lewisham](#), [Marches Energy Action](#), [Marie Curie](#), [Mencap](#), [Mayor of London](#), [MECC Trust](#), [Moorland Climate Action](#), [National Pensioners Convention](#), [National Union of Students / Students Organising for Sustainability](#), [NCB](#), [National Energy Action](#), [New Economics Foundation](#), [National Federation of Women's Institutes](#), [Northern Health Services Alliance](#), [Oxford City Council](#), [Positive Money Tower Hamlets](#), [Plymouth Community Energy](#), [Redcar & Cleveland Council](#), [Repowering London](#), [Retrofit Bruton](#), [Right To Energy Coalition](#), [Rossendale Valley Energy](#), [Ryecroft Community Hub](#), [Save the Children](#), [Sense](#), [Severn Wye](#), [Scope](#), [Shaping Our Lives](#), [Social Workers Union](#), [South Dartmoor Community Energy](#), [South East London Community Energy](#), [Southwark Group of Tenants Organisations](#), [South West London Law Centres](#), [Stop The Squeeze](#), [Tamar Energy Community](#), [Thinking Works](#), [Uplift](#), [UNISON](#), [Warm & Well North Yorkshire](#), [Warm & Well in Merton](#), [Winter Warmth Network](#), [Young Lives vs Cancer](#), [361 Energy](#).

The Coalition is also part of the [End Child Poverty Coalition](#) and the [Renters Reform Coalition](#). We work closely with [Energy Action Scotland](#), [NEA Wales](#) and the [Fuel Poverty NI](#)

[coalition](#). The coordination for the [End Fuel Poverty Coalition](#) is provided by social enterprise [Campaign Collective](#).

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