END FUEL POVERTY COALITION

CONTINUING THE WARM HOME DISCOUNT SCHEME: CONSULTATION
END FUEL POVERTY COALITION RESPONSE
18 November 2025

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 welcomes the opportunity to respond to this consultation on the continuation and future design of the Warm Home Discount (WHD) scheme from winter 2026/27 onwards.

We strongly support continuation of WHD as a key pillar of affordability support, but highlight that substantial reform is required if the scheme is to fulfil its purpose effectively over the next five years. Our responses below are structured around the consultation questions, supplemented by additional commentary and evidence.

Q1. Do you agree with our proposal to continue the WHD scheme supporting households at risk of fuel poverty for the next scheme period from 2026 to 2027? Please provide any reasoning/comments/evidence to support your view.
Yes, we agree that the WHD scheme must continue.

Abrupt cessation or large contraction of support causes significant harm to vulnerable households and triggers public backlash (as seen with other support removals).

WHD provides an established channel to deliver direct rebates to low-income households and via Industry Initiatives to those in or at risk of fuel poverty.

However, while continuation is necessary, the current £150 rebate is far from sufficient to deliver safe indoor temperatures or address the affordability gap. Without reform, the scheme risks losing its effectiveness and credibility. At the very least it must be uprated in line with CPI.

Evidence from our network indicates households receiving WHD still struggle with bill arrears, self-disconnection and high running-cost homes.

Q2. Do you agree with our proposal to rename the current "Core Group 1" and "Core Group 2" in England and Wales, bringing the existing groups together under one "Core Group"? Do you have any views on whether this approach could bring any potential advantages or disadvantages, including practical considerations in delivering the scheme?
We agree that simplification to a single "Core Group" could bring advantages, provided it is

handled carefully.

A single Core Group reduces complexity in communications to households and simplifies eligibility messaging. It may reduce administrative burden for suppliers and government, improving uptake and reducing delay.

However, if the single Core Group continues to rely solely on means-tested benefits data matching, many households with high heating costs or vulnerabilities but not on benefits may remain excluded. Maintaining this simplification must not become a barrier to additional targeted routes (uplifts, application channels) for those with significant need but outside the Core Group.

Therefore, we would suggest the Government considers retaining the “Core Group” label but explicitly layering the scheme (see our “tiered rebate” proposal) so that the Core Group entitlement becomes a base, with further routes for higher-need households. Communications must make clear that the “Core Group” is the starting point, not necessarily the full extent of support available.

Q3. Under these proposals the eligibility criteria established for 2025 to 2026 would be continued for the next scheme period in England and Wales. Do you have any concerns about the impact of this proposal on households, in particular on those with protected characteristics? What concerns do you have? Do you have any suggestions for mitigating your concerns, including through use of Industry Initiatives? Please provide any evidence you may have to support your answer.
Yes, we have significant concerns if eligibility remains static without further reform.

Households with high heating costs but not on qualifying benefits would continue to be excluded (e.g., electric-only homes, off-gas grid, private networks, park homes). Vulnerable groups with disabilities, chronic illness, or older age may face higher running costs, yet the scheme does not currently reflect these cost differential factors beyond benefit receipt.

Protected-characteristic households may overlap with higher energy cost homes (e.g., disabled people using medical equipment, households with children, ethnic minority households in poor housing) yet remain outside Core Group eligibility.

Therefore, the Government should introduce uplifts to the base rebate for households with disability/health conditions, electric-only or storage-heating homes, off-gas grid homes, and older vulnerable households. It should create an application route for low-income households not on qualifying benefits but with demonstrable high energy costs. It should use Industry Initiatives to fill gaps where rebate eligibility excludes vulnerable households (e.g., non-metered supply networks, private wires, boats, HMOs). And it should ensure data-matching includes health/disability flags so automatic eligibility can catch households with additional needs.

Q4. Which of the three options listed above is your preferred option for the next scheme period in Scotland?
For Scotland, we regard Option 3 – automatic data-matching with eligibility criteria aligned to England and Wales – as the least-worst option, provided it is accompanied by strong mitigation for those who will otherwise lose out.

We share Energy Action Scotland's concern that using means-tested benefits as a proxy for fuel poverty is imperfect and will exclude many genuinely fuel poor households.

However, Option 3 offers a single, consistent eligibility framework across Great Britain, automatic payments via data-matching and the potential to reduce supplier and advice-sector administrative burdens over time

To be acceptable, Option 3 must be complemented by:

- Expanded and properly funded Industry Initiatives to support households who no longer qualify via the Broader Group route.
- Clear duties on suppliers to provide flexible routes to help, particularly where households meet the Scottish statutory fuel poverty definition but are not captured by benefit-based data-matching.
- Strong monitoring of who loses support compared to the previous system, and targeted mitigation for those groups.

Q5. Do you have any views on the advantages, disadvantages or concerns of any of the options presented in Scotland?
All three Scottish options carry risks, but under Option 3 in particular there is a very real likelihood that genuinely fuel poor households will miss out compared to the previous system, which allowed an application route via the Broader Group. If proceeding with Option 3, we refer the governments to the points raised above.

Q6. Do you have any views about the use of a centralised Warm Home Discount helpline for auto-matched Scottish consumers in options 2 and 3?
We support the response submitted by Energy Action Scotland on this question. To be effective, it must be well-resourced, accessible (including for people whose first language is not English and for disabled people) and tightly integrated with suppliers' systems and local advice/referral networks.

Q7. Do you foresee any practical challenges or have any delivery concerns with replacing the Broader Group and its application process in options 2 and 3 with a data-matched broader Core Group?
We support the response submitted by Energy Action Scotland on this question.

Q8. Do you have a preferred option for the next scheme period in Scotland that is not presented above? If so, please provide details.
In the longer term, we support the direction set out by Energy Action Scotland: financial assistance in Scotland should be explicitly aligned to the statutory fuel poverty definition in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019, rather than relying on means-tested benefits alone.

Within that direction of travel, we propose a hybrid model:

- A data-matched Core Group aligned with England and Wales (Option 3) to deliver automatic support to low-income households.
- A tiered rebate structure that increases support for those with higher needs and costs (e.g., disabled people, high-cost electric heating, off-gas homes, older people, families with very young children)
- A supplementary route – via application and Industry Initiatives – explicitly targeted at households meeting the Scottish statutory fuel poverty definition but not captured by benefit-based eligibility

This would help ensure that WHD support in Scotland is more directly aligned to the groups who are actually fuel poor, rather than only those on particular benefits.

Q9. Do you have any concerns about the impact of these proposals, including the three options as presented, on households, in particular on those with protected characteristics in Scotland? What concerns do you have? Do you have any suggestions for mitigating your concerns, including through use of Industry Initiatives?
We support the response submitted by Energy Action Scotland on this question.

Q10. No response

Q11. Do you agree that Industry Initiatives should be continued into the next scheme period?
Yes, we strongly support continuing Industry Initiatives (II). The rebate alone cannot meet all the needs of low-income, high-running-cost households; II provides flexible delivery (advice, efficiency measures, debt relief, emergency support). II allows targeting of households excluded from the rebate, e.g. on non-metered supplies, boats, houseboats, HMOs, park homes, non-domestic network supply, off-gas. II supports linkages with other interventions (benefit entitlement checks, fabric upgrades, local authority schemes) and can respond to emerging risks (e.g., self-disconnection, clean heat transition). However, reform is needed (see Q13 below).

Q12. Do you agree that Industry Initiatives should continue to be designed by individual energy suppliers and third-party partners? What are the benefits and drawbacks of this approach?
Suppliers and their delivery partners often have local intelligence and established networks, allowing tailored support to local client groups and trusted referral routes.

Flexibility enables innovation and variation to suit different geographies, tenures and community needs (especially rural, off-gas, smaller suppliers). However, variability in design means transparency and consistency is weak; some communities may be under-served.

Outcomes measurement and comparability are limited; there is insufficient public reporting of impact and there is a risk that suppliers may prioritise cost-minimisation rather than depth of support; and conflicts of interest may arise.

We advise maintaining supplier-designed II but introduce common outcome metrics, minimum standards, local reach reporting, and ring-fences for cohorts (e.g. park homes, private networks) while introducing an independent review of delivery and impact and publishing aggregated national data alongside local level breakdowns.

Q13. Do you have any proposals to improve the design and/or delivery of Industry Initiatives in the future? Do you have any proposals for additional activities that would be of benefit to include as permissible Industry Initiatives in the future?

- Introduce outcome-based performance indicators for II such as: number of households achieving safe indoor temperature, income gains via benefit checks, disconnections prevented, reduction in fuel debt, improvement in EPC or switching to lower-cost heating.
- Publish a national dashboard showing spend/outcomes by region, tenure (owner-occupier, PRS, social) and heating type.
- Cap admin costs and disclose actual admin spend publicly.
- Ring-fence two sub-pots: one for atypical tenure/supply (park homes, boats, private wires) and one for rural/high standing-charge areas.
- Expand permissible activities to include:
  - Assistance with access to appropriate tariffs for households moving to heat pumps or time-of-use metering.
  - Grants or vouchers for off-grid households (oil, LPG, bulk-buy fuel) where WHD rebate cannot be applied directly to bills.
  - Streamlined referral payments to trusted local advice agencies (income max, debt advice) operating in rural/remote areas.
- Strengthen digital and non-digital access: include phone/face-to-face access, translation and accessible formats for disabled people.

Q14. Do you have any views on eligibility for Industry Initiatives, or the extent to which energy suppliers should have discretion and flexibility to whom they are awarded to within fuel poverty risk groups?

- Suppliers should retain flexibility to tailor II to their local context, but within an overarching framework of minimum standards and mandatory outreach to excluded cohorts (electric-only, off-gas grid, private networks, self-disconnection).
- Flexibility should not mean postcode lottery; funding and outcomes must be fairly distributed, including to rural, island and private-network areas.
- Eligibility criteria for II should explicitly include: households not eligible for the rebate; households on PPM or self-disconnection; households in non-standard tenure (boats, HMOs, park homes); households with disability/medical need; and households undergoing the clean-heat transition.
- Decision-making processes for II funding should be transparent, published and include stakeholder consultation (e.g. charities, local authorities).

Q15. Do you have any views on whether specified activities should be included in the new regulations for the next scheme period from 2026 to 2027? Are there any advantages or drawbacks to their inclusion in your view?

We believe including a flexible “specified activities” category in the regulations is beneficial, subject to clear definition and safeguards.

Q16. Do you agree with the proposals to expand the role of suppliers in the communications around WHD? Does this approach raise any advantages, or concerns in your view?
Given concerns about levels of public trust in suppliers, we believe this should be tested. It could also be tested alongside other communications methods, e.g. government branded comms or charity / third sector led initiatives to understand which has the greatest resonance with the public.

If suppliers are tasked with this role, we believe that:

- There should be standard core messaging templates, with supplier customisation permitted but within parameters.
- Suppliers' communications should be reviewed by an independent panel (including consumer organisations) before wholesale roll-out.
- Require suppliers to publish annual communications performance: number of letters/emails sent, response rates, match outcome rates for unmatched households, racialised/disabled/older uptake breakdowns.

Q18. Do you have any views on the proposed change to how the WHD cost is estimated for reflecting in retail gas and electricity prices, moving from an annual spending target set out in regulations to the introduction of estimates of total spend for that coming winter? Do you have any views on how this may work on a practical level for suppliers?
We welcome improved estimation and transparency, but urge caution and ensure that estimation errors must not become consumer risk (e.g., sharp bill increases triggered by unexpectedly high spend).

Q19. Do you have any views on how to determine spending for Industry Initiatives in Scotland if data-matching is adopted in place of the Broader Group?
We support the response submitted by Energy Action Scotland on this question.

Q20. No response.

Q21. Do you agree that Industry Initiatives should be funded to a similar level as currently? Do you have any views on whether their value should be adjusted for inflation during the scheme period?
We agree that II funding should at least be maintained (in real terms) and preferably enhanced given rising energy costs and the intensifying fuel poverty challenge. This means indexing II budgets annually to inflation (CPI) at minimum.

Q22. No response

Q23. Do you have any other comments, views or evidence on the proposals for the changes to the levy?
As with all costs levied via energy bills we would encourage the Government to consider alternative and/or tiered funding options so that the value of the Warm Homes Discount is not undermined by the recipients having to contribute to it in the first place.

Q24. Do you have any comments on the proposal for allowing rebates notices to be issued after 1 March (31 March for 2025-26) where the Secretary of State is satisfied that an error has occurred?
We welcome this flexibility but urge clear criteria and communication to protect eligible households. Ministers should**:**

- Publish an annual late-rebate report: number of households who received rebate post-cut-off, reasons for delay, actions taken.
- Ensure supplier and Department communications proactively reach households who were initially mismatched, with a simple route to apply for rebate after 1 March.
- Consider a grace-period extension for particularly vulnerable cases (disabled/long-term illness) without jeopardising cost recovery.

Q25. During the scheme period between 2026 to 2027 and 2030 to 2031, do you have any suggestions on what further improvements or additions to the scheme we could be exploring?
Yes — we propose the following improvements:

- Transition to a tiered rebate structure (base + uplifts) to reflect variation in household need, running-costs, heating type, tenure, and geography.
- Introduce regional uplifts where standing charges or typical bills are significantly higher (e.g. rural Wales / Scotland, islands, off-gas grid).
- Create an application pathway alongside automatic data-matching to reach low-income but non-benefit households with high energy cost burden.
- Expand support to electric-only and storage-heating households, off-gas properties, private-network tenures, boats, park homes & HMOs.
- Develop a warm-home outcome metric (e.g., number of households achieving safe indoor temperatures) and publish this annually.
- Link WHD to the Warm Homes Plan (energy efficiency upgrades) and emerging pricing reforms (cost allocation, locational tariffs, Clean Heat Market Mechanism) so that support is integrated and holistic.
- Improve tariff access and supplier billing fairness: ensure PPM users, non-smart meter users and those locked out of better deals are included in support design.
- Pilot time-of-use/top-up rebates for households transitioning to heat pumps or off-gas systems.
- Strengthen data transparency: publish uptake and outcome breakdowns by tenure, heating type, geography, protected characteristic, matched/unmatched status.
- Maintain Year-on-year evaluation and independent review, with an annual public progress report and a mid-term review in 2028.

Q26. Are there in your view households with particular characteristics that are or will be particularly impacted by changes to the energy sector and how costs feature in bills?
Yes. Households with the following characteristics are or will be particularly impacted:

- Electric-only homes / storage-heating homes (often off-gas grid) with high per-unit costs and high risk of self-disconnection.
- Households with heat pumps who may face new tariff/management complexity or the removal of gas supply while still paying high standing charges.

- Disabled people or households with medical equipment / mobility needs / long-term illness requiring higher indoor temperatures or longer hours of heating.
- Older households (especially single pensioners) in poor-insulation housing, often in the private rented sector, with limited ability to adapt.
- Households in private networks, HMOs, houseboats, park homes – atypical supply arrangements often excluded from standard rebate routes.
- Rural or island households facing high standing charges, higher distribution costs, less competitive supply markets and limited access to smart meters or tariff innovation.
- Households transitioning away from gas (e.g., to heat pumps, off-gas) where legacy cost structures or dual-charges remain a burden.

Additional system-level issues

Beyond the direct consultation questions, we draw attention to several cross-cutting system issues that impact the effectiveness of WHD and broader energy-bill support:

- **Standard Credit premium and payment method penalty:** The continued existence of large standard-credit premiums or higher prepayment unit rates erodes the value of rebate support. WHD design should either include an explicit booster for standard-credit payers or work with Ofgem/suppliers to eliminate these payment-method inequities.

- **Self-disconnection and hidden debt:** Many households on PPMs self-disconnect, which is functionally equivalent to debt build-up. Scheme design must recognise self-disconnection as an eligibility indicator and Industry Initiatives should support debt relief and reconnection pathways.

- **Tariff access and smart-meter exclusion:** Households without smart meters or on legacy tariffs may be locked out of cost-reducing tariff innovation. WHD implementation should not assume households have access to best deals; suppliers and the rebate scheme should help bridge that gap.

- **Data-matching accuracy and fairness:** While automated data-matching improves uptake and reduces burden, it must be accompanied by robust auditing, error-correction processes and transparent reporting of false negative/positive rates.

- **Bill-cost transparency:** Many households do not understand how policy/levy costs feed into bills. Government/Ofgem should publish a bill-cost trajectory, showing what policy costs (including WHD) are being loaded onto bills, when and how they are smoothed. This helps protect vulnerable households from unexpected bill shocks and enhances legitimacy of the scheme.

- **Linkage to Warm Homes Plan and fabric upgrade programmes:** WHD is inherently a short-term rebate mechanism. To achieve long-term fuel poverty reduction, it must link clearly with a longer term social tariff, the forthcoming Warm Homes Plan (energy efficiency, insulation, heat decarbonisation) and structural reforms to standing charges, electricity pricing, cost allocation and locational pricing.

- **Regional cost variation and standing-charge burden:** In many rural and off-gas areas (e.g., north Wales, islands, private networks) standing charges or unit cost differentials are significantly higher. Scheme design must include regional consideration (uplifts or special funding) so that support is equitable across geography.

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.

Contact: info@endfuelpoverty.org.uk