

Consultation Response

Expanding the Warm Home Discount Scheme, 2025 to 2026

Department for Energy Security and Net Zero (DESNZ)

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About this consultation

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 in Great Britain. Established in 2011, the scheme obligates participating energy suppliers to provide energy bill rebates to eligible low-income households. It helps households in, or at risk of, fuel poverty with direct energy bill reductions, as well as providing other financial and energy-related support, such as debt support, energy efficiency advice and a scheme that provides support for those who live in park homes, through "Industry Initiatives".

This consultation sets out proposals to expand the reach of the Warm Home Discount Scheme by removing the high-cost-to-heat threshold in the current Warm Home Discount (England & Wales) Regulations 2022 (for winter 2025/26) and increasing the level of spend available in Scotland for suppliers to allocate through the Broader Group. All households in receipt of means-tested benefits would then be eligible to receive the £150 rebate.

Key points and recommendations

- Age UK welcomes the expansion of the Warm Home Discount for the winter of 2025/26.
- The £150 rebate is no longer providing sufficient support to consumers. Elevated energy prices mean that recipients of the rebate may still struggle to afford their heating.
- The industry initiatives budget should be expanded with the aim of providing long-term support to those that need it, while providing a route to delivering rebates to households do not have a relationship with their energy supplier.

About Age UK

Age UK is a national charity that works with a network of partners, including Age Scotland, Age Cymru, Age NI and local Age UKs across England, to help everyone make the most of later life, whatever their circumstances. In the UK, the Charity helps more than seven million older people each year by providing advice and support. It also researches and campaigns on the issues that matter most to older people. Its work focuses on ensuring that older people: have enough money; enjoy life and feel well; receive high quality health and care; are comfortable, safe and secure at home; and feel valued and able to participate.

Consultation questions

Q1. The high cost to heat threshold currently means that the scheme for those on means tested benefits is limited to those with the highest costs of heating. Taking account of the cost to bill payers from expanding the scheme, do you agree that we should remove the high cost to heat threshold, so that as many households on means tested benefits as possible receive the WHD?

Yes, Age UK agrees with the proposal to remove the high cost to heat threshold, so that as many households on means tested benefits as possible receive the WHD. While the removal of this threshold will increase consumers bills by around £15, it is Age UK's view that the benefits of several million additional rebates being delivered will outweigh the impact of increased costs being collected from all bill payers.

This is because high energy costs are creating pressure for pensioners to cut back their energy consumption. In our [annual Cost of Living research](#) (published on 24 March) 59% of pensioners – equivalent to 2.9 million – said they would prefer to ration their energy use than to fall behind on energy bills. 41% of older people also told us that they have been rationing their energy this winter. And 75% told us that their home was colder than they would like some, most or all of the time.ⁱ So, there is clear evidence that unless energy prices fall significantly, or the level of support is increased, pensioners will continue struggling to stay warm.

Many older people require higher energy consumption because of their disability or health condition. Conditions like circulatory disease, frailty and sickle cell disease may require them to be in a warmer environment or make it harder for them to feel warm. Some households also have higher energy demand due to the use of ventilators, dialysis equipment, stair lifts, hoists or refrigerated medication, or they may have to wash laundry more frequently than others. Being unable to afford the cost of energy therefore leaves residents at risk of physical and mental harm.

Age UK is concerned that the proposed changes do not go far enough to support households next winter. For those already in receipt of the Warm Home Discount rebate, the proposed changes to the scheme for 2025 to 2026 will provide no additional support. Energy prices have risen through three consecutive price cap periods - an overall increase of £281.ⁱⁱ Current forecasts show that energy prices are unlikely to fall significantly ahead of this winter. This means that recipients of the WHD next winter are unlikely to feel less worried about their energy bills, and could still find themselves cold at home.

Q4. Do you agree that the Park Homes Warm Home Discount Scheme should be broadened to include other household types where bills are not paid directly to an energy supplier?

Expanding the Park Homes is a welcome proposal. Estimates made during the development of the Energy Bill Support Scheme (EBSS) highlighted that there are around 798,700 households without a direct relationship with an energy supplier.ⁱⁱⁱ

It is unclear exactly how many additional homes could be eligible for a rebate under an expanded park homes scheme, and therefore it is also unclear what impact this could have on funding for existing schemes.

The entire industry initiatives budget was £76mn in Scheme Year 13 (SY13).^{iv} It was the highest ever industry initiatives budget. In the same year, around £1mn was spent on the Park Homes scheme across England, Wales and Scotland. Assuming roughly one-third of households without a relationship with an energy supplier could be in receipt of a means tested benefit (broadly comparable to the proportion of all houses in the UK that are in receipt of a means-tested benefit), it would cost around £40mn to deliver rebates to eligible households.

Though the Government has been clear that these proposals would not mandate suppliers to direct additional funding towards the Park Homes scheme, by expanding the eligibility for the Park Homes scheme, there is a risk that more of the industry initiatives budget goes towards rebates at the expense of other services which provide longer term support to consumers.

Consequently, unless the expansion in eligibility is accompanied by an increased budget for industry initiatives, the proposal needs to be measured against the value of the services that industry initiatives funding already provides.

Q5. Who should this be broadened out to (for example, housing association/private tenants supplied via a landlord, houseboats at residential moorings, travellers on authorised fixed sites)?

Age UK are open to expanding the Park Homes WHD scheme to all arrangements where a household does not have a direct relationship with their energy supplier. Expanding the Park Homes is a welcome proposal. Estimates made during the development of the Energy Bill Support Scheme (EBSS) highlighted that there are around 798,700 households without a direct relationship with an energy supplier. We would like to see these households receive support.

Q6. Do you agree that this extension should be done within the existing budget for the Park Homes Warm Home Discount Scheme?

No. If the expansion of the park homes scheme is done within the existing budget, there is a risk that more of the industry initiatives budget goes towards rebates at the expense of other services which provide longer term support to consumers.

Services funded through industry initiatives provide a variety of support beyond the WHD rebate. This support can also reach those that fall through the cracks of the eligibility criteria, such as those with disabilities or health conditions. Often, this support focuses on providing long-term benefit. For instance, some industry initiative projects provide energy efficiency support, while others provide income maximisation services. Both of these examples provide long-term benefits, in many cases exceeding the value of a £150 rebate.

The optimal outcome for consumers would be for an expanded industry initiatives budget. An expansion could allow for more rebates to be delivered through the park homes scheme, while allowing energy advice and support services to provide longer term support.

ⁱ Age UK's annual [Cost of Living](#) research (2025)

ⁱⁱ Ofgem [Retail Market Indicators](#)

ⁱⁱⁱ National Audit Office (NAO), [Energy Bills Support: An Update](#)

^{iv} Ofgem, [Warm Home Discount SY13 Annual Report](#)