



# Warm Homes Support Scheme

**Addressing Fuel Poverty**

March 2025



# Contents

<b>Key Takeaways</b>	<b>3</b>
<b>Our View of Intervention Improvements</b>	<b>4</b>
<b>Introduction To Fuel Poverty</b>	<b>5-7</b>
The challenges within fuel poverty	<b>5</b>
Our methodology for the report	<b>6</b>
Our analysis into fuel poverty	<b>7</b>
<b>Current Interventions Combating Fuel Poverty</b>	<b>8-9</b>
Introduction to Warm Home Discount and Energy Company Obligation Scheme	<b>8</b>
Gaps within the current schemes	<b>9</b>
<b>Breakdown of Intervention Improvements</b>	<b>10-15</b>
Warm Home Discount	<b>11</b>
Energy Company Obligation	<b>12</b>
Introduction to a new Warm Homes Support Scheme	<b>14</b>
Hypothetical model analysis	<b>15</b>
<b>Private Sector Funding</b>	<b>16</b>
<b>Acknowledgments</b>	<b>18-19</b>
About BFY Group	<b>18</b>
About So Energy	<b>19</b>

# Key Takeaways

There are 5 key takeaways from our research and analysis into Fuel Poverty:

1



## Analysis suggests 20% of households are fuel poor:

When applying our definition<sup>1</sup>, we've identified the total number of fuel poor households to be 5.4m (housing 12m people). On average the fuel poverty gap<sup>2</sup> for these households is £550. This means the total fuel poverty gap in Great Britain is £3bn.

2



## The true scale of fuel poverty in Great Britain is unknown:

Quantifying the true scale of fuel poverty is challenging due to the complexity that surrounds it and the lack of a unified definition. This does not take away from the reality that a significant proportion of households are facing into hardship.

3



## Existing fuel poverty interventions are insufficient and poorly targeted:

The Warm Home Discount (WHD) and Energy Company Obligation (ECO) scheme are not targeted effectively, missing up to 4.0m homes that need support. There are opportunities to improve these with the existing funding and reduce the overall fuel poverty gap in Great Britain.

4



## A new Warm Homes Support Scheme is recommended:

Future consultations should explore how a targeted bill support scheme could be designed at little or no extra cost to the exchequer to provide deeper and/or tiered support to those most impacted by fuel poverty. This could ensure a more "fair" distribution of funds to those who need it most.

5



## Private sector investment and incentives could provide additional funding options:

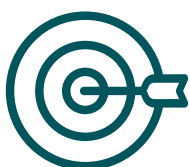
There is the opportunity to encourage private sector funding through financial incentives, with the view to help shift the burden away from the public sector.

<sup>1</sup>Energy spend being more than 10% of a household's income after housing costs have been deducted".

<sup>2</sup>"The reduction in a household's energy bill required to no longer be classed as fuel poor"

# Our view of intervention improvements

The good news is Great Britain is not starting from scratch. This report dives into fuel poverty and the associated interventions to support those in need to reduce the total fuel poverty gap. However, there are gaps in the existing interventions that need to be addressed, and we've identified improvements to these schemes that could be practically delivered. These are:



## Retarget existing scheme funds to focus on those who are fuel poor

**1) Warm Home Discount (WHD)** – retargeting the £500m of WHD funds to households in the most extreme fuel poverty, could reduce the fuel poverty gap by a further £300m. This could reduce the average fuel poverty gap to £490 (-£60).

**2) Energy Company Obligation (ECO) Scheme** – retargeting the ECO scheme, focusing on those defined as fuel poor, ensuring 100k homes benefit from energy efficient improvements could permanently reduce the fuel poverty gap by £40m and lift 45k households out of fuel poverty each year.



## Increase existing scheme funds to reach more fuel poor households

**3) Warm Home Discount (WHD)** – Expanding the existing WHD, without removing support from any existing recipients would require additional funding of up to £21/year per bill-payer, to ensure all households are reached. This would then mean up to 7.1m households would receive a £150 credit into their energy account.

**4) Energy Company Obligation (ECO) Scheme** – This entails tripling support to reach ~300k homes per year at a further cost of £1.3bn. This could see all 2.6m fuel poor homes currently rated EPC D or lower upgraded in 10 years. We estimate this could permanently reduce the total fuel poverty gap by ~£120m per year.



## Introduce and begin exploring a Warm Homes Support Scheme

**5) Warm Homes Support Scheme** - This would provide targeted bill support (like the WHD), but with tiers of support based on need. This could see those most in need receive an increase in the amount of support, with reduced support for others, to minimise cliff edges. We've modelled a hypothetical situation requiring ~£2.8bn of funding across the new Warm Homes Support Scheme and ECO Scheme. This scenario could reduce the fuel poverty gap by 75% and could remove up to 3.0m homes out of fuel poverty.

# A single definition helps to quantify the scale of Fuel Poverty

## Fuel Poverty

Fuel poverty refers to when a household finds it difficult or is unable to afford their basic energy and is a major issue in Great Britain, typically driven by 3 key factors;

- income,
- energy consumption, and
- the cost of energy.

However, due to its complexity, socioeconomic conditions, and scale, it remains unsolved and may never be truly eliminated. An additional challenge exists in truly defining how to measure or estimate the scale of fuel poverty.

Official estimates put the current number of households in fuel poverty at **4.15m<sup>3</sup>**. However, each devolved nation uses a different methodology to estimate fuel poverty (see *Illustration 1*). There has been criticism into how fuel poverty is estimated in England, in that it does not accurately capture the realities faced by households. For example, as noted by a report in the House of Commons Library “the number of households in fuel poverty did not increase during the energy crisis<sup>4</sup>.”

Due to the challenges faced and the various definitions of fuel poverty, for this report we have used the definition of fuel poverty as “**energy spend being more than 10% of a household’s income after housing costs have been deducted**”. Whilst not based on science, it is easy to understand and measure.

### Illustration 1: A visual representation of the varying definitions of fuel poverty across Great Britain.

#### 1. Scotland

**More than 10% of its net income** (after housing costs) is spent on heating and other fuel-related expenses to maintain a satisfactory temperature.

After deducting the required fuel costs, the household’s **remaining net income** is insufficient to meet the **UK Minimum Income Standard (MIS)** for an acceptable standard of living.

#### 2. Wales

The household needs to spend **more than 10% of its income** (including housing costs) on fuel to maintain an adequate heating regime (typically 21°C in the living room and 18°C in other occupied rooms).

#### 3. England

The household’s income is **below the poverty line** (after accounting for fuel costs).

The home has an **Energy Performance Certificate (EPC) rating of Band D or lower** (Bands D, E, F, or G)



<sup>3</sup>Fuel poverty in the UK - House of Commons Library

<sup>4</sup>Committee on Fuel Poverty Annual Report 2024

# A view of individual household income and energy use is needed

**While our definition will provide a consistent basis for quantification and may be a more complete view than official statistics, it needs to be noted that this is still only an estimate.**

Fuel poverty is driven by household disposable income and energy requirements, and each household will be unique in how they spend, and how they use energy. Because of this, our definition will likely not capture households whose disposable income is impacted by other financial obligations e.g. loans, or childcare costs. Therefore, we will never truly know the extent of fuel poverty without knowing each household’s essential financial outgoings and true energy requirements.

## Our Methodology

Using household income data from the Office for National Statistics (ONS), we’ve estimated the make-up of households for each income decile. For each income decile (inc. benefits), we’ve estimated the proportion of households by tenure type (privately rented, social housing, owned outright, and repaying a mortgage), who each face different

housing costs. We’ve also estimated the distribution of household sizes (occupancy) for each income decile, which we’ve used as a proxy for estimating energy requirements (e.g. a larger household will require more energy than a single dweller).

This has allowed us to build a picture of the type of households, their income, and energy requirements across Great Britain, with the aim of estimating the current scale of fuel poverty to an accurate degree. We have assumed a range of household energy requirements, but this remains a crude estimate. It will not capture all individual households who suffer from fuel poverty. Household energy needs are not identical; therefore, few households will have ‘typical’ energy requirements - and household energy usage will not always be the same as what they need (see *Illustration 2*).

The improvements discussed in this report are based on a new method of identifying fuel poor households.

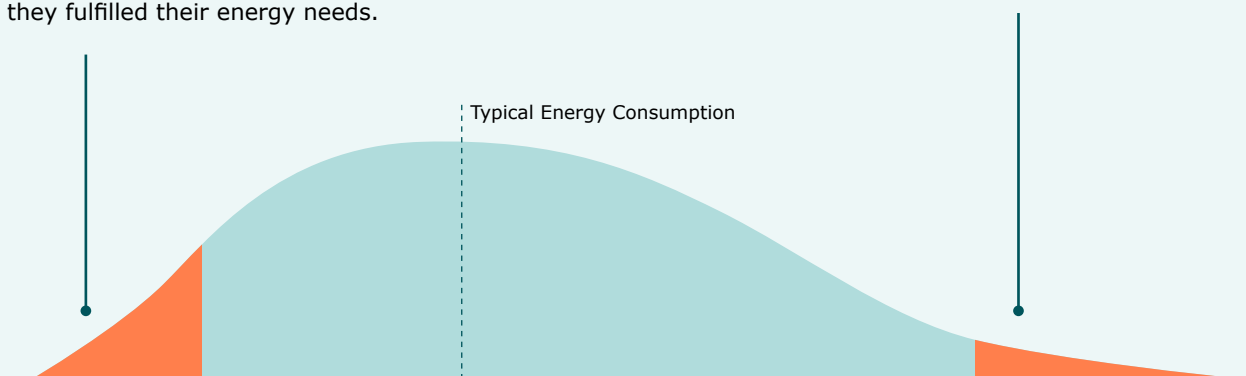
This should be based on a measure of household income and energy requirements which will require government support and stakeholder collaboration to facilitate.

**Illustration 2:** A visual representation of potential outliers to analysis based on individual household energy consumption.

A household that rations heating could be spending **less than 10%** of their income on energy (and not considered fuel poor).

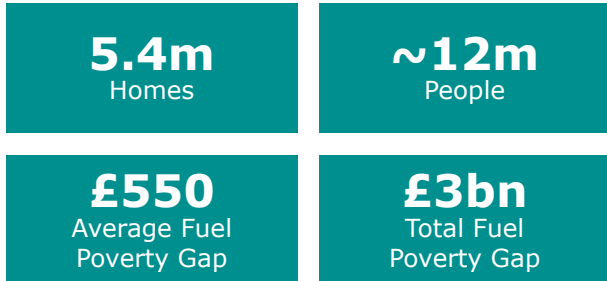
But they would be considered fuel poor if they fulfilled their energy needs.

A household with high energy requirements could be spending **more than 10%** of their income on energy – but not considered fuel poor assuming a ‘typical’ energy requirement.



# 5.4m households are fuel poor, contributing to a £3bn fuel poverty gap

## Our Analysis into Fuel Poverty

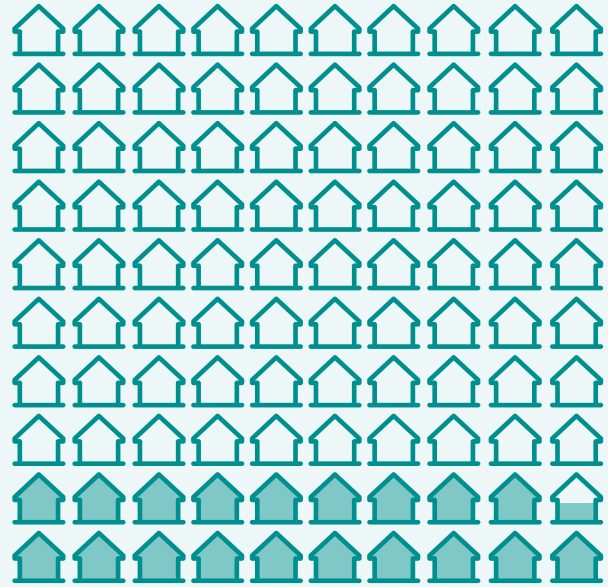


Applying our definition of fuel poverty to build a unified view, our analysis suggests there are at least 5.4m fuel poor homes across Great Britain – where the energy costs are > 10% of disposable income after allowing for housing costs. This equates to c.20% of all homes, housing 12m people. The volume of households based on our definition is 1.2m more than the official estimates combined across Great Britain, highlighting the disparity in the current official assumptions. Our analysis is in line with the charity National Energy Action, whose recent figures suggest around 6m households are currently in fuel poverty when using the 10% measure<sup>5</sup>.

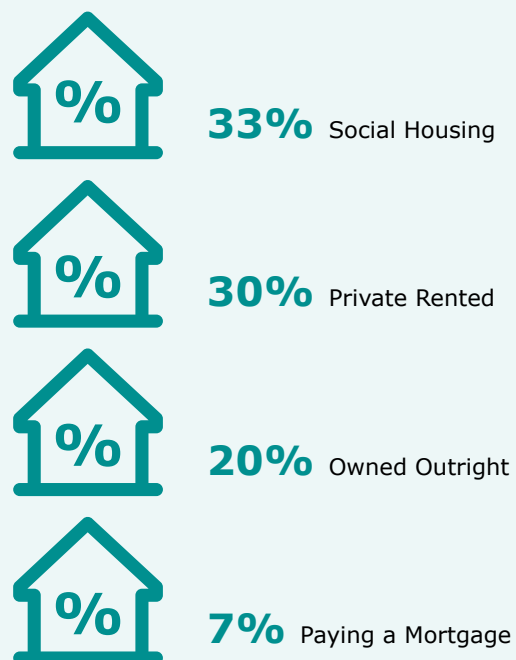
Our analysis also suggests the average **fuel poverty gap, which is the reduction in a household’s energy bill required to no longer be classed as fuel poor**, is £550. This means the total (‘aggregate’) fuel poverty gap, the amount needed to bring all (5.4m) households out of fuel poverty, is £3bn for the whole of Great Britain.

However, this gap (£550) is an average and masks the greater difficulties faced by the most fuel poor households. Households in the lowest income decile, who have high energy requirements or high housing costs (e.g. privately renting or repaying a mortgage), face fuel poverty gaps of more than £1,000. Therefore, any future support scheme needs offer tiered support levels to address fuel poverty more efficiently.

**Illustration 3:** A visual representation of the total percentage of households estimated to be in Fuel Poverty (~20%)



**Illustration 4:** Proportional splits of fuel poor households by tenure



<sup>5</sup><https://www.nea.org.uk/news/warm-home-healthy-futures-delivery/>

# Two government schemes provide £1.5bn annually to tackle fuel poverty

**The two biggest schemes in place to mitigate fuel poverty in Great Britain are the Warm Home Discount (WHD) and the Energy Company Obligation (ECO) scheme. The intention of these schemes is to help both with the bill payers’ ability to pay, and to reduce household energy consumption.**

**The Warm Home Discount** is a Social Discount on energy bills - currently provided to around 3.1m households, at an annual cost of ~£500m. Eligible **individuals (not households)** receive £150 in credit straight to their energy account. This is administered by the Department for Work and Pensions, and most eligible individuals (see *Table 1*) are typically enrolled automatically.

**The ECO scheme** supports around 80-100k homes per year and is designed to lower energy costs through energy efficiency improvements (see *Table 2*) to homes deemed vulnerable to fuel poverty. The ECO scheme costs ~£1bn per year, and is administered by energy suppliers, who carry the task to identify eligible households.

These schemes are funded through energy bills from all consumers (including those in receipt of support). Typical dual-fuel consumers pay ~£80 per year (giving a total of £1.8bn funding) towards supporting fuel poor households. This funding includes money for the Great British Insulation Scheme (GBIS). Although this scheme is not analysed in this report, we do consider it when exploring how current bill-payer funding could be better utilised.

**Table 1:** Eligibility criteria for the current schemes

Warm Home Discount (WHD)	Energy Company Obligation Scheme (ECO)
Receiving the Guarantee Credit element of Pension Credit	Receiving certain means-tested benefits and have an EPC of D or lower if living in privately owned property
In England or Wales, receiving certain means-tested benefits and the property is judged to have a high energy cost score	Receiving certain means-tested benefits and have an EPC of E or lower if living in privately rented property
In Scotland, receiving certain means-tested benefits	Living in Social Housing with EPC E or lower, some measures available to EPC D

**Table 2:** Percentage split of ECO measures installed in whole-house approach

The latest ECO phase follows a whole-house approach with a split of measures being:			
50% Heating	30% Insulation	11% Boilers	9% Micro Generation



# Current schemes fail to close the fuel poverty gap or support all in need

## Analysis into the Warm Home Discount (WHD)

Our analysis indicates the WHD is inadequate and is not perfectly targeted. Out of the 3.1m households who receive it, only ~1.4m are estimated to be fuel poor according to our definition (see *Illustration 5*). This does not mean the other ~1.7m households aren't fuel poor – most of whom will be receiving means-tested benefits and in genuine need of support. Instead, it highlights challenge of identifying all households needing support, and the complex realities of fuel poverty. We believe this mismatch is because receipt of benefits is an inadequate proxy of income (and is based on individuals not households).

Based on our insights we estimate that the current support provided by the WHD only reduces the fuel poverty rate by 200k households<sup>7</sup>. This is driven by the fact that the £150 is insufficient in closing the £550 average fuel gap for households

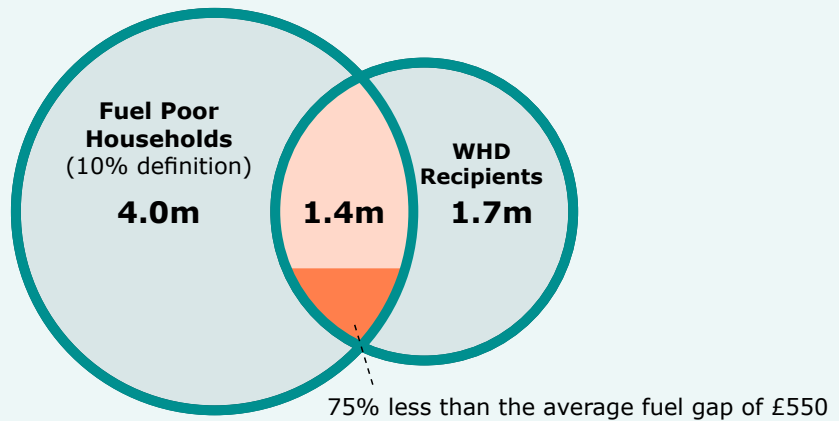
Maintaining existing funding (reaching ~3.1m households) and attempting to provide the support to all 5.4m households will leave a shortfall of at least 2.3m recipients.

## Analysis into the Energy Company Obligation (ECO) Scheme

The ECO scheme delivers energy efficiency measures to around 80k-100k homes per year, however it is estimated that only 40k of these homes are fuel poor by our definition highlighting similar targeting issues to the WHD. From our analysis, 50% of fuel poor homes have an EPC below C, this means 2.6m homes could benefit from energy efficient measures. The challenge within the ECO Scheme is exacerbated through the cost associated to identifying eligible households, as lead generation accounts for ~10-20% of funding. Our analysis suggests that 66% of fuel poor homes are not social housing, which presents opportunities to try different approaches and incentivise the uptake of energy efficient measures.

On average the ECO scheme currently saves households ~£455 per year on their energy bills through energy efficient measures. This results in approximately 18k fuel poor homes being lifted out of fuel poverty each year<sup>7</sup>.

**Illustration 5:** Venn Diagram highlighting the current targeting gaps when applying our definition of Fuel Poverty with recipients of the WHD.



**Illustration 6:** Current ECO performance when applying our definition of Fuel Poverty



<sup>7</sup>By mitigate / remove from fuel poverty, we are suggesting that the households are now below our 10% measure, this does not infer that they are free from potential financial hardship.

# The following section focuses on how improvements could be made to existing schemes

- Opportunities are available in the existing schemes to make a bigger impact on fuel poverty.
- We've modelled how the existing budget could be better utilised, with an improved targeting method, or expanded to reach more households in need.
- We analyse the impact of retargeting and expanding both the WHD and ECO schemes, and then discuss the potential of a new Warm Homes Support scheme.
- Without any further action, fuel poverty will not improve and is likely to worsen. The suggestions here are a starting point for further discussion.

# Retargeting the Warm Home Discount could cut the poverty gap by £300m

## Improve the targeting of the existing WHD

Retargeting of the existing Warm Home Discount scheme, using household incomes and consumptions to identify those in need of support, could reduce the total fuel poverty gap by up to £300m. We estimate that only 35-45% (£200m) of the £500m spent on WHD each year goes to households suffering the most extreme fuel poverty. Widening eligibility to include households with low income (not only those receiving benefits), could ensure a more effective use of funds, and bring the fuel poverty gap to £2.6bn.

Re-directing the £150 WHD to the most fuel poor households could see the total fuel poverty

gap reduce by ~£300m, but would see support removed from those considered to be 'less' fuel poor. This may seem 'fairer', but would no doubt increase financial hardship for many, especially after restriction of the Winter Fuel Payment.

## Increased funding into the WHD to reach more households

Expanding the existing WHD, without removing support from existing recipients would require additional funding of up to ~£600m to ensure all households are reached. This could be funded through bills at a cost of ~£21/year and would mean up to 7.1m households would receive a £150 credit to their energy account.

**Illustration 7:** Ensuring the WHD only reaches the most fuel poor would mean all £500m spent each year contributes to lowering the fuel gap.



**Table 3:** Retargeting existing WHD funds, and expanding the budget to reach more households

Expanding the WHD budget to maintain existing support and reach all household identified as fuel poor would cost an additional £600m per year			
Measure	Current WHD scheme	Retargeting existing WHD funds	Expanding WHD scheme
Estimated reach	3.1m households	3.1m households	7.1m households
Impact on total fuel poverty gap	£200m	£500m	£900m
Funding required	£500m	£500m	£1.1bn

**The feasibility of these improvements is based on a new method of identifying fuel poor households.** Identification needs to use a measure of income and energy requirements. Household income has precedents (local authority schemes and student loans) but needs government action.

Household energy requirements could be obtained from supplier data, supported by a formula-based approach. This will require a new level of collaboration and data sharing, and enhanced engagement from all stakeholders (inc. consumers and landlords).

# Refining the ECO Scheme could lift 450k homes from fuel poverty

## Improve the targeting of the existing ECO Scheme

Retargeting and delivering the ECO scheme to those who are identified as fuel poor by our definition, could see 45k homes a year brought permanently out of fuel poverty, reducing the fuel poverty gap by £40m annually.

There is an additional opportunity to reduce the cost associated with the annual energy bill savings. Unifying the eligibility criteria between ECO and WHD could lower the administrative costs associated with identifying households. These savings can be realised by reducing the lead costs associated with identifying households. These costs make up 10-20% of the costs faced by installers and are ultimately paid for through the ECO scheme. Reducing these by unifying eligibility with the WHD scheme, could save £200m per year in the ECO budget, which could be reinvested in reaching additional households.

## Increased funding into the ECO Scheme

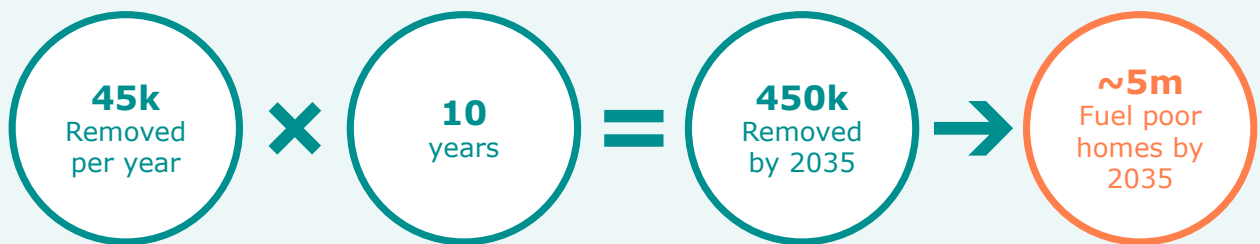
The impact of the ECO scheme, even when correctly targeted, is not enough to provide the support required to reach all those who need it in a reasonable timeframe. To deliver real impact and ensure all fuel poor homes have an EPC rating of at least C, the ECO needs additional funding. This entails tripling reach to support ~300k homes per year at a cost of £2.3bn. This could see all 2.6m fuel poor homes currently rated EPC D or lower upgraded in 10 years. We estimate this could permanently reduce the total fuel poverty gap by ~£120m per year.

It is important to note, that improving all homes to EPC C may not remove all households permanently out of fuel poverty. It is estimated that of the 2.6m homes, at least 0.5m could be removed.

**Table 4:** Using existing ECO funding to better target the fuel poor

Retargeting the existing ECO, focusing purely on all fuel poor households could reduce the fuel poverty gap by 40m permanently per year				
Current Reach	40k households	➔	Improved Reach	100k households
Removed from Fuel Poverty	18k households		Removed from Fuel Poverty	45k households
Reduction in Gap	£16m per year		Reduction in Gap	£40m per year

**Illustration 8:** Potential permanent reduction of households in fuel poverty over the next 10 years if the ECO scheme is correctly targeted.



### Increased funding into the ECO Scheme

The impact of the ECO scheme, even when correctly targeted, is not enough to provide the support required to reach all those who need it in a reasonable timeframe. To deliver real impact and ensure all fuel poor homes have an EPC rating of at least C, the ECO needs additional funding. This entails tripling reach to support ~300k homes per year at a cost of £2.3bn. This could see all 2.6m fuel poor homes currently rated

EPC D or lower upgraded in 10 years. We estimate this could permanently reduce the total fuel poverty gap by ~£120m per year.

It is important to note, that improving all homes to EPC C may not remove all households permanently out of fuel poverty. It is estimated that of the 2.6m homes, at least 0.5m could be removed.

**Illustration 9:** Expanding the ECO scheme to bring all fuel poor homes up to at least EPC C



# A new Warm Homes Support Scheme could provider a “fairer” solution

## Warm Homes Support Scheme

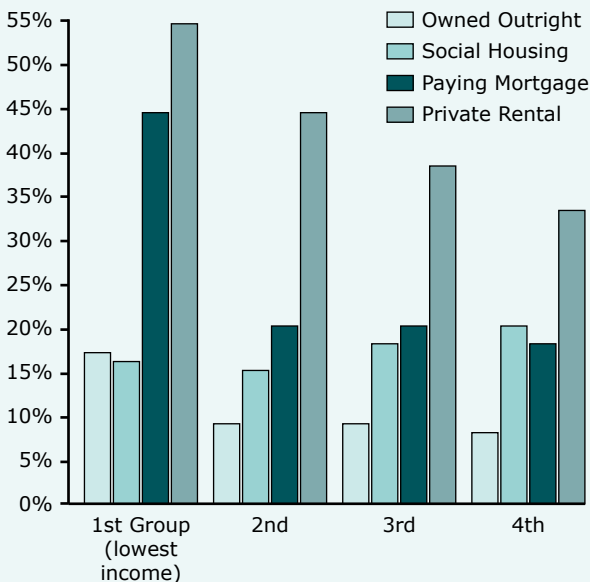
Due to the complex nature of fuel poverty, we have started to examine the feasibility of implementing a new “Warm Homes Support Scheme”. This would provide targeted bill support, with different tiers of support based on need. Adjustments in support alone won’t make a material impact in closing the fuel poverty gap, as this is reliant on the available funds. But it is important to explore this route to ensure those in need of the most support receive an amount which could make a material difference to their lives.

We’ve identified groups based on household income through our analysis. For example, households in the lowest income group have an average fuel poverty gap of £660, ~3x higher than those in the next group. Prioritising these lowest income households with existing funds could cut their average fuel poverty gap by £160 down to £500. But withdrawing or reducing support to higher income homes risks creating cliff edges. The funding required to bring all homes out of fuel poverty is unrealistic, but increasing funds for a Warm Homes Support Scheme needs to be discussed and explored for any material change.

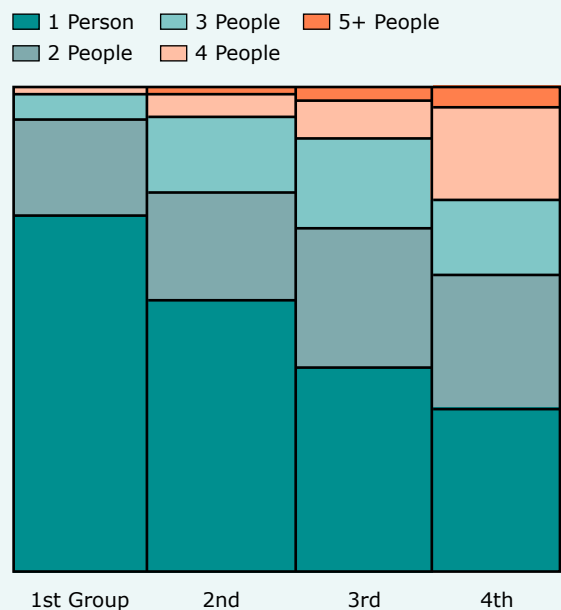
**Table 5: Creation of groups based on available income to highlight potential tiered groups for support.**

Tiered grouping based on average annual income per household to identify those who need the most support				
Category	Group 1	Group 2	Group 3	Group 4
Average Income	£11,400	£16,270	£21,260	£26,725
Average Housing Cost	£1.6k-£5.6k	£1.7k-£8.3k	£1.7k-£7.9k	£2.3k-£8.6k
% Fuel Poor	94%	51%	25%	13%
Average Fuel Gap	£660	£250	£80	£30

**Illustration 10:** Percentage of income spent on housing costs by tenure type, for each income group. Poorest households in rented accommodation spend more than 50% of their income on housing costs



**Illustration 11:** Percentage of households by occupancy for each income group. Household size varies across the income scale



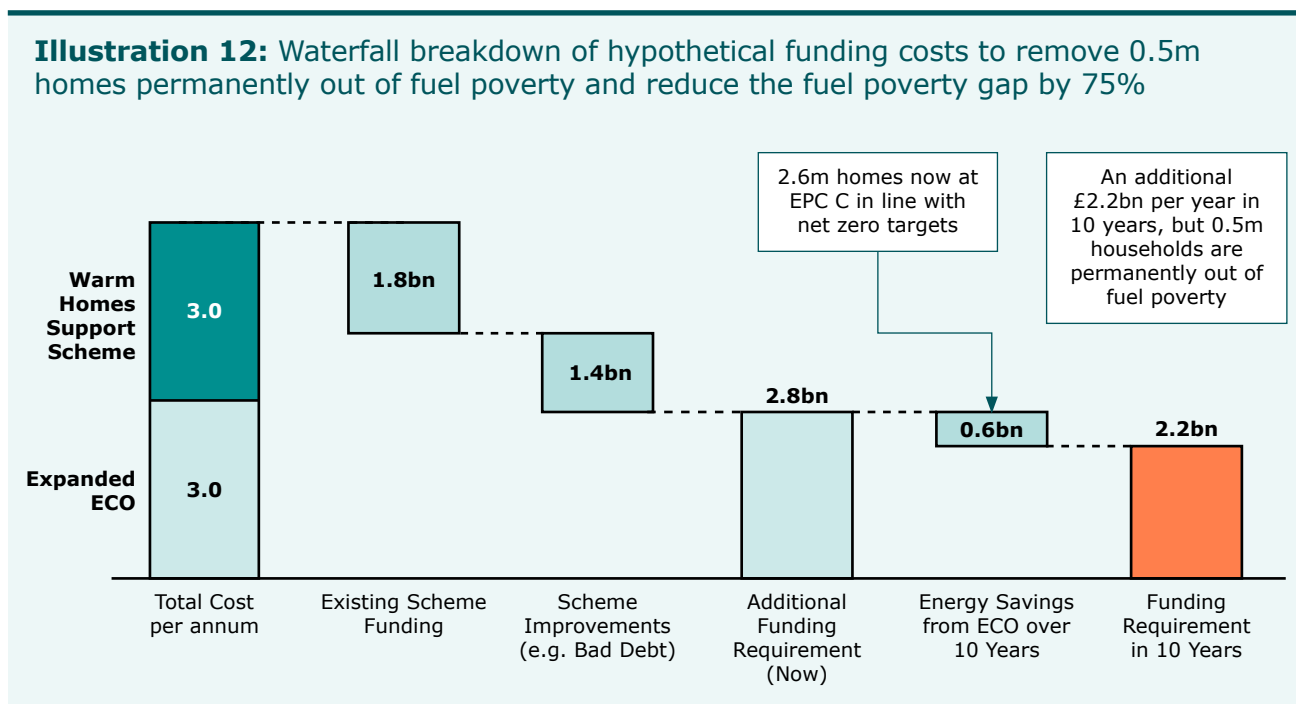
# Hypothetical analysis with maximum funding could reduce the gap by ~75%

## Combining ECO and Warm Homes Support Schemes – Hypothetical Analysis

We’ve modelled a hypothetical Warm Homes Support scheme combined with an expanded ECO scheme. This would cost £6bn per year, but the additional funding requirement could only be

£2.8bn. This would bring ~2.7m households out of fuel poverty, cutting the fuel poverty rate in half, and reducing the fuel poverty gap to £800m. But in 10 years, the funding requirements would drop to £2.2bn through the energy savings achieved through the ECO scheme, with ~0.5m homes removed out of fuel poverty permanently.

**Illustration 12:** Waterfall breakdown of hypothetical funding costs to remove 0.5m homes permanently out of fuel poverty and reduce the fuel poverty gap by 75%



- A hypothetical Warm Homes Support Scheme designed to reach all fuel poor households<sup>8</sup> could cost ~£3bn, and reduce the fuel poverty rate by half to ~10% of homes.
- An expanded ECO scheme would cost another ~£3bn. But through improvements we’ve identified for the ECO scheme, as well as anticipated savings on bad debt, the schemes could be delivered for £1.4bn less than their notional cost.
- Existing bill levies (for WHD and ECO) provide £1.8bn of funding per year, which means the schemes could be delivered for only an additional £2.8bn per year.
- If funded by billpayers, this would mean an extra ~£100/year per household, but this would fall to ~£80/year by 2035 as energy savings pay off.
- A smaller uplift in bills could be considered (e.g. £35/year would provide ~£1bn), as this would still deliver impact at **no extra cost** to the Exchequer.
- Expanding the ECO scheme will bring more homes out of fuel poverty for good, and reduce the affordability gap for those that are still spending more than 10% of their disposable income on energy.
- This will see all fuel poor homes have an EPC of at least C within 10 years, and bring at least 0.5m households permanently out of fuel poverty (no longer needing help from the Warm Homes Support Scheme).
- This means in 10 years the Warm Homes Support Scheme would require less funding to support fewer fuel poor households, saving £600m per year.

<sup>8</sup>This includes all households we’ve estimated to be spending more than 10% of their income on energy, as well as those currently eligible for the WHD but who fall outside of this definition.

# There’s potential to leverage private sector funding with incentives

## Mobilising the private sector could free up funding for those in need

The government have announced plans to mandate landlords to upgrade their properties to at least EPC C by 2030. This could potentially see the ECO scheme needing to reach ~20% fewer homes, saving ~£200m per year in ECO costs. This could be re-allocated to a Warm Homes Support Scheme to help fuel poor households cover their energy costs. However, there is the risk that landlords pass through retrofit costs to tenants – worsening fuel poverty for many renters. It is therefore important that landlords are supported, by providing attractive finance options.

## The opportunities from alternative sources of funding

Existing funding for the current interventions like WHD and ECO comes from the public through levies made on their energy bills. With government and Ofgem actively looking at how we address the affordability of energy, and with energy debt at

record levels, raising further funds through bills may be difficult. Instead, better targeting of levies and alternative sources of funding could help.

Energy bill levies are not means tested. This means contributions are made by everyone who uses energy, regardless of their ability to pay for it. An alternative approach could be to tier contributions, so that more of the funding burden is borne by those who are better able to pay, such as higher rate tax-payers and those with higher value assets.

There is a real opportunity to increase the role of private sector investment (see *Illustration 13*). For example, by incentivising landlords and property owners to retrofit their property; or developing green bonds that fund investment in energy efficiency and low carbon technologies. The UK government has already proposed leveraging pension funds to drive investment in housing and infrastructure. This could be an effective route to improving building stock whilst improving people’s savings for retirement.

**Illustration 13:** Example mechanisms that are already piloted or could be explored



Incentivise “able to pay” private landlords to retrofit their portfolio through tax incentives or cash-back schemes.



Leverage private capital through loan funds, green mortgages or other financing structures provided by partner banks and investment funds.



Third-party ownership schemes whereby private companies or investors finance and own the installed devices.



Donate value of excess energy back to the grid from homes with renewables (e.g. solar) to help cover the cost of electricity for fuel poor households.



### **Case Study:** London Borough of Southwark partnership with GLA, NatWest and Amber Infrastructure

Retrofit of district heating scheme with Water Source Heat Pumps to replace gas boilers across 2175 households.


- The project will create 17,404,073 kWh of energy savings per annum, reduce energy usage by over 34% and make a positive contribution to air quality through reducing NOx.
- Funded through a public-private consortium with Amber providing £7m of debt funding across an 18- year loan.

<https://www.amberinfrastructure.com/sectors/case-studies/london-borough-of-southwark-meef>

### **Case Study:** Redwood Bank

- Redwood Bank are incentivising landlords in the private sector to install energy efficient appliances and technology through providing a cash-back of up to 0.5% to those looking for a new loan.
- Any new loan deals completed on properties who have already achieved EPC ratings A-C are eligible to claim and receive a cash lump sum.

<https://redwoodbank.co.uk/news/energy-conscious-landlords-offered-cashback-on-new-loan-deals>



# About BFY Group

- BFY Group is one of the UK’s fastest-growing management consultancies, trusted by leading energy and utilities organisations, as well as investors supporting the sector.
- We build strong partnerships with our clients, working practically to tackle their toughest challenges, realise opportunities, and achieve lasting results.
- Since our founding in 2004, we’ve been proud to remain an independent, privately owned firm based in Nottingham, working with clients throughout the UK.
- Our deep expertise is what sets us apart. We bring in leading talent directly from the sectors we serve, equipping them with the consulting skills they need to make a lasting impact with our clients.
- Our team’s experience spans all levels including senior leadership, with backgrounds at companies like: E.ON Group, British Gas, EDF, Scottish Power, Smart DCC, Ofgem, and the Retail Energy Code Company.
- We specialise in Transformation, Strategy and Commercial Excellence, Operational Turnaround and Recovery, and ESG and Carbon Reduction.
- BFY Group is recognised as one of the UK’s Leading Management Consultants by the Financial Times, receiving five awards in 2025. We’re featured in The Sunday Times Hundred as one of the fastest-growing private companies, and have earned multiple Great Place To Work awards. Our Private Equity clients also voted us as one of the 50 Most Ambitious businesses and leadership teams in the UK.



**Ian Barker | Managing Partner**

ian.barker@bfygroup.co.uk

As our founder and Managing Partner, Ian shapes the BFY vision and inspires our team to bring it to life. Valued highly for his deep industry knowledge and straight talking, sensible approach, Ian is central to our client engagements, curating solutions for the most complex challenges in Energy, Utilities, and Private Equity.



**Rachel Littlewood | Director**

rachel.littlewood@bfygroup.co.uk

With a background in energy debt, Rachel leads operational and financial turnarounds for clients, ensuring debt resolution strategies address short-term pressures and long-term resilience. Passionate about ensuring customers in debt receive the right support, Rachel delivers tailored solutions and outcomes benefiting both businesses and customers.



**Angela Tooley | Head of Private Equity, Infrastructure & ESG**

angela.tooley@bfygroup.co.uk

Angela leads transaction advisory at BFY, helping clients drive sustainable value in the energy and utilities sector. With a proven track record of delivering growth and efficiencies, Angela has advised investors and management teams across the energy value chain, including infrastructure and retail organisations.



**John de Bono | Consultant**

john.debono@bfygroup.co.uk

John helps to inform decisions and inspire exceptional performance through insight and analysis. John has an extensive background in technical and academic research for a wide range of audiences, with his award-winning research being recognised globally.



## About So Energy

- So Energy is a **customer-centric, tech-led energy supplier** offering fair tariffs and green products, now serving over 300,000 households across Great Britain. We are uniquely placed in the market, as one of the last challengers left after the wave of supplier collapses during the energy crisis, but one that is backed by ESB's considerable resources and expertise.
- Founded in 2015, we set about building an energy company with renewables at its heart, on a mission to help customers reduce their environmental impact, while delivering award-winning customer service.
- We have consistently campaigned for pro-consumer reforms to the energy retail market, including calling for permanent, targeted bill support for vulnerable consumers. We also successfully led calls for Ofgem to retain the Ban on Acquisition-only tariffs to protect loyal customers.
- We offer 100% renewable power and let customers vote on the renewable energy we source. We also install a range of solar and battery products, help customers achieve green energy independence.
- We were also awarded The Sunday Times' Best Places to Work status in 2024.



[bfygroup.co.uk](https://www.bfygroup.co.uk)

**BFY Group Ltd**  
51 Stoney Street  
Nottingham  
England  
NG1 1LX