



Making a positive difference
for energy consumers



Warm Home Discount Annual Report **2020-2021**

Executive Summary

The Warm Home Discount Scheme (WHD) requires participating domestic energy suppliers to provide support to people who are in or at risk of fuel poverty. We are publishing this report to help provide transparency around activity on the scheme, and to provide information on the work taking place to keep the operation of the scheme, and suppliers' compliance with their obligations under review. This report covers Scheme Year Ten (SY10) – 1 April 2020 to 31 March 2021.

During SY10 suppliers provided more than £350.7m worth of eligible support, including £140 rebates to 2.26 million vulnerable customers.

Compliance in SY10

All but one of the obligated suppliers were found to have met their WHD obligations during SY10. However, despite one supplier being found to be non-compliant, all suppliers met their individual spending obligations. This comprised of direct energy bill rebates through the Core and Broader Groups, and other support through Industry Initiatives. As a result, the overall scheme spending obligations were met.

British Gas were found to be non-compliant due to an IT system issue affecting a significant number of customers in the Core Group. Although it was disappointing that Core Group customers were affected, we worked with British Gas to understand the issue and were pleased to note that they have taken significant remedial action to resolve this. When British Gas made us aware of the situation as part of the WHD SY10 end of year reporting, they were already addressing the issue and subsequently we agreed a series of measures with them. These measures included provision of a goodwill payment to each affected customer and a payment of £160k into the voluntary redress fund. As British Gas had completed all actions required to rectify the issue, Enforcement action was not required.

Several other suppliers were found to have minor contraventions with the scheme regulations. These contraventions were not deemed substantial enough to effect overall compliance, and in each case we have ensured that suppliers took remedial action to avoid vulnerable consumers losing out on support.

Participating suppliers

There were 25 suppliers obligated under the WHD scheme in SY10. Of these, 18 were compulsorily obligated, five were smaller obligated suppliers and two joined on a voluntary basis. Compulsory smaller obligated suppliers, and those that volunteer to participate in the WHD scheme, can only participate in the Core Group element.

Pure Planet Energy, So Energy, and Tonik Energy were fully obligated for the first time, and Ecotricity, iSupply Energy and Utility Point participated in the scheme for the first time as

smaller obligated suppliers. In each case they had reached the relevant threshold for compulsory participation.¹ Additionally, Symbio Energy chose to participate in the scheme voluntarily for the first time in SY10.

Of the 25 obligated suppliers at the start of the year, four subsequently either exited the energy market or went into administration, and, as a result, the Supplier Of Last Resort (SoLR) process was implemented resulting in customers of those suppliers joining another supplier.² This meant that there were 21 participating suppliers at the end of SY10, against whom compliance with the scheme regulations was assessed.

Core Group

Low-income pensioners received over 1m £140 rebates through the Core Group. More than 95% of these were provided to customers identified through data sharing between suppliers and the Department for Work and Pensions (DWP). No action was required from these customers in order for their rebates to be provided. The remaining Core Group customers contacted the 'Warm Home Discount helpline' to provide required information before their rebates could be provided.³ There were 21 suppliers providing Core Group rebates in SY10, of these five were providing rebates as a compulsory smaller supplier or on a voluntary basis.

Customers eligible for the Core Group are identified by DWP and spending on this element is balanced between suppliers through a reconciliation process in proportion to their market share. The first and second SY10 interim reconciliations were combined, with the final reconciliation due to be finalised by end of January 2022.

Broader Group

A further 1.2m customers who were in or at risk of fuel poverty received Broader Group rebates, also worth £140 per customer. These customers received their rebates by applying directly to their supplier and providing evidence that they met the eligibility criteria.

All fully obligated suppliers were found to have complied with their broader group obligations during SY10, providing a greater number of rebates than the minimum requirement set for them.

¹ Suppliers with at least 150,000 but less than 250,000 domestic customers are known as 'compulsory small suppliers', who along with voluntary suppliers deliver Core Group rebates only. Suppliers with 250,000 or more domestic customers are 'fully obligated' and are required to deliver Core Group rebates as well as meet the non-core spending obligation, which is made up of Broader Group rebates and spending on Industry Initiatives.

² [Link to information on supplier exits from the electricity market](https://www.ofgem.gov.uk/news-and-views/blog/how-youre-protected-when-energy-firms-collapse): <<https://www.ofgem.gov.uk/news-and-views/blog/how-youre-protected-when-energy-firms-collapse>>

³ [Link to information on applying for a Core Group rebate](https://www.gov.uk/the-warm-home-discount-scheme/guarantee-pension-credit): <<https://www.gov.uk/the-warm-home-discount-scheme/guarantee-pension-credit>>

Industry Initiatives

The total non-core spending obligation for SY10 was £202.4m. Spending on Industry Initiatives by fully-obligated suppliers was capped at £40m. Fully obligated suppliers are not obliged to fund Industry Initiatives but 15 of the 16 chose to do so. Of these 15, seven spent their entire Industry Initiative cap and a further four spent over 95%.

Suppliers spent a combined £33.9m across 45 Industry Initiatives (two of which were pilot initiatives) to support consumers. These provided support such as energy advice, the installation of energy efficiency measures, help to reduce and manage energy debts, and help identifying unclaimed benefits that the household was eligible for.

Suppliers spent around £4m less on Industry Initiatives during SY10 compared to SY9, choosing to meet a larger proportion of their non-core spending obligations through rebate provision. This may be in part due to the economic impact of COVID-19 resulting in more people being eligible for, and seeking support through, the Broader Group.

Feedback

We value your feedback on this report. Please contact us at SchemesReportingFeedback@ofgem.gov.uk with any comments or suggestions.

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Associated Documents

The WHD Regulations 2011 (as amended) on the legislation.gov.uk website:

[Link to Warm Home Discount Regulations](#)

<<http://www.legislation.gov.uk/all?title=warm%20home%20discount>>

The WHD Guidance for Suppliers v7.2 on the Ofgem website:

[Link to Warm Home Discount Guidance for Suppliers v7.2](#)

<<https://www.ofgem.gov.uk/publications/warm-homes-discount-whd-guidance-suppliers-version-72>>

The WHD Annual Report: Scheme Year 9:

[Link to the Scheme Year 9 Warm Home Discount annual report](#)

<<https://www.ofgem.gov.uk/publications/warm-home-discount-annual-report-scheme-year-9>>

WHD Reports and Data on the Ofgem website:

[Link to WHD reports and data on the Ofgem website](#)

<<https://www.ofgem.gov.uk/environmental-programmes/social-programmes/warm-home-discount/warm-home-discount-reports-and-statistics>>

The Department of Business, Energy and Industrial Strategy (BEIS) consultation on the WHD Scheme 2021 to 2022:

[Link to consultation on WHD scheme 2021 to 2022](#)

<<https://www.gov.uk/government/consultations/warm-home-discount-scheme-2021-to-2022>>

BEIS consultation on the WHD Scheme from 2022:

[Link to consultation on WHD scheme from 2022](#)

<<https://www.gov.uk/government/consultations/warm-home-discount-better-targeted-support-from-2022>>

Please note that we publish a spreadsheet containing the data used in this report alongside the report on our website.

About the Scheme

The Warm Home Discount Scheme (WHD) requires participating domestic energy suppliers to provide support to those who are in or at risk of fuel poverty. This report covers the tenth year of the scheme – 1 April 2020 to 31 March 2021 (SY10).

Operation of the Warm Home Discount Scheme

The WHD scheme began in 2011 and places obligations on licenced electricity suppliers who have either passed a threshold for compulsory participation or who have volunteered to join the scheme. The threshold for participation is based on the number of domestic customers of the licensed supplier and any other licenced suppliers in the same group of companies. Within the tenth year, any licenced supplier within a group, which had at least 250,000 domestic customers for gas and/or electricity (calculated annually), was obligated to fully participate in the WHD scheme. In addition, any licenced supplier within a group, which had at least 150,000 domestic customers for gas and/or electricity (calculated annually), was obligated to participate in the Core Group only.⁴ Voluntary suppliers also only participate in the Core Group part of the scheme.

The scheme imposes annual obligations on licenced electricity suppliers (referred to as “suppliers” for the remainder of the report), which must be delivered within defined scheme periods. These periods generally last 12 months, running from April to the following March.

Ofgem’s role in the WHD scheme is to administer the non-core elements of the scheme (Broader Group and Industry Initiatives) and to monitor and facilitate suppliers’ compliance with all elements of the scheme. The Department for Business, Energy and Industrial Strategy (BEIS) maintain overall responsibility for the coordination and oversight of the WHD scheme and any policy changes. It also oversees the delivery of the Core Group.

The components of the scheme

The main method of support through the scheme is by giving rebates against customer energy bills. Support is also provided through a variety of other initiatives. Three different elements make up the WHD scheme: The Core Group, Broader Group, and Industry Initiatives.

⁴ Suppliers with at least 150,000 but less than 250,000 domestic customers are referred to as compulsory small suppliers.

Core Group

The Core Group assists less well-off pensioners, through a direct rebate of £140 to their electricity or gas account. Customers are eligible for the rebate if they receive Pension Credit Guarantee Credit. The Department for Work and Pensions works with participating suppliers to identify those who receive Pension Credit among their customers. Most eligible Core Group customers are identified in this way and their rebate is received automatically.

Broader Group

Obligated suppliers must provide rebates of £140 to a wider group of customers who are in or at risk of fuel poverty. In addition to mandatory eligibility criteria, suppliers have some discretion to vary the eligibility criteria to address their specific customer base, however the support must be directed at those in or at risk of fuel poverty.

Support under the Broader Group element of the scheme is generally delivered on a first come, first served basis, with customers of participating suppliers applying directly for support.

Industry Initiatives

The Industry Initiative element of the scheme encourages innovation and allows suppliers to help fuel-poor customers through third parties. Different types of support can be provided through Industry Initiatives and can include; advice on energy saving, the installation of energy efficiency measures, and help with reducing energy debts.

Not all obligated suppliers support Industry Initiatives as they can meet their obligations under the WHD through Core and Broader Group rebates alone.

Rebate Provision and Delivery

We treat a rebate as being 'provided' when a supplier has attempted to give a rebate to a customer, and 'delivered' when the customer has successfully received it. In a small number of cases, the customer may not redeem a voucher or cheque sent to them. These rebates are considered to be 'provided' but not 'delivered'.

Linked to this, suppliers have to show that they made reasonable efforts to deliver the rebate to customers who had not redeemed their voucher or cheque. To do this, suppliers make additional attempts to deliver rebates using alternative methods.

The value of rebates that are not redeemed by customers during a scheme year are added to supplier obligations for the following year. This allows suppliers to use unredeemed rebates to support additional customers in future scheme years.

WHD scheme budget and obligations

The WHD Regulations set an overall obligation for each year of the scheme, to be shared among the participating suppliers for that year.⁵ The size of the Core Group is estimated by BEIS each year before the start of the scheme year, with the remaining obligation forming the non-core obligation.

The non-core obligation can be met through a combination of Broader Group and Industry Initiative spending. However, the WHD Regulations place a maximum cap on the amount that can be spent on Industry Initiatives, which effectively creates a minimum obligation for Broader Group spend.⁶

The scheme budget rises with inflation, so the sum spent on support is maintained in real terms. For SY8-10, the spending cap on Industry Initiatives is £40m and spending on writing off customer debt was limited to £6m⁷ which was a decrease of £2m⁸ from SY9.

The development in scheme budget

	SY7	SY8	SY9	SY10	SY11
Overall non-core scheme year target	£155m	£185m	£194m	£207m	£224m
Overall scheme Industry Initiative limit	£30m	£40m	£40m	£40m	£40m
Overall scheme Industry Initiative debt write-off cap	£12m	£10m	£8m	£6m	£6m
Overall Broader Group minimum	£125m	£145m	£154m	£167m	£184m
Overall spending target	£329m	£340m	£347m	£351m	£354m
Core and Broader Group rebate value	£140	£140	£140	£140	£140

⁵ [Link to the Warm Home Discount Regulations 2011](https://www.legislation.gov.uk/uksi/2011/1033/made) (as amended):

<<https://www.legislation.gov.uk/uksi/2011/1033/made>>.

[Link to all Warm Home Discount Regulation Amendments:](https://www.legislation.gov.uk/primary+secondary?title=Warm%20Home%20Discount)

<<https://www.legislation.gov.uk/primary+secondary?title=Warm%20Home%20Discount>>

⁶ Regulation 15A(4)(d) of the WHD Regulations

⁷ Regulation 15A(5)(b) of the WHD Regulations

⁸ Regulation 15A(5)(c) of the WHD Regulations

Responding to COVID-19

The COVID-19 pandemic has greatly affected fuel poor and vulnerable energy customers and because of job losses, changes in economic circumstances and deteriorating health, it is expected that a greater proportion of households will be eligible for Broader Group support in SY11. In addition, it is expected that Industry Initiative schemes will remain flexible in the way activities are delivered to continue supporting vulnerable customers. This includes providing support such as energy efficiency advice and benefit entitlement checks via socially distanced methods, including telephone and online, rather than face-to-face.

Throughout the COVID-19 pandemic we have continued to deliver our statutory functions in administering the WHD scheme.

In our audit work for both interim and end-of-year programmes we allowed audits that are normally site-based to be conducted remotely. This provided flexibility for both the suppliers and auditor without reducing our ability to successfully conduct and complete audits.

We recognised, along with suppliers and delivery partners, that consumers may feel anxious about allowing access into their homes. As such a number of Industry Initiative activities that were normally conducted face to face, including in a customers home, were permitted to be provided virtually or by telephone. This included but was not limited to, energy advice, benefit entitlement checks and debt write off advice. We allowed small energy efficiency measures to be provided by post or doorstep delivery, provided the consumer confirmed the measures would be installed and used. In addition, options to return the measures if not used were given, thus helping to ensure that the energy saving measures were not wasted.

1. Compliance in Scheme Year 10

- 1.1. In total, obligated suppliers provided more than £350.7m⁹ worth of eligible support to consumers, with all meeting their respective spending obligations. This was made up of energy bill rebates through the Core and Broader Groups, and other support through Industry Initiatives.
- 1.2. There were 25 suppliers obligated under the WHD scheme in SY10. Of these, 18 were compulsorily obligated, five were compulsory smaller supplier obligated and two joined on a voluntary basis. It should be noted that compulsory small suppliers and voluntary suppliers are only obligated under the Core Group element of the scheme.
- 1.3. Additionally, seven suppliers became compulsory participants for the first time; this meant they passed the threshold of number of domestic customers required to become obligated to participate in the scheme.¹⁰ Details of suppliers participating in the scheme can be found in Appendix 1.
- 1.4. From the total of 25 suppliers, four either exited the energy market or went into administration during the scheme year. This occurred before compliance with their obligations had been determined. In each case the Supplier of Last Resort (SoLR)¹¹ process was implemented, and their customers were transferred to a new supplier. Details of the suppliers affected can be seen in **Table 1.1**.

Table 1.1: Suppliers exiting the market or going into administration during SY10

Supplier name	Exited the market / went into administration	SoLR supplier
iSupply	Exited the market	EDF Energy
Green Network Energy	Went into administration	EDF Energy
Robin Hood Energy	Went into administration	British Gas
Tonik Energy	Went into administration	Scottish Power

⁹ The combined supplier spending target was £351m, however £350.7m worth of eligible support was provided to consumers. The shortfall is due to suppliers existing the energy market during SY10.

¹⁰ Suppliers are obligated to participate in the scheme if they have 250,000 or more domestic customers, or if they have between 150,000 and 249,999 domestic customers (compulsory small suppliers) they are only obligated to participate in the Core Group element of the scheme.

¹¹ [Link to information on supplier exits from the electricity market](https://www.ofgem.gov.uk/news-and-views/blog/how-youre-protected-when-energy-firms-collapse): <<https://www.ofgem.gov.uk/news-and-views/blog/how-youre-protected-when-energy-firms-collapse>>

- 1.5. Each of the three SoLRs provided, where relevant, Core and Broader Group rebates to the failing suppliers customers and this was counted towards their original WHD obligation spend.

Determining compliance

- 1.6. Each supplier submitted a report summarising the support provided to consumers, which they intended to attribute to meeting their obligations for SY10.
- 1.7. To determine supplier compliance, we assessed whether they had provided all rebates in line with the requirements of the WHD scheme.
- 1.8. The non-core elements (the Broader Group and Industry Initiatives) have an obligation for each supplier to provide a minimum value of eligible support to customers in or at risk of fuel poverty. Suppliers must provide a minimum proportion of this support each year through Broader Group rebates, which for SY10 was 80.15% of the total non-core obligation. Suppliers may choose whether to provide the remaining support through additional Broader Group rebates, eligible Industry Initiatives, or a combination of both. Customers apply for these types of support directly via their supplier or an organisation working with the suppliers.
- 1.9. The WHD Regulations set specific requirements on how support through each element should be provided to eligible customers. For the direct rebates of the Core Group and Broader Group, these requirements primarily relate to the timing of rebate payments, how the rebates can be provided, and how customers are told they have received their rebate.¹²
- 1.10. We assessed whether the support that suppliers have provided can be attributed to the scheme. Furthermore, we assessed whether the combined value of their activities for the year was sufficient to meet their overall non-core spending obligation.
- 1.11. Having made these assessments, we made an overall determination of a supplier's compliance with the WHD scheme for the year. We took a proportionate approach to dealing with contraventions of scheme regulations, such that minor contraventions that have little or no impact on consumers were not treated as an overall non-compliance, although we still expect suppliers to take preventative actions in future. The results are summarised in **Figure 1.1** below.

¹² Regulation 7 of the WHD Regulations

Figure 1.1: Supplier Compliance with Scheme Year 10 Obligations

Supplier	Overall Compliance	Core Group	Broader Group	Industry Initiatives
Avro Energy	Compliant	✓	✓	✓
British Gas	Non-Compliant	1	✓	✓
Bulb Energy	Compliant	4	14	✓
E Energy	Compliant	✓	✓	✓
EDF Energy	Compliant	✓	✓	✓
E.ON Energy	Compliant	✓	✓	✓
Npower Group	Compliant	✓	✓	✓
Octopus	Compliant	42	✓	✓
OVO Energy	Compliant	✓	✓	✓
OVO(S) (formerly SSE Energy)	Compliant	✓	✓	✓
Pure Planet	Compliant	✓	✓	✓
Scottish Power	Compliant	✓	✓	✓
Shell Energy (formerly First Utility)	Compliant	✓	✓	✓
So Energy	Compliant	✓	✓	✓
Utilita	Compliant	✓	✓	✓
Utility Warehouse	Compliant	✓	1	✓
Bristol Energy (only CG Obligated)	Compliant	✓	N/A	N/A
Ecotricity (only CG obligated)	Compliant	✓	N/A	N/A
Green Energy UK (only CG obligated)	Compliant	✓	N/A	N/A
Symbio (voluntary supplier)	Compliant	1	N/A	N/A
Utility Point (only CG obligated)	Compliant	✓	N/A	N/A

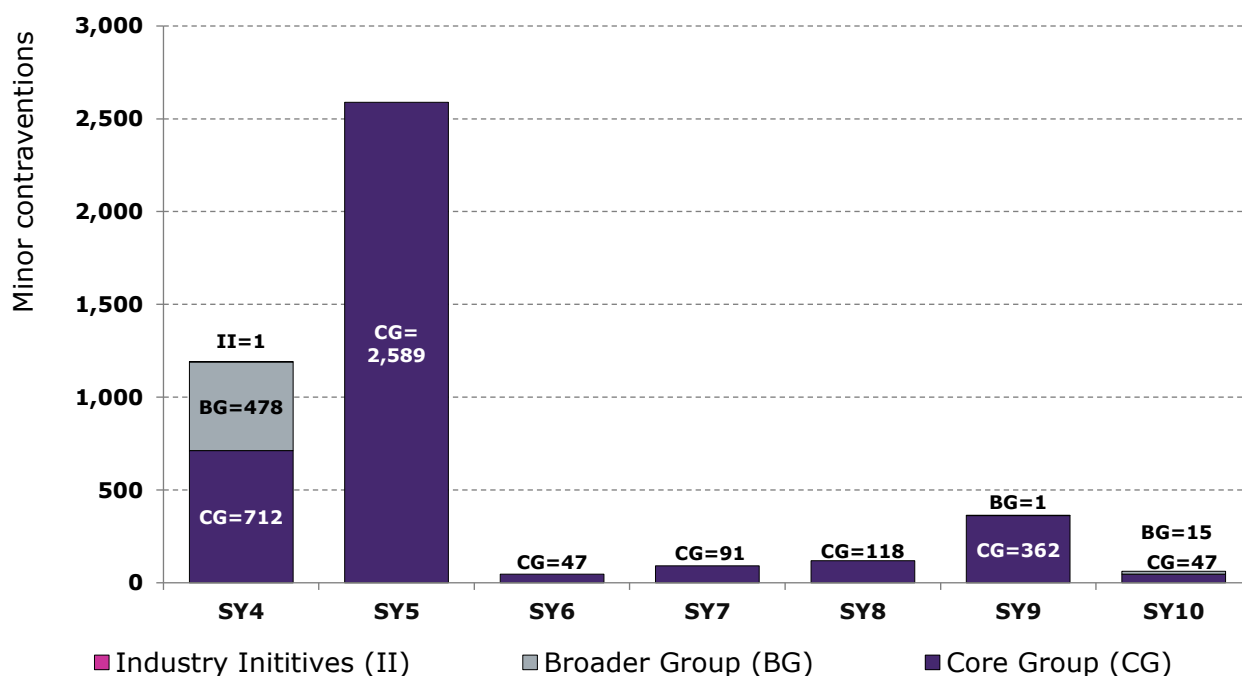
Key to symbols

✓	Ø	Ø	N/A
No contraventions	Minor contraventions (number of)	Major contraventions (number of)	Did not deliver this element

Contraventions

- 1.12. Minor contraventions indicate that the supplier has, in some cases, failed to comply with all the requirements of the WHD Regulations. These contraventions relate to not providing support to a customer or customers in an efficient way, for example not passing information to other organisations within set timescales, which delays provision of a customer's rebate.
- 1.13. For each contravention, we checked that the individual customers had not been significantly affected, that the administration or delivery of the scheme had not been affected as a whole and that the supplier had resolved the issue within a reasonable timescale. If contraventions were deemed as minor, we did not determine that the supplier was non-compliant overall.
- 1.14. We are pleased to see that most obligations across suppliers were met with no contraventions of the WHD Regulations.
- 1.15. Four suppliers had minor contraventions, with 47 of the 62 contraventions being within the Core Group. There were 15 minor contraventions in the Broader Group obligation. The 47 infringements in the Core Group represents a small fraction of the nearly 1.03m rebates provided. As shown in **Figure 1.2** the number of contraventions recorded annually varies quite significantly.

Figure 1.2: Minor contraventions SY4 to SY10



- 1.16. Bulb Energy, Octopus, Utility Warehouse and Symbio provided explanations for the specific issues that led to their minor contraventions. They also confirmed that they had resolved the errors on behalf of the affected customers. From our discussions with each supplier, we are satisfied that action plans are in place to prevent similar future contraventions.
- 1.17. Having assessed all supplier activities reported to us for SY10 and taking account of the small number of minor contraventions, we determined that only one of the compulsory participating suppliers (British Gas) was non-compliant. This incidence of non-compliance will be added to the Supplier Performance Report (SPR).¹³ However, despite being non-compliant, British Gas met their overall non-core spending obligation.
- 1.18. British Gas were considered non-compliant with requirements of the WHD scheme in SY10. A total of 42,184 prepayment (PPM) Core Group customers were impacted by an IT system issue. Some customers who had previously been provided with a Core Group rebate had it mistakenly removed (underpaid) and some customers were mistakenly provided with a duplicate core group rebate (overpaid). We worked with British Gas to ensure this situation was rectified for all affected customers. British Gas completed resolution of all cases by 31st December 2021. It was a concern to us that there was a significant number of vulnerable customers who did not benefit from their £140 rebate by the statutory year end (31 March 2021). As such, we reached the determination that British Gas did not comply with requirements of the WHD scheme in SY10 and that the following actions would be completed by British Gas:
- 1.** Provide either a £20 reduction to customers debt balance, or where there is no debt balance on the account, a £20 credit will be applied
 - 2.** Contact customers who overpaid with the intent to reimburse the duplicate rebate at the rate of £3.65 per week minus a £20 goodwill payment that will not be recovered
 - 3.** Pay £160k into the Voluntary Redress Fund (VRF)
 - 4.** Submit root cause analysis to us detailing how this occurred, including changes to practice, management controls or governance to prevent reoccurrence in SY11 and beyond
 - 5.** Provide Ofgem with reporting on resolved cases
- 1.19. We can confirm all of the points above have been completed. As British Gas agreed to the above, the issue has not been escalated to Enforcement.

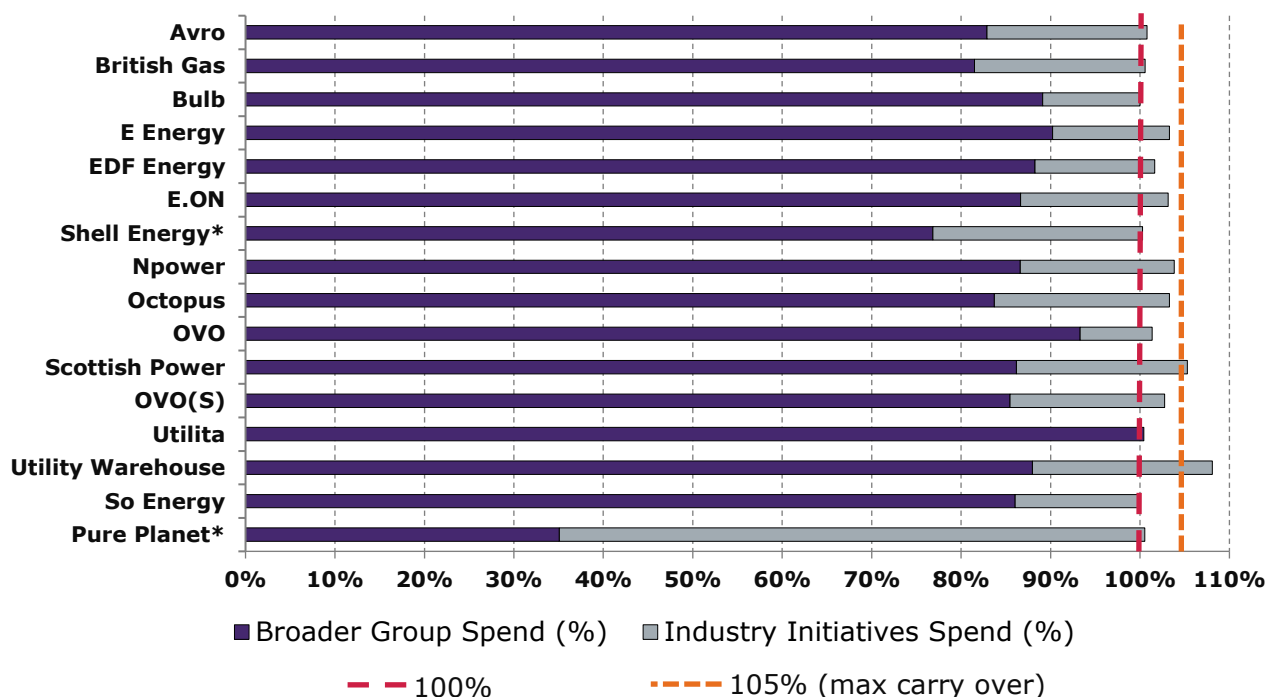
¹³ [Link to information about the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>.

Supplier spend against non-core spending obligations

- 1.20. Suppliers who exceeded their SY10 obligation by over delivering can carry over part of their spending to SY11 where it will be attributed to the spending obligation that year. The amount a supplier can carry over is limited to 5% of the value of their non-core obligation for SY10.¹⁴
- 1.21. For SY10, 16 suppliers reported over delivery of their obligation, which allowed them to carry over some eligible spend to SY11. This, in practice, reduces their spending obligation for SY11. In **Figure 1.3** below, we show supplier spend against their obligation, and how suppliers chose to split their spend between the non-core elements.

¹⁴ Regulation 14(3)(b)(iii) of the WHD Regulations

Figure 1.3: Supplier spend against non-core spending obligations



Supplier	Broader Group % Spend	Industry Initiatives % Spend	Overall Achievement
Avro	82.88%	17.91%	100.79%
British Gas	81.51%	19.05%	100.56%
Bulb	89.14%	10.87%	100.01%
E Energy	90.25%	13.06%	103.31%
EDF	88.26%	13.40%	101.66%
E.ON	86.63%	16.53%	103.16%
Shell Energy*	76.86%	23.44%	100.30%
Npower	86.60%	17.22%	103.82%
Octopus	83.73%	19.58%	103.30%
OVO	93.31%	8.04%	101.35%
Scottish Power	86.19%	19.10%	105.29%
OVO(S)	85.48%	17.28%	102.76%
Utilita	100.44%	0.00%	100.44%
Utility Warehouse	87.98%	20.12%	108.09%
So Energy	86.03%	14.01%	100.04%
Pure Planet*	35.08%	65.46%	100.54%

*Shell Energy and Pure Planet both transferred part of their Broader group obligation to Industry Initiatives as they both expressed concerns about meeting the Broader group minimum spend.¹⁵

¹⁵ Regulation 15B of the WHD Regulations

1.22. As noted earlier, each supplier had a maximum value of eligible Industry Initiatives which could be attributed to their non-core obligation. Suppliers split their spending between Broader Group and Industry Initiatives in many ways and **Figure 1.3** above illustrates the proportion of each supplier's chosen spend. This ranged from exclusively focusing on Broader Group to maximising the use of Industry Initiatives alongside the Broader Group. Both approaches, and others in between, are acceptable under the WHD Regulations and show the flexibility of delivery models available to suppliers.

2. Core Group

- 2.1. The Core Group element of the WHD scheme is administered by BEIS, which works closely with the DWP and participating suppliers to identify eligible Core Group customers.
- 2.2. In SY10, the eligibility criteria for the Core Group remained the same as in the previous year. All customers of participating suppliers who received Pension Credit Guarantee Credit were eligible for a rebate of £140 each. Customers identified as eligible for the Core Group must be provided with a rebate.
- 2.3. In total, 1,028,519 customers were provided a Core Group rebate in SY10. This was 39,049 less than the previous scheme year. However, there was an increase in Broader Group rebates (77,896), so overall the amount of rebate support provided to consumers increased from last year.
- 2.4. The decrease in Core Group rebates provided since SY5 (shown in **Figure 2.1**) can be attributed to the equalisation and then rise of the State Pension age, as well as the introduction of the new State Pension.¹⁶ The weekly full rate of the new State Pension is set above the standard minimum guarantee for a single person on Pension Credit.¹⁷

Data Matching

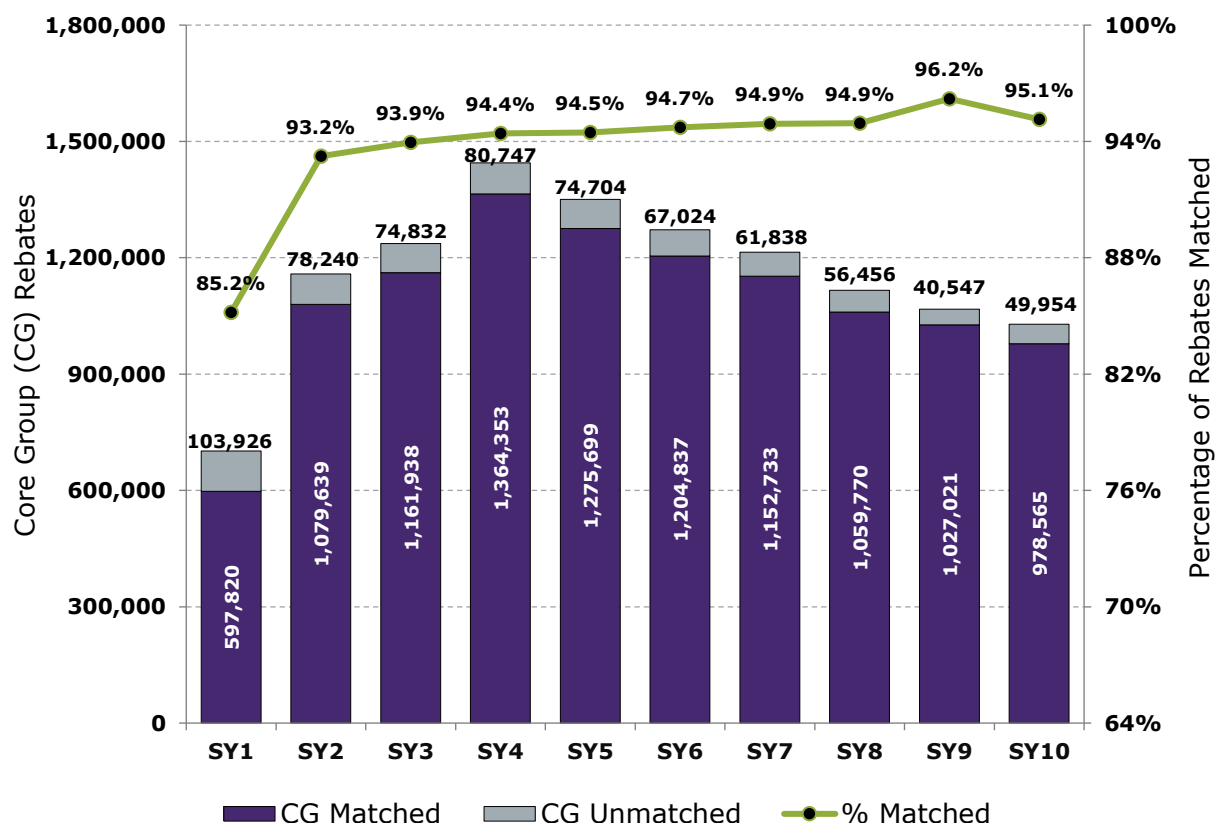
- 2.5. To identify customers eligible for the Core Group, suppliers share a limited amount of customer data with the DWP who match this against records of Pension Credit recipients. If there is enough information for the customer to be 'matched', the relevant supplier receives an instruction to pay a rebate to this customer in the scheme year. As shown in **Figure 2.1**, for SY10, 95.1% of Core Group customers received their rebate this way, without needing to take any action.
- 2.6. The remaining eligible customers, who could not be matched automatically, were asked to provide further information to a government call centre to confirm their electricity supplier. There were 49,954 'unmatched' customers (4.9% of the total) who needed to do this during SY10.

¹⁶ [Link to information on the new State Pension](https://www.gov.uk/new-state-pension): <<https://www.gov.uk/new-state-pension>>

¹⁷ Pensioners with income above the standard minimum guarantee level are not eligible for Pension Credit.

2.7. At 95.1% the percentage of matched rebates has remained high, albeit with a slight drop in the past year. This is the second highest percentage of matched rebates since the scheme began.

Figure 2.1: Core Group rebates provided and matched SY1 to SY10



Exceptions

- 2.8. Suppliers are expected to fulfil each rebate instruction they are sent. However, the WHD Regulations recognise that there can be certain situations where this is not possible. Regulation 8 allows the Secretary of State (SoS) to determine situations where it would not be reasonably practicable to provide the rebate.
- 2.9. Currently, the SoS has determined that if a customer has died and their estate cannot be contacted, or if the customer has otherwise closed their account and cannot be contacted by any means, these instructions may be treated as exceptions and the supplier is not required to pay a rebate.
- 2.10. There may be other reasons why a supplier was not able to provide a rebate to the named domestic customer. If suppliers provide an explanation and we agree it is justified, these may also be treated as exceptions.

2.11. Suppliers treated 606 instructions as exceptions in SY10, about 0.06% of the total. We are satisfied in all cases that reasonable efforts were made to provide the rebate and that the treatment as exceptions was justified.

Delivery

2.12. We treat a rebate as being 'provided' when a supplier has attempted to give a rebate to a customer, and 'delivered' when the customer has successfully received it. In a small number of cases, the customer may not redeem a voucher or cheque sent to them. These rebates are considered to be 'provided' but not 'delivered'. Suppliers have a requirement to report on the delivery of rebates.¹⁸ The value of rebates that were not redeemed by customers during SY10 has been added to supplier non-core obligations for SY11, so that suppliers are using unredeemed rebates to support additional customers in future scheme years. Any rebates that are not 'delivered' where the supplier has not made one additional reasonable attempt to deliver may be treated as non-compliance.

2.13. In SY10, 1,028,519 Core Group rebates were provided with a value of just under £144.0m. The total value of the delivered Core Group rebates was £141.2m (98.0% of rebate value was delivered).

2.14. In addition to normal processes used to deliver outstanding rebates to customers, we ensured that suppliers followed this up and made one additional attempt to deliver the rebate. The outcome of this approach is reflected in the high redemption rates.

2.15. All suppliers reported on the number of rebates which had been provided and delivered. We were satisfied that suppliers made reasonable efforts to ensure customers could obtain the rebate that was provided to them.

2.16. A provision in the WHD Regulations allows rebates to be applied to a customer's gas account at their request.¹⁹

2.17. In SY10, only small numbers of customers asked their supplier to provide the rebate on the gas account and suppliers were able to meet these requests. For a number of the participating suppliers, customers could already ask for transfers to be made between their gas and electricity accounts. These suppliers did not provide separate reporting of WHD rebate transfers. We therefore have not reported the number of requests made specifically for WHD rebates to be provided to gas accounts. This applies to both Core and Broader Group rebates.

¹⁸ Regulation 9(6) of the WHD Regulations

¹⁹ Regulation 7(3)(aa) and (d) of the WHD Regulations

Core Group Reconciliation

- 2.18. Customers who are eligible for a Core Group rebate are not necessarily distributed evenly in proportion to their market share amongst suppliers. An important part of the Core Group element is the mechanism to balance the cost of delivery across all participating suppliers. This process is known as the Core Group Reconciliation and is underpinned by the Warm Home Discount (Reconciliation) Regulations 2011 (as amended) ("the Reconciliation Regulations").²⁰ The Reconciliation Regulations set out the method by which the costs are reconciled and so fairly distributed between suppliers through a series of payments organised by a central party.²¹
- 2.19. One interim Core Group Reconciliation run took place between April and May 2021. Every supplier, apart from one, had made payments in full. As a result, another supplier made the payment on behalf of the supplier that could not pay. As such, each supplier due credit from the reconciliations was paid in full.
- 2.20. The total balancing payments received and paid out in the interim Core Group Reconciliation run was £15,743,592.04.
- 2.21. The SoS was provided with a report summarising the interim Core Group Reconciliation.
- 2.22. The final reconciliation commenced in December 2021 and is due to complete at the end of January 2022. Every supplier made payment in full and as such each supplier due credit from the reconciliation will be paid in full. The total balancing payments received and that will be paid out in the final reconciliation run are £1,001,836.30.

²⁰ [Link to Warm Home Discount \(Reconciliation\) Regulations 2011:](https://www.legislation.gov.uk/uksi/2011/1414/contents/made)
<<https://www.legislation.gov.uk/uksi/2011/1414/contents/made>>

²¹ Starting with SY7, BEIS appointed Ofgem to operate the reconciliation process. Prior to this the process was operated by Elexon.

3. Broader Group

- 3.1. The Broader Group element of the WHD scheme requires suppliers to provide a minimum number of rebates to a wider group of fuel poor customers or those that are at risk of fuel poverty. Rebates are provided at the same value as the Core Group, which is £140 in Scheme Year 10 (SY10).
- 3.2. Broader Group rebates form part of the non-core spending obligation for suppliers. The other part of the non-core obligation, Industry Initiatives, is capped at a maximum value. This in practice sets a minimum spend on Broader Group for each supplier.
- 3.3. In SY10, Industry Initiatives were capped at £40m, therefore after taking account of overspend from SY9, the Broader Group minimum spending obligation across all suppliers was £162m. This equates to 80.15% of suppliers' total non-core spending obligation of £202m.

Broader Group Eligibility

- 3.4. The WHD Regulations include a mandatory set of criteria to assess claims which suppliers must use as a minimum²²; although further criteria may be added subject to approval by Ofgem. A supplier may elect to use only the mandatory criteria in a scheme year, but in most cases during SY10, suppliers included additional criteria in their proposals for Broader Group rebates.
- 3.5. We reviewed all sets of criteria in use during the scheme year and were satisfied that all obligated suppliers met the mandatory criteria and were consistent with the requirements of the WHD Regulations.
- 3.6. As well as setting clear eligibility criteria which target low income and vulnerable consumers, suppliers must ensure that rebates are provided only to people who are eligible and protect the scheme from fraud and abuse. In particular, the WHD Regulations require suppliers to obtain documentary evidence from a minimum of 5% of customers who receive a Broader Group rebate to verify the eligibility information on their application to the scheme.²³
- 3.7. Suppliers take a random selection of applicants and seek documentary evidence from each applicant selected, confirming their eligibility before paying the rebate. If an applicant cannot provide the evidence, the rebate is withheld.
- 3.8. For SY10, suppliers were collectively required to obtain evidence of eligibility from 61,696 Broader Group customers to meet this regulation.

²² Regulation 19(5)(a) and Part 1 of Schedule 2 of the WHD Regulations 2011

²³ Regulation 19(7)(a) and Part 2 of Schedule 2 to the WHD Regulations

- 3.9. All suppliers met this requirement and in total 147,839 applicants for Broader Group rebates provided satisfactory evidence when asked - more than double the required number.

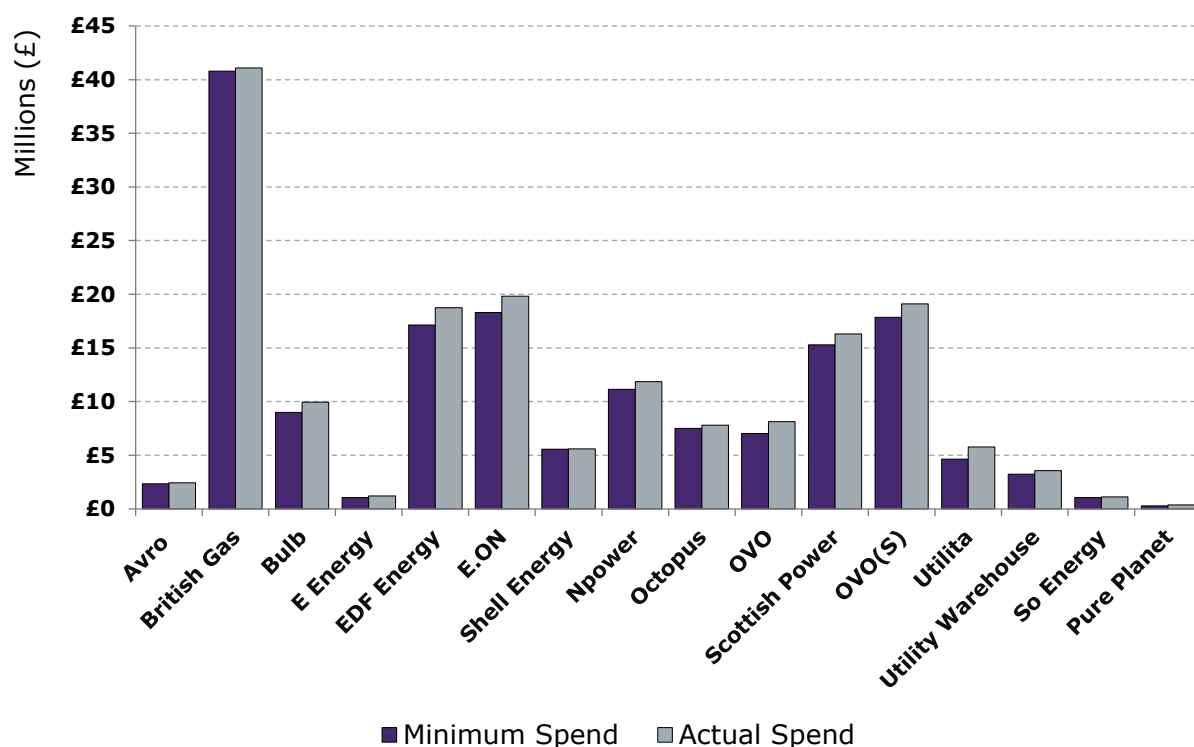
Banked SY9 spending

- 3.10. Under the WHD Regulations, suppliers who spend more than their non-core spending obligations in a scheme year, may carry over up to 5% overspend to use against the following year's non-core obligation. In practice, this means that a supplier's non-core obligation will be reduced in the following year by any overspend carried over.
- 3.11. We amended each supplier's SY10 non-core spending obligation and minimum Broader Group spending for SY10 after completing our compliance assessment for SY9. In total, suppliers spent £4.4m above their non-core spending obligations during SY9.
- 3.12. Once these adjustments to obligations were issued, suppliers needed collectively to provide at least 1,158,573 broader group rebates to customers (equivalent to approximately £162.2m).

Delivery

- 3.13. In SY10, suppliers provided 1,234,664 broader group rebates with a total value of approximately £172.9m. This helped ensure that all suppliers exceeded their SY10 non-core spending obligations.
- 3.14. The £172.9m spend made up 83.6% of total non-core spending in SY10, with the remaining non-core spending of £33.9m coming from Industry Initiatives. We look at Industry Initiatives in more detail in Chapter 4.
- 3.15. It should be noted that with agreement from Ofgem, Shell Energy and Pure Planet both transferred part of their Broader group obligation to Industry Initiatives, as they expressed concerns about meeting the Broader Group minimum spend.

Figure 3.1: Broader Group spend against obligations in SY10



Supplier	Minimum spend	Actual Spend
Avro	£2,353,750	£2,426,900
British Gas	£40,784,648	£41,084,400
Bulb	£8,981,525	£9,935,800
E Energy	£1,062,143	£1,198,260
EDF Energy	£17,144,703	£18,744,880
E.ON	£18,294,802	£19,829,040
Shell Energy	£5,562,213	£5,593,000
Npower	£11,137,320	£11,868,080
Octopus	£7,498,486	£7,807,240
OVO	£7,016,733	£8,124,480
Scottish Power	£15,277,090	£16,301,880
OVO(S)	£17,860,774	£19,116,440
Utilita	£4,648,049	£5,767,020
Utility Warehouse	£3,227,788	£3,558,100
So Energy	£1,053,705	£1,123,640
Pure Planet	£296,538	£373,800

- 3.16. We are aware that customers sometimes have difficulty redeeming rebates provided by suppliers. As such, the requirements imposed on suppliers ensure they make reasonable efforts to help customers get the benefit of rebates provided through the WHD scheme.
- 3.17. In addition to normal processes used to 'deliver' outstanding rebates to customers, we ensured that suppliers followed this up and made one additional attempt to 'deliver' the rebate. The high redemption rates reflect this approach.
- 3.18. The value of rebates that a supplier 'provides' but does not 'deliver' to customers is added to the supplier's non-core obligation for the following scheme year.²⁴
- 3.19. In SY10, 1,234,664 rebates were 'provided' with a value of £172.9m. The total value of the 'delivered' broader group rebates was £170.4m (98.6% of rebate value provided). We are satisfied with the overall high redemption rate across suppliers.

²⁴ Regulation 14(3C) of the WHD Regulations

4. Industry Initiatives

- 4.1. Industry Initiatives can be used to contribute to meeting suppliers' non-core spending obligations. Suppliers do not have any minimum spend on Industry Initiatives and do not have to carry out any Industry Initiative activity. Fifteen of the 16 obligated suppliers chose to meet some of their non-core obligation through Industry Initiative spending.
- 4.2. For this scheme year, as in all years of the WHD scheme, suppliers had a combined maximum attributable spend on Industry Initiatives. For SY10 this was £40m, divided among obligated suppliers according to their market share.²⁵
- 4.3. Suppliers are required to submit notifications to Ofgem outlining their Industry Initiative plans each scheme year. These must be approved before suppliers begin the activity.²⁶ We approve the Industry Initiative if the proposal is in line with the requirements of the WHD Regulations, and there are clear, robust plans in place to deliver the activity successfully.
- 4.4. A supplier may run a new Industry Initiative activity as a pilot for one scheme year. If an Industry Initiative is notified as a pilot, we can be more flexible when assessing the success of targeting suitable customers and delivering value for money. This flexibility is intended to encourage suppliers to develop more innovative initiatives.
- 4.5. The WHD Regulations place four conditions on approval of Industry Initiatives. Before receiving approval at the notification stage, the proposed activity must demonstrate plans to meet each of the four conditions. At the end of the scheme year, suppliers must be able to provide evidence that each of the conditions were met.
- 4.6. The four conditions can be summarised as follows:
 - The activity funded must be one, or a combination of more than one, of the activities permitted in the WHD Regulations (and summarised in paragraph 4.7)
 - The activity must benefit target groups who are fuel poor, or at risk of fuel poverty
 - The activity must ensure, as far as reasonably practicable, that every domestic consumer provided with benefits under the initiatives will be provided with energy advice
 - The activity should demonstrate value for money.

²⁵ Maximum Industry Initiative spend increased to £40m from SY8.

²⁶ Regulation 27 of the WHD Regulations

4.7. The WHD Regulations require that Industry Initiative spending must be on certain types of activity to be eligible.²⁷ Broadly, these activities fall into seven categories:

1. Providing **benefit entitlement checks** and/or assistance to claim benefits
2. Providing **energy efficiency measures** – e.g. energy efficient appliances, installation, and repairs of boilers
3. Providing **energy advice** & training to energy advisors
4. **Debt assistance** (advice or monetary assistance)
5. **Financial assistance payments** - towards energy bills, including rebates
6. **Mobile home** energy rebates to residents of park homes etc who do not have a direct domestic supply account.
7. Funding **referral services** to sources of support

4.8. Suppliers can fund any of these types of activities and may fund more than one activity of the same or different types. Funded activities may offer more than one type of support at the same time.

4.9. Suppliers may also collaborate on Industry Initiatives – an activity can be funded by more than one supplier to provide a joint service. Each supplier then attributes the value of the funding they provided to their own obligation, and the activity is assessed through Ofgem’s compliance checking.

4.10. To encourage suppliers to fund new and established initiatives, we held a stakeholder engagement event that allowed delivery partners to meet the obligated suppliers and ask for funding for their projects under the WHD scheme.

Delivery

4.11. In total, suppliers spent £33.9m on attributable Industry Initiative activities in SY10, a decrease of almost 9% from the £37.1m spent in SY9. These initiatives helped to provide support to a total of 468,382 consumers, an increase of around 2.5% on the 456,864 consumers supported during SY9.²⁸

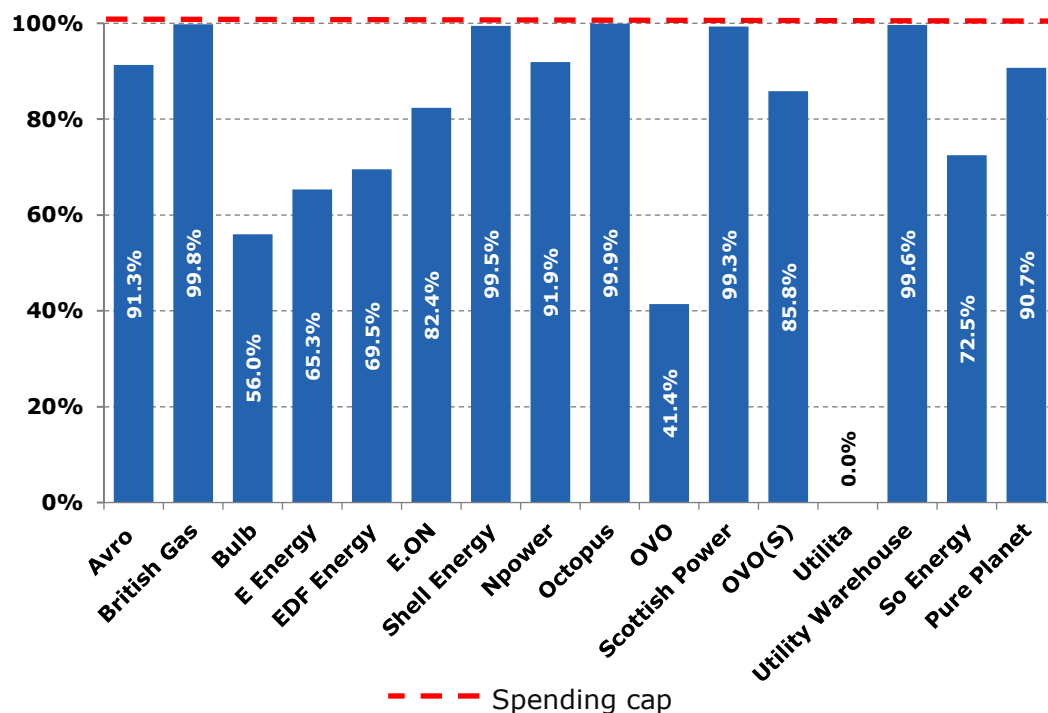
4.12. Suppliers’ approach to using Industry Initiative allowances varied. Some focused their SY10 spending fully on the Broader Group (one supplier did not spend any of their Industry Initiative allowance), while others split their allowance to provide customers

²⁷ Regulation 26 of the WHD Regulations

²⁸ There will be some consumers who receive more than one type of support through an initiative (eg a benefit entitlement check and energy advice), and it may be possible that consumers receive support through more than one initiative. This should be considered when looking at the total number of consumers supported.

with different types of support. Both approaches are acceptable. **Figure 4.1** below shows each supplier's Industry Initiative spend in relation to the spending cap.

Figure 4.1: Supplier spend against Industry Initiative cap in SY10



4.13. In SY10, suppliers funded 45 different Industry Initiatives, seven of which were collaborations between suppliers. All seven types of activity were directly funded in at least one of the initiatives. There were two pilot initiatives conducted this year, both of which were deemed compliant.

4.14. We are aware from supplier reporting that referral services were in some cases offered at no additional cost alongside advice services. We are also aware that supplier methods for identifying customers in need of support took risk groups into consideration, although the focus was on individuals as in previous years.

4.15. We have summarised the outcomes and spending on the consumer support activities in **Figures 4.2** and **4.3** below.

Figure 4.2: Customer support activity figures in SY10

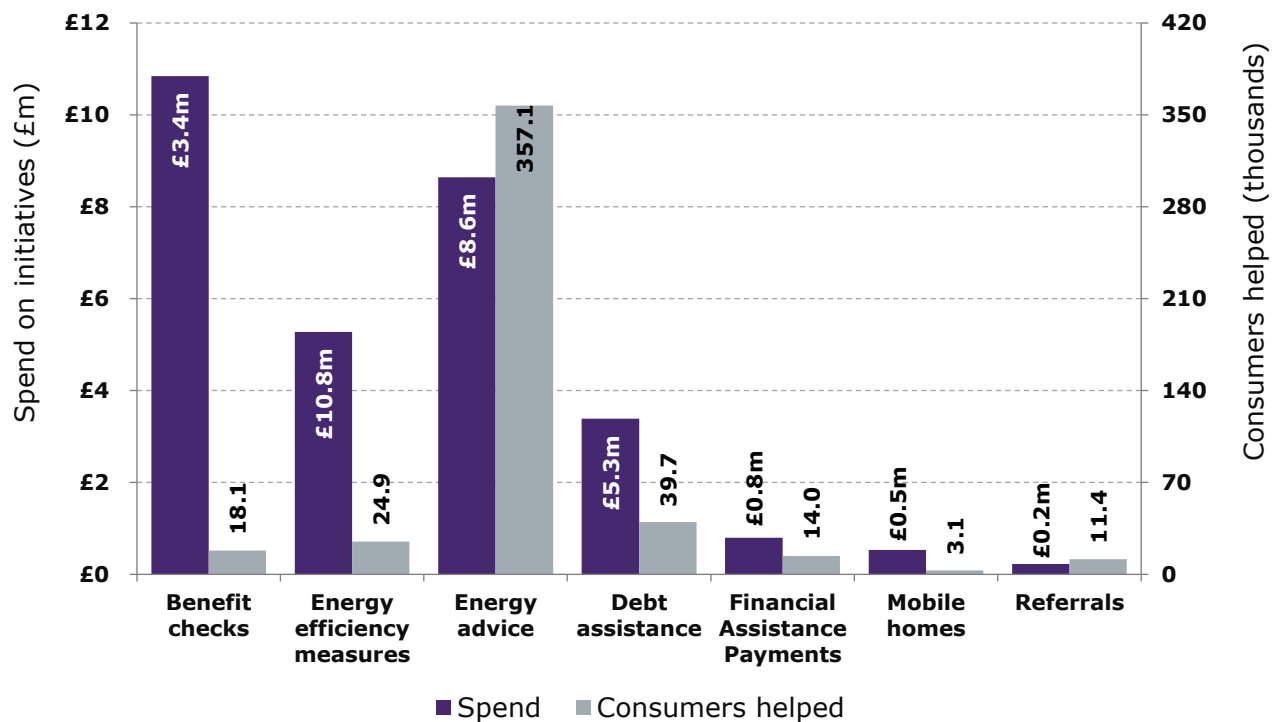
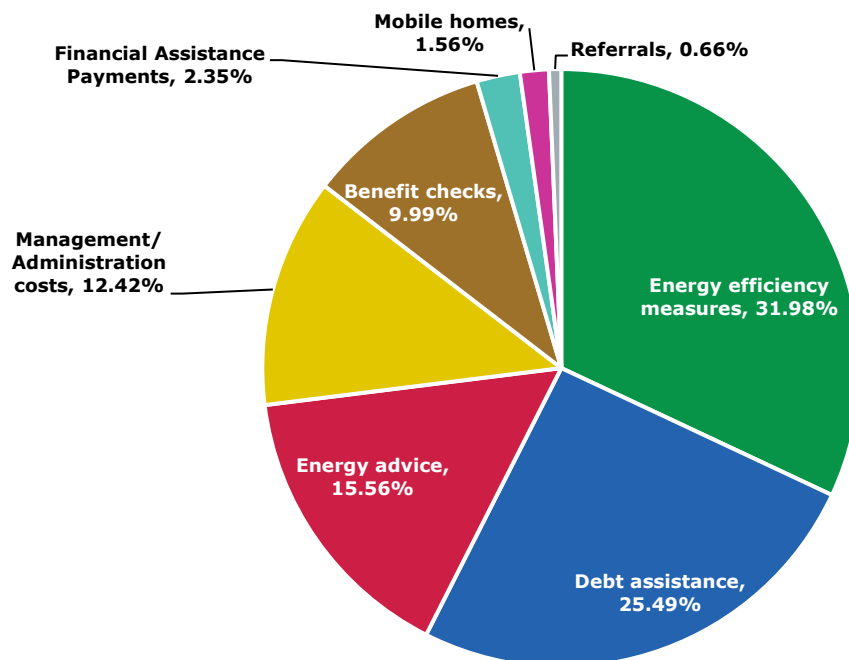


Figure 4.3: Customer support activity spend in SY10 (%)



4.16. The largest proportion of funding was attributed to providing energy efficiency measures, accounting for over £10.1m of total spend (31.98 %). Suppliers were required to confirm that this spend was not double counted as part of their ECO obligation.

- 4.17. In addition to funding activities, which directly helped consumers, suppliers also funded the training of advisors who could assist consumers with managing their energy and energy bills. The cost of this training is included in the figures shown for 'energy advice'.
- 4.18. It should also be noted that £4.2m of the total Industry Initiative spend went towards 'management/administration costs'. This is an increase from the £4.0m spent during SY9.

Meeting the WHD Requirements

- 4.19. We worked with suppliers to ensure they could evidence that all the industry initiative activities funded in SY10 were eligible. Following completion of the annual compliance assessment, we allocated eligible spend to the industry initiatives which are reported in this chapter.
- 4.20. We are satisfied that the 468,382 consumers who received support through the Industry Initiatives were fuel poor, or at risk of fuel poverty.²⁹
- 4.21. We are generally satisfied that activities delivered were at a reasonable cost. We compared the costs reported to us against industry benchmarks, confirming that delivery costs were necessary to provide and manage the service effectively.
- 4.22. We noted in some cases that suppliers had chosen to absorb indirect management and administration costs, meaning that the full value of their spending went direct to services helping consumers.
- 4.23. Where delivery risks were identified, suppliers engaged with us early to notify us of any issues that had arisen.

Transfer of Broader Group obligation to Industry Initiative spend

- 4.24. If there is a risk that a supplier will not be able to meet its minimum Broader Group spending obligation, the supplier can apply to transfer some, or all, of its Broader Group obligation to Industry Initiatives.
- 4.25. Shell Energy and Pure Planet had requested to transfer part of their Broader group obligation to Industry Initiatives as they both expressed concerns about meeting the Broader group minimum. The request to transfer was processed under Regulation 15 3A(a). Overall, both suppliers met their new Broader Group minimum and achieved their overall non-core group obligation.

²⁹ There will be some consumers who receive more than one type of support through an initiative (eg a benefit entitlement check and energy advice), and it may be possible that consumers receive support through more than one initiative. This should be considered when looking at the total number of consumers supported.

Change in Industry Initiative activity

4.26. In comparison to the previous scheme year (SY9), the main differences in the number of consumers helped and funding provided are illustrated below in **Figure 4.4** and **Figure 4.5**.

Figure 4.4: Consumers supported through Industry Initiatives SY9 and SY10

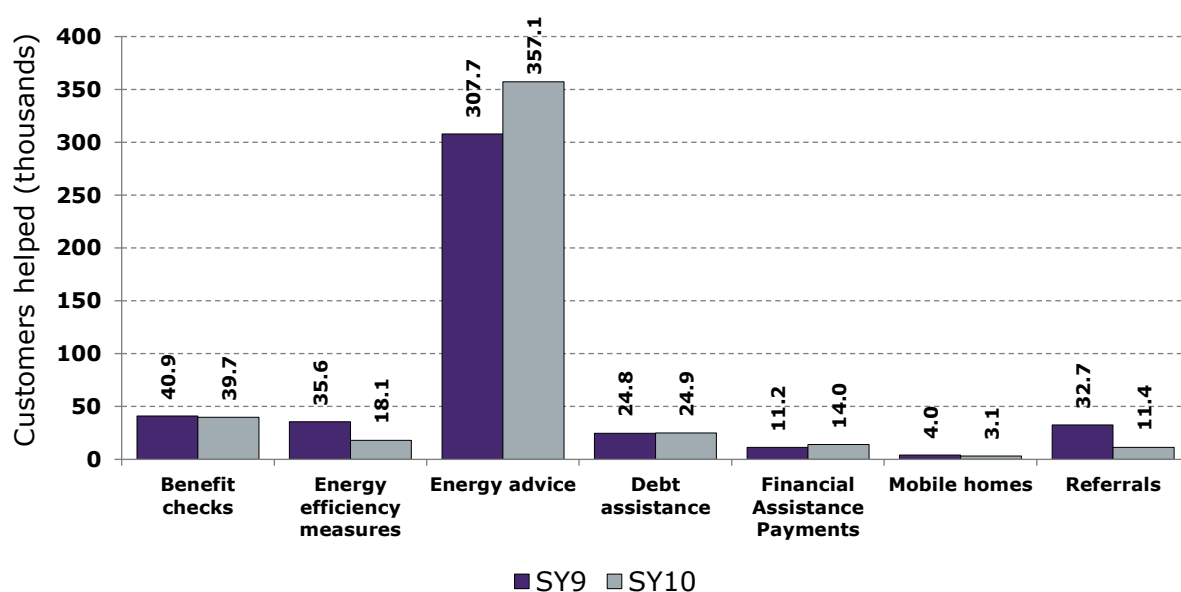
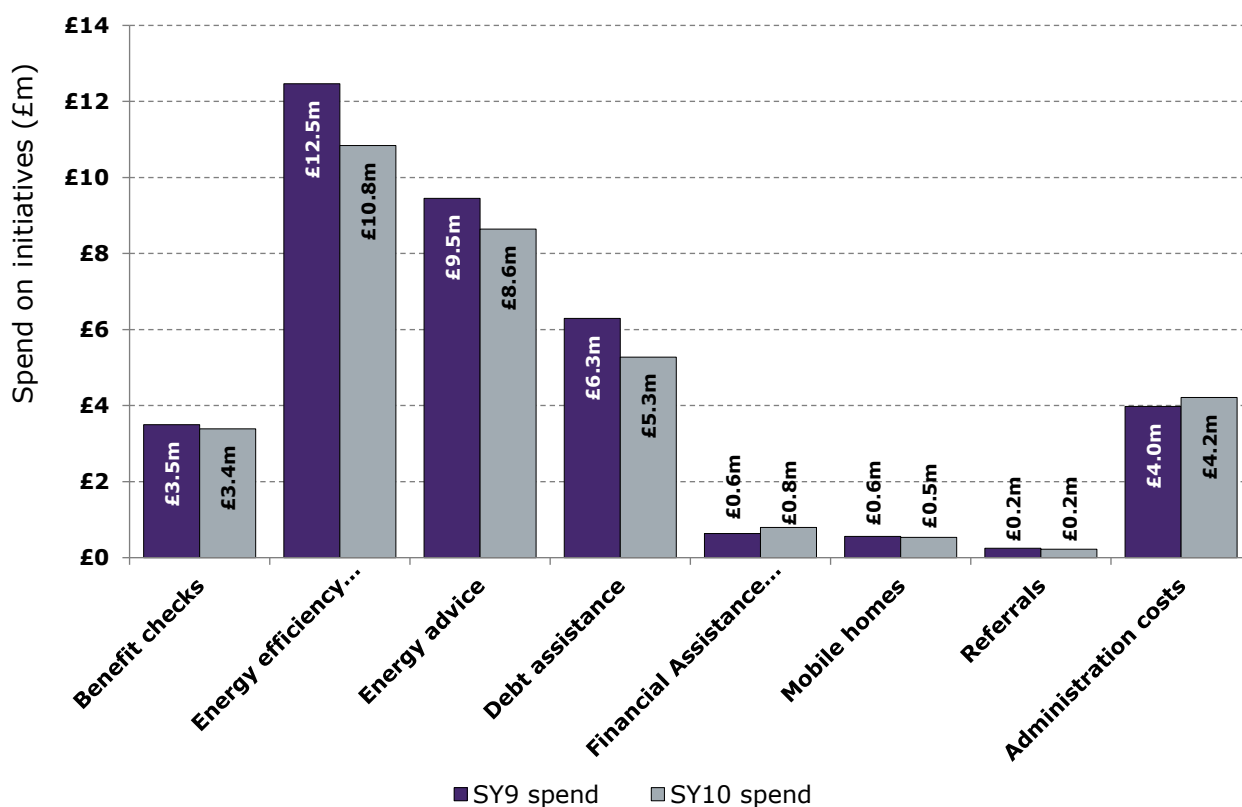


Figure 4.5: Industry Initiative spend SY9 and SY10



- 4.27. 'Energy advice' saw a decrease in spend from £9.5m to £8.6m but the number of consumers helped increased from 307,749 to 357,085, demonstrating increased value for money.
- 4.28. 'Financial assistance payments' and 'debt assistance' support were the only other areas to see an increase in the number of consumers supported. 'Financial assistance payments' supported 14,049 consumers in SY10, a rise of around 2,800 consumers from the 11,216 consumers supported during SY9. A modest increase of around 100 saw 'debt assistance' support reach 24,869 consumers in SY10.
- 4.29. 'Energy efficiency measures' and 'referrals' are the two activities which saw the most significant reductions in the numbers of consumers supported in SY10. The number of consumers supported through 'energy efficiency measures' fell from 35,593 to 18,130 – a fall of 49%. Consumers receiving 'referrals' reduced from 32,658 to 11,439 – a fall of almost 65%. These reductions are likely influenced by Covid-19 and the difficulties experienced by delivery organisations in accessing consumers homes.
- 4.30. Corresponding to the reduction in consumers receiving 'energy efficiency measures' the spend on this activity fell from £12.5m in SY9 to £10.8m in SY10. Spend on 'referrals' also went down but by 8.9% compared to the 65% reduction in consumers supported.
- 4.31. The proportion of funding used to help customers manage and repay energy debt has decreased from 17% in SY9 to 15.6% in SY10. We expected this decrease following the reduction of the debt relief cap from £8m in SY9 to £6m in SY10.

5. Audit Programme

- 5.1. Ofgem has a duty to keep under review the operation of any support scheme it administers.³⁰ As part of this, we must make sure that suppliers are complying with their obligations effectively and efficiently. One way we do this is through an annual audit programme that provides assurance that information is being reported accurately. It also helps suppliers follow best practice in delivering support to consumers and reduces the risk of them not complying with obligations. This also helps suppliers protect consumers by minimising the risk of fraud in the scheme.
- 5.2. Assurance that scheme obligations are being met effectively and efficiently is provided in two ways. Firstly, through our external audit programme, where Ofgem-appointed external auditors focus on the highest risk areas of each supplier's activities. Secondly through suppliers own internal audit and quality assurance work; where they verify reporting data and assess the effectiveness of processes.

External Audits

- 5.3. There are different types of external audit which focus on either the Core Group, Broader Group, or an Industry Initiative. These can be either an interim audit (conducted during the scheme year) or a final audit (based on end of year data). A supplier can be audited more than once during the year, with each audit having a different area of focus.
- 5.4. Our appointed auditors carried out 21 audits for SY10, covering two areas of scheme activity:
- Testing supplier support delivery processes
 - Verifying selected supplier reporting information
- 5.5. The audit results are shown below in **Figure 5.1:**

³⁰ Section 13 of the Energy Act 2010

Figure 5.1: WHD External Audit Ratings SY7 to SY10

5.6. The audit ratings are defined as:

- **'Good'** – either no weaknesses identified or if there are, they are reported to the supplier to action the minor shortcomings
- **'Satisfactory'** – a small number of minor weaknesses identified, of which none are considered 'major'.
- **'Weak'** – several weaknesses identified which individually or collectively may impact negatively on the overall level of compliance.
- **'unsatisfactory'** – numerous weaknesses identified, including those graded as 'medium' or 'major', which individually or collectively may impact negatively on the overall level of compliance.

5.7. The audit results (including the rating) are shared with the supplier, this includes an explanation covering any points of concern. We then work with the supplier to confirm the accuracy of the report and to agree actions to address any findings.

5.8. The one external audit that was given a weak rating was in relation to So Energy's Broader Group.

5.9. We have discussed the audit results with the supplier, who accepted the weak audit rating and agreed steps to prevent similar problems in the future. We sought assurances about their practices and controls to have confidence in their performance for SY11. The

incident has been added to the Supplier Performance Report as a matter of non-compliance.³¹

Internal Audits

5.10. Our guidance document for suppliers sets out our requirements for supplier audits of scheme activities.³² We will continue to work with suppliers to ensure that their internal audits meet these requirements, and that they continue to strive for best practice in supporting consumers through their own quality assurance.

5.11. To support end of year reporting, all suppliers provided evidence demonstrating internal audits had been conducted.

³¹ [Link to information about the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>.

³² [Link to Warm Home Discount Guidance for Suppliers](https://www.ofgem.gov.uk/system/files/docs/2018/08/warm_home_discount_whd_guidance_for_suppliers_-_version_6.1.pdf):
<https://www.ofgem.gov.uk/system/files/docs/2018/08/warm_home_discount_whd_guidance_for_suppliers_-_version_6.1.pdf>

6. Looking Forward

The Warm Home Discount Scheme

- 6.1. Amended Warm Home Discount (WHD) Regulations came into force in August 2018, committing the Government to support the scheme through to March 2021 (SY10). Following consultation, Government extended the scheme in June 2021 for one further year to SY11 (ending 31 March 2022), with a spending target of £354m.
- 6.2. The scheme has retained the same structure for SY11, with a continuation of the three existing elements:
 - i) Core Group
 - ii) Broader Group
 - iii) Industry Initiatives
- 6.3. In SY10, the Industry Initiatives overall spending limit was £40m and will remain so for SY11. Within this, the proportion of the Industry Initiative cap that can be spent on debt assistance will remain at £6m, encouraging suppliers to focus on other activities. Related to this, in SY11 a new provision has been introduced limiting debt write-off for one household to £2,000.
- 6.4. Scheme year 11 will also see the introduction of mandatory requirements for TrustMark lodgement for certain energy efficiency measures installed under Industry Initiative programmes.³³ This means that from 1 April 2021, installation and repairs of boilers and central heating systems must be installed by, or under the responsibility of, a person who is registered with TrustMark (or equivalent) to be eligible under the WHD. This provides greater levels of consumer protection and quality assurance of the work carried out.³⁴
- 6.5. In total, there were 26 obligated suppliers at the beginning of SY11, being five more than at the end of SY10. Of these, 18 are compulsory suppliers, six are compulsory small suppliers and two are voluntary suppliers. Compulsory small suppliers and voluntary suppliers will only be obligated under the Core Group element of the scheme.
- 6.6. In SY11 suppliers with 150,000 domestic customers will be required to deliver the Core Group. Once they reach 250,000 domestic customers, they also have a non-core obligation. We initially expected six suppliers to participate on a compulsory basis for the first time in SY11. ESB Energy (now part of So Energy), Foxglove Energy, and Together Energy will be participating; however, Green Supplier, Igloo Energy, and People's Energy

³³ Details of any relevant energy efficiency measures installed under Industry Initiatives must be lodged in Trustmark's database (their Data Warehouse).

³⁴ [Link to information on Trustmark consumer protection](https://www.trustmark.org.uk/homeowners/if-things-go-wrong): <<https://www.trustmark.org.uk/homeowners/if-things-go-wrong>>

have ceased trading since they were first identified as compulsory participants. Additionally, SY11 will see one new voluntary supplier, being Rebel Energy. We have been engaging closely with these new participants during 2021 to ensure they put suitable activities and processes in place to meet their obligations for SY11.

Beyond SY11

6.7. The Energy White Paper, published in December 2020, set out plans for extending and reforming the WHD scheme from 2022 onwards.³⁵ These plans propose that the WHD scheme in England and Wales will be extended to at least 2025-26 with an estimated spending value of £475m per year.³⁶ This would see 2.8 million households receive a rebate worth £150 every year. BEIS consulted on these plans over the summer of 2021 and plan to publish the response setting out final Government policy over winter 2021-22.³⁷

³⁵ [Link to Energy White Paper](https://www.gov.uk/government/publications/energy-white-paper-powering-our-net-zero-future): <<https://www.gov.uk/government/publications/energy-white-paper-powering-our-net-zero-future>>

³⁶ The vast majority of the proposals apply to England and Wales. Where stated in the White Paper, certain elements also apply to Scotland. The UK Government continues to work with the Scottish Government on provisions for a scheme in Scotland.

³⁷ [Link to BEIS WHD consultation for 2022-2026](https://www.gov.uk/government/consultations/warm-home-discount-better-targeted-support-from-2022): <<https://www.gov.uk/government/consultations/warm-home-discount-better-targeted-support-from-2022>>

Appendix 1 – Participating suppliers

WHD scheme participating electricity suppliers SY10

Supplier Group ³⁸	Licenced Supplier(s)	Participation type ³⁹	Years participating
Avro	Avro Energy Limited	Compulsory	9 to 10
Bristol Energy Ltd	Bristol Holding Ltd	Compulsory smaller supplier	6 to 10
British Gas	British Gas Trading Limited	Compulsory	1 to 10
Bulb Energy	Bulb Energy Limited	Compulsory	8 to 10
E	E (Gas & Electricity) Limited	Compulsory	9 to 10
E.ON Energy	E.ON Energy Solutions Limited	Compulsory	1 to 10
Ecotricity	The Renewable Energy Company Ltd	Compulsory smaller supplier	10
EDF Energy	EDF Energy Customers Plc	Compulsory	1 to 10
Green Energy UK	Green Energy (UK) plc	Voluntary	10
Green Network Energy ⁴⁰	Green Network Energy Limited	Compulsory	9 to 10
iSupply Energy ³⁴	iSupply Energy	Compulsory smaller supplier	10
Npower Group	Npower Limited, Npower Northern Supply Limited, Npower Yorkshire Supply Limited, Npower Direct Limited (Electricity)	Compulsory	1 to 10
Octopus	Octopus Energy Limited, Affect Energy Limited	Compulsory	9 to 10
OVO Energy	OVO Electricity Limited	Compulsory	5 to 10
OVO(S) (formerly SSE)	SSE Energy Supply Limited	Compulsory	1 to 10
Pure Planet	Pure Planet Limited	Compulsory	10
Robin Hood Energy ³⁴	Robin Hood Energy Ltd	Compulsory smaller supplier	8 to 10
Scottish Power	ScottishPower Energy Retail Limited	Compulsory	1 to 10
Shell Energy (formerly First Utility)	Shell Energy Retail Limited, Hudson Energy Supply UK Limited	Compulsory	3 to 10
So Energy	So Energy Trading Limited	Compulsory	10
Symbio	Symbio Energy Limited	Voluntary	10
Tonik Energy ³⁴	Tonik Energy Limited	Compulsory	10
Utilita	Utilita Energy Limited	Compulsory	5 to 10
Utility Point	Utility Point Limited	Compulsory smaller supplier	10
Utility Warehouse	Electricity Plus Supply Ltd	Compulsory	1 to 10

³⁸ Supplier Groups include specific licenced suppliers, plus some alternative brand names and white label suppliers who do not hold a supply licence of their own but offer tariffs under their own name through partnership with a licenced supplier. Customers of white label suppliers in partnership with a licenced supplier are also eligible for the WHD scheme. [Link to a list of suppliers' subsidiary companies is on the BEIS website](https://www.gov.uk/the-warm-home-discount-scheme/energy-suppliers): <<https://www.gov.uk/the-warm-home-discount-scheme/energy-suppliers>>

³⁹ Compulsory suppliers are those with 250,000 or more domestic customers and are obligated to participate with all parts of the WHD scheme. Compulsory smaller suppliers have between 150,000 and 249,999 domestic customers and like voluntary suppliers participate only in the Core Group element of the scheme.

⁴⁰ These suppliers exited the market or went into administration during SY10.