

Boiler Upgrade Scheme: Property owner guidance v1.1

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Contact	Hiral Shah, Senior Policy Advisor Cissy Edathanal, Senior Policy Advisor Nikhil Kotecha, Senior Policy Advisor
Team	Policy, Delivery & Schemes
Telephone	0330 053 2006
Email	BUS.Enquiry@ofgem.gov.uk

This guidance is for property owners who want to benefit from the Boiler Upgrade Scheme (BUS). The BUS offers upfront grants to reduce the installation cost of low carbon heating technologies.

This guidance details which low carbon heating technologies and properties are eligible. It explains how property owners can find an installer that can make an application on their behalf, what is required from them, our approach to audit and compliance and useful contacts.

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1. Introduction

BUS Overview

1.1. Heating homes, businesses and industry is responsible for a third of the UK’s greenhouse gas emissions. Switching to low carbon heating can help to reduce a building’s greenhouse gas emissions. The government’s ambition is to phase out the installation of new natural gas boilers beyond 2035 to ensure that almost all heating systems used in 2050 are low carbon. Heat pumps will play a major role in the pathway to net zero emissions as they are a well-established, proven technology which deliver effective heating and offer immediate and substantial carbon savings compared to fossil fuel heating.

1.2. The Boiler Upgrade Scheme (BUS) aims to incentivise and increase the deployment of low carbon heating by providing targeted support to the supply chain.

1.3. The BUS is an installer-led scheme which provides upfront capital grants to support the installation of heat pumps and, in limited circumstances, biomass boilers in domestic and non-domestic buildings in England and Wales. Grants of £5000 are available for air source heat pumps (ASHPs) and biomass boilers, and grants of £6000 are available for ground source heat pumps (GSHPs). The voucher application and redemption process is shown in Figure 1.

1.4. The scheme has a committed budget of £450 million over three years from 2022-2025, with an annual budget allocation of £150 million.

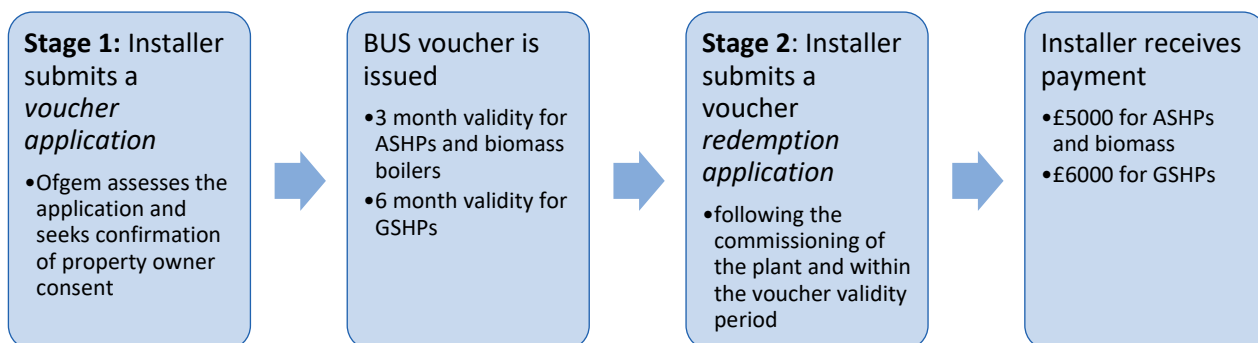
1.5. In addition, between 1 April 2022 and 31 March 2027, there is a zero rate of VAT¹ on the installation of energy-saving materials including heat pumps and biomass boilers. This is another measure intended to incentivise the take up of energy saving materials in line with the government’s net zero objectives.

1.6. Ofgem (on behalf of the Gas and Electricity Markets Authority) is the administrator of the BUS. We administer this scheme in line with The Boiler Upgrade Scheme (England and Wales) Regulations 2022² (hereinafter referred to as “the BUS regulations”).

¹ <https://www.gov.uk/government/publications/changes-to-the-vat-treatment-of-the-installation-of-energy-saving-materials-in-in-great-britain/the-value-added-tax-installation-of-energy-saving-materials-order-2022>

² <https://www.legislation.gov.uk/ukdsi/2022/9780348232349/contents>

Figure 1 – Application process overview³



Air source heat pumps (ASHPs)

1.7. ASHP systems must be **hydronic (air-to-water)** to be eligible under BUS. **Air-to-air systems are not eligible.**

Ground source heat pumps (GSHPs)

1.8. GSHPs must generate heat using a thermodynamic cycle by transferring energy stored in the form of heat from the ground, including water in the ground or surface water or both, and use that energy to heat a liquid.

1.9. GSHPs use equipment called ground loops to harness heat energy from the ground or from water in the ground or surface water. In a **shared ground loop system**, two or more GSHPs receive the heat from the same loop through a hydraulic connection. The eligibility requirements for ground loops and shared ground loops (SGLs) are set out in Table 2 in chapter 4.

Biomass boilers

³ Assuming eligibility is met, and an application is successful.

1.10. Biomass boilers are also supported under the scheme.⁴ They burn solid biomass, usually wood chips or pellets, to deliver space heating and hot water to a property. Biomass boilers must deliver heat via a liquid to be eligible under the BUS.

Further information on low carbon heating

1.11. More information and also impartial advice on low carbon heating technologies and whether they might be suitable for a property can be found on the Energy Saving Trust website.⁵

1.12. Another tool property owners can use to judge whether their house might be suitable for a heat pump can be found on the GOV.UK website⁶. It is important to note this is a general resource and not specific to the eligibility requirements of the BUS.

BUS guidance

1.13. This guidance is for property owners who wish to benefit from the BUS. It explains our administration of the BUS and includes details such as:

- eligibility requirements
- what is required from property owners
- how to apply for a BUS voucher
- who can apply for a BUS voucher
- our audit regime and compliance processes
- scheme reporting.

1.14. This guidance does not anticipate every scenario that may arise. If a scenario arises that is not addressed in this guidance, we will adopt an approach that is consistent with the BUS regulations.

1.15. It is the responsibility of each applicant (installers) to understand the requirements of the BUS regulations and how these apply. This guidance is not intended to be a definitive guide to the BUS regulations or to provide legal advice. The installer, with support from the property

⁴ The BUS regulations, Regulation 10

⁵ <https://energysavingtrust.org.uk/energy-at-home/heating-your-home/>

⁶ <https://www.gov.uk/check-heat-pump>

owner, is responsible for ensuring that the installation is eligible and the information on the BUS application they submit is correct.

1.16. Where there are future changes to the BUS regulations, we will revise our administrative arrangements accordingly.

1.17. We previously sought views on our proposed administration of the BUS and published our resulting decisions here.⁷ We are not currently seeking views on our administrative approach.

1.18. The underlying policy design of the BUS is set by the Department for Business, Energy and Industrial Strategy (BEIS).

Personal data

1.19. Ofgem will process all personal data collected in accordance with the retained EU law version of the General Data Protection Regulation 2016/679 (UK GDPR) and the Data Protection Act 2018.

1.20. Ofgem uses the personal data collected to perform its statutory functions and may share this information with other organisations in line with Ofgem’s scheme administration functions. The installer will provide you with a privacy notice which will explain the basis of the installer processing of personal data and Ofgem process.

1.21. For more information on how we process the personal information of installers on the BUS please refer to our installer information privacy policy.⁸

1.22. For more information on how we process the personal information of property owners on the BUS please refer to our property owner privacy policy.

Related publications and useful links

- [Future support for low carbon heat - BEIS consultation](#) (BEIS, April 2020)
- [Clean Heat Grant: further policy design proposals](#) (BEIS, February 2021)

⁷ <https://www.ofgem.gov.uk/publications/decision-administration-boiler-upgrade-scheme-bus>

⁸ <https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-privacy-notice-installers>

- [Future Support for Low Carbon Heat: Boiler Upgrade Scheme - Government response to Clean Heat Grant proposals within 'Future support for low carbon heat' consultation](#) (BEIS, October 2021)
- [Consultation on Ofgem's Administration of the Boiler Upgrade Scheme](#) (Ofgem, December 2021)
- [Consultation response on Ofgem's Administration of the Boiler Upgrade Scheme](#) (Ofgem, April 2022)
- [Boiler Upgrade Scheme Regulations: approved standards](#) (BEIS, April 2022)
- [The Boiler Upgrade Scheme \(England and Wales\) Regulations 2022](#) (Government, May 2022).

Contact information

1.23. Any questions on the BUS guidance or our administration of the BUS should be directed to the BUS Enquiries team at BUS.Enquiry@ofgem.gov.uk or by phone on 0330 053 2006.

2. Roles and responsibilities

Section summary

This chapter describes the roles and responsibilities of BUS stakeholders. This includes the government, Ofgem, installers, property owners, MCS and consumer codes. It sets out the requirements that the scheme places on these parties. The roles and responsibilities listed here are non-exhaustive.

Role of government

2.1. The Department for Business, Energy, and Industrial Strategy (BEIS) is responsible for the policy and scheme regulations. The Secretary of State also has a role in how the scheme runs and this is set out in the regulations, including but not limited to:

- approving and publishing the standards that installers and products must adhere to
- publishing budget allocations for BUS vouchers on an annual, and potentially quarterly, basis
- determining, publishing, and reviewing the value of BUS vouchers and, if required, altering their value.

Role of Ofgem

2.2. We administer the scheme on behalf of the government. The BUS regulations describe our powers and functions for the BUS. Those functions include but are not limited to:

- publishing procedural guidance for prospective installers and property owners
- processing voucher applications and voucher redemption applications
- making payments to installers following successful voucher redemption applications
- publishing reports on how the BUS is operating
- monitoring and enforcing compliance with the requirements of the regulations.

Role of installers

2.3. The obligations of installers are set out in the regulations. Installers play a key role in this scheme. Installers are responsible for:

- being certified by the Microgeneration Certification Scheme (MCS) or an equivalent scheme⁹
- submitting voucher applications and voucher redemption applications on behalf of the property owner
- confirming that the information provided in relation to applications is accurate, and informing us of any incorrect information provided
- retaining a copy of any information relied upon for the submission of voucher applications and voucher redemption applications for six years
- providing further information related to an installation to us upon request.
- engaging with audit and compliance processes when requested by us.

Role of property owner

2.4. The regulations also set out the responsibilities of property owners. Property owners need to do the following:

- Confirm details related to their eligibility to us and ensure that any information they provide or confirm to installers or us in relation to an application is accurate.
- Confirm their consent for a BUS voucher application to be made on their behalf by their chosen installer.
- Reply to us so that we can verify their identity when they are confirming their consent for a BUS voucher application be made on their behalf.
- Take part in audit and compliance processes when requested to by us.

Role of MCS

2.5. MCS¹⁰ is a certification scheme for microgeneration installation companies and products. It defines and maintains standards, providing confidence to consumers who wish to invest in small-scale technologies that produce electricity and heat from renewable sources.

2.6. Property owners should contact MCS if they have issues with the:

- installation process

⁹ BEIS is responsible for determining whether a scheme is equivalent to MCS. There are currently no schemes determined by BEIS to be equivalent to MCS.

¹⁰ <https://mcscertified.com/>

- installer
- MCS certificate or product.

2.7. MCS works through its certification bodies. When a case is under review, the relevant certification body may contact the property owner who submitted the case.

Role of consumer codes

2.8. Consumer codes aim to guarantee a high-quality experience for consumers. MCS installation companies working with domestic customers must also be a member of a consumer code approved by the Chartered Trading Standards Institute (CTSI).¹¹ MCS works closely with these consumer codes to help address complaints.

2.9. The two relevant consumer codes are the Home Insulation and Energy Systems Contractors Scheme (HIES)¹² and the Renewable Energy Consumer Code (RECC).¹³ To find out which one an installer is signed up to, look on MCS's installer search.¹⁴ Alternatively, property owners can check with HIES¹⁵ or RECC¹⁶ directly.

2.10. In the event of a dispute of with an installer, consumers can access the dispute resolution service provided by the consumer codes. Code related issues are addressed directly by the consumer codes. Where there are technical aspects to a dispute, MCS works closely with the relevant consumer code to fully investigate the matter. In some cases, a dispute may need to be addressed by both organisations to ensure that they are fully resolved.

¹¹ <https://www.tradingstandards.uk/>

¹² <https://www.hiesscheme.org.uk/>

¹³ <https://www.recc.org.uk/>

¹⁴ <https://mcscertified.com/find-an-installer/>

¹⁵ <https://www.hiesscheme.org.uk/homeowners/find-a-hies-member/>

¹⁶ <https://www.recc.org.uk/scheme/members>

3. Grants

Section summary

This chapter sets out the voucher grant values and associated validity periods for different technology types.

3.1. The vouchers available for BUS installations have a set grant value and validity period based on the technology. Table 1 shows the total grant value and validity period for each eligible technology.

3.2. The value of the grants will not change based on the cost or size of the installation.

Table 1 - Technology specific grant value and voucher validity period

Technology type	Voucher Validity Period	Grant Value
Air source heat pump	3 months	£5000
Ground source heat pump	6 months	£6000
Biomass boiler	3 Months	£5000

4. Eligibility requirements

Section summary

This chapter outlines the eligibility requirements for the Boiler Upgrade Scheme. It describes the criteria that, installers properties and installations must meet in order to be eligible to receive a BUS voucher and grant. It also sets out how these eligibility requirements must be evidenced.

Summary of eligibility requirements

4.1. This section summarises the key eligibility requirements for the BUS. The chapter then discusses each one in turn in more detail. The installer will be able to help the property owner understand the requirements and verify whether their property and technology meets them.

4.2. Table 2 summarises the main eligibility requirements and Table 3 summarises additional technology specific requirements.

Table 2 - Main eligibility requirements for the BUS

Summary of general eligibility requirements	
Installers	Must be MCS ¹⁷ certified ¹⁸
Location	Properties must be located in England or Wales
Type of building	<ul style="list-style-type: none"> • Domestic and non-domestic buildings are eligible • New builds built by commercial property developers (ie not built and owned by individuals) are not eligible at the point of being built • “Eligible self-builds” as defined in paragraph 4.32 are the only eligible new builds. • Social housing is not eligible.
Energy Performance Certificate	<ul style="list-style-type: none"> • Properties must have an EPC, unless they are a self-build as defined in paragraph 4.32.

¹⁷ Or equivalent scheme to the MCS

¹⁸ The BUS regulations Schedule 4

	<ul style="list-style-type: none"> • EPCs must have no recommendations to install loft or cavity wall insulation,¹⁹ OR • The installer should provide evidence that the property is exempt from the insulation requirements (see Table 4).
Previous heating system requirements	<ul style="list-style-type: none"> • The previous heating system must have been a fossil fuel heating system or an electric system that didn't include a heat pump • Certain heat generating components must be replaced.²⁰
Eligible technologies	<ul style="list-style-type: none"> • Air source heat pumps • Ground source heat pumps • Water source heat pumps • Ground source heat pumps as part of a shared ground loop (SGL) • Biomass boilers.
Commissioning date	On or after 1 April 2022
Capacity limit	<ul style="list-style-type: none"> • 45 kWth²¹ total capacity limit • All heat pumps on a SGL system must have a combined capacity limit of 45 kWth • This limit covers the vast majority of domestic and small non-domestic properties.
Heat pump or biomass boiler system requirements	An installer will be able to advise the property owner of which technology is most suitable for their property and help them to understand the eligibility criteria.
Other funding	The installation cannot be funded by more than one source of public funds. BUS funding cannot be used in addition to other support from public funds or government schemes, such as the Energy Company Obligation (ECO) for the same new installation.

¹⁹ Applications can still be made where there are loft or cavity wall recommendations, but the necessary insulation will need to be installed, and a new EPC generated, by the time the installer redeems the voucher.

²⁰ There are some exceptions to this requirement and an installer will be able to advise if they are relevant.

²¹ kWth means kilowatt thermal. It is a unit of heat supply capacity used to measure the output from an installation.

Table 3 - Technology specific requirements

Requirement	Heat pumps	Biomass boiler
Location	Urban and rural properties in England or Wales	Rural properties only in England or Wales
Properties	Can be installed in an eligible self-build	Cannot be installed in an eligible self-build
Gas grid connection	Property can be on or off the gas grid	Cannot be installed in properties on the gas grid or with a capped gas supply

Heat pumps explained

4.3. Heat pumps use electricity to draw heat from the air, ground, or a nearby water-source and transfer it into a property to provide space heating and hot water. They are more efficient than natural gas boilers, producing several units of heat for every unit of electricity consumed.

4.4. Due to their superior efficiency compared to fossil fuel boilers, running costs for heat pumps can be comparable to existing heating systems when they are installed to the relevant standards and in a well-insulated property. This depends on the existing heating system and the MCS installer should provide the property owner with an estimation of the system performance before a contract is signed. Replacing a gas or oil boiler with a heat pump can help reduce exposure to volatile gas and oil prices.

4.5. The current higher cost of electricity relative to gas means that, in some properties, installing a heat pump may initially lead to higher running costs. However, the government is committed to rebalancing energy costs to ensure that heat pumps are no more expensive to operate than a gas boiler and will be comparatively cheaper to run over time.

Heat pumps – eligibility criteria

4.6. There is a minimum efficiency requirement for heat pumps to ensure that the system is performing well and that significant carbon emission reductions are achieved. Heat pumps must have a seasonal coefficient of performance (SCOP) of at least 2.8. An installer will need to select a system that achieves this.

Air source heat pumps

4.7. ASHP systems must be **hydronic (air-to-water)** to be eligible under BUS. **Air-to-air systems are not eligible.**

Ground source heat pumps

4.8. GSHPs must generate heat using a thermodynamic cycle by transferring energy stored in the form of heat from the ground, including water in the ground or surface water or both, and use that energy to heat a liquid.

4.9. GSHPs use equipment called ground loops to harness heat energy from the ground or from water in the ground or surface water. This is the heat generating component of a GSHP and must be new (see Table 2 above).

4.10. In a **shared ground loop system**, two or more GSHPs receive the heat from the same loop through a hydraulic connection. The eligibility requirements for ground loops and shared ground loops (SGLs) are set out in Table 2 above. The ground loop in relation to the second or subsequent GSHP forming part of the system does not have to be new.²²

Biomass boilers

4.11. Biomass boilers are also supported under the scheme.²³ They burn solid biomass, usually wood chips or pellets, to deliver space heating and hot water to a property. Biomass boilers must deliver heat via a liquid, so biomass stoves which emit heat directly into a room are not eligible.

²³ The BUS regulations, Regulation 10

4.12. Biomass boilers may only be installed in properties located in rural areas with no mains gas connection.²⁴

4.13. Property owners can check if their property is in a rural area by entering their postcode in the search box of this interactive map²⁵ and reading off the 'Rural Urban Indicator'. If the postcode is in an area designated as rural, the indicator will be D1, D2, E1, E2, F1, F2. If the postcode is in an urban area (A1, B1, C1, C2), then the property is not eligible for the installation of a biomass boiler under the BUS.

4.14. Biomass boilers installed in self-build buildings are not be eligible for support.²⁶ See paragraph 4.32 for the definition of an eligible self-build.

4.15. The installed biomass boiler must have an emissions certificate which demonstrates that polluting emissions are kept to a minimum. The property owner does not have to source the emissions certificate; the installer will help to select a boiler which meets the emissions requirement.

Biomass boiler fuel and maintenance

4.16. Burning wood of the correct quality and sustainability standards is vital to minimise emissions and maximise system efficiency. Property owners can use the Biomass Suppliers List (BSL)²⁷ to find fuel that meets these standards. The BSL is a list of eligible wood fuels. Fuel types registered on the BSL include: logs, woodchip, wood pellets and wood briquettes.

4.17. The installer should provide written details of the specified fuel for the installed system along with fuel storage and handling requirements. The installer should also provide the property owner with the system's maintenance requirements and maintenance services available. Many biomass boiler manufacturers require use of specific fuels and regular maintenance checks for the system warranty to remain valid. The property owner should check these requirements with their installer.

²⁴ The BUS regulations, Regulation 11

²⁵ <https://ons.maps.arcgis.com/apps/webappviewer/index.html>

²⁶ The BUS regulations, Regulation 11

²⁷ <https://biomass-suppliers-list.service.gov.uk/>

Heating system eligibility

4.18. The new low carbon heating system will need to completely replace an existing fossil fuel heating system or electric heating system which does not include a heat pump. Certain heat generating components of the original heating system can be retained including immersion heaters, circulation pumps and solar thermal collectors. A full list of these retainable parts can be found in our installer guidance.²⁸

4.19. Electric heating systems include storage heaters, electric panel radiators and electric boilers.

4.20. The heat pump or biomass boiler must provide both space and hot water heating and be capable of meeting the full space heating **and** hot water heating demands of the property.

4.21. For heat pumps, fossil fuel heating systems include but are not limited to those fuelled by gas, oil, Liquefied Petroleum Gas (LPG) and coal. Biomass boilers may replace fossil fuel heating systems fuelled by oil, LPG, and coal, but may not replace the heating system in a property with a gas supply, including where the gas supply has been capped or clamped.

4.22. Heating systems **must be commissioned on or after 1 April 2022** to be eligible.²⁹ The commissioning date of a heating system can be found on its MCS certificate. The commissioning date of the heating system is the date on which any tests and procedures that amount to the usual industry practices for that type of system were completed. These tests will demonstrate that the heating system is operating correctly, generating heat, and that it complies with industry standards. The installer is responsible for commissioning the system.

Further information on low carbon heating

4.23. More information and also impartial advice on low carbon heating technologies and whether they might be suitable for a property are available on the Energy Saving Trust website.³⁰

4.24. An installer will also be able to advise which technology is most suitable for a property and help the property owner to understand the eligibility criteria.

²⁸ <https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers>

²⁹ The BUS regulations, Regulation 8

³⁰ <https://energysavingtrust.org.uk/energy-at-home/heating-your-home/>

Eligible properties

4.25. Only properties in England and Wales are eligible.

4.26. Domestic and non-domestic properties are eligible.³¹

4.27. Domestic and non-domestic properties include, but are not limited to, owner-occupied properties, properties rented out to tenants, second homes and holiday homes.

4.28. Properties such as churches and park homes may be eligible if an EPC can be issued on the basis that it is a property and all other eligibility requirements are met.

Social housing

4.29. Social housing is not eligible for BUS. Social housing is in part defined as accommodation made available for people whose needs are not served by the commercial housing market.³² This could include rental accommodation made available below the market rate or shared ownership arrangements. Support for the decarbonisation of social housing is available through the Social Housing Decarbonisation Fund (SHDF) in England and the Optimised Retrofit Programme in Wales.

4.30. Properties that have undergone a sale through the “Right to Buy” scheme are not classified as social housing.

Eligible self-builds

4.31. New build properties built at scale by development companies are not eligible for BUS at the point at which they are being built.

4.32. Self-build buildings can be eligible for BUS funding. For clarity, eligible self-builds are owned by individuals and built either through a builder or as a DIY project, not by companies or developers. Self-build buildings meet the eligibility requirements where all of the following criteria are met:

³¹ The BUS regulations, Regulation 5

³² For the full definition, please refer to section 68 of the Housing and Regeneration Act 2008.

- The building was built principally with the use of the labour or resources of the first owner (including where the resource was a loan which the first owner was liable to repay)
- The new building has not, while the building was built or at any subsequent time, been owned wholly or partly by a person who is not an individual
- The date the new building was first occupied must be after the first commissioning date of the heat pump.

4.33. Heat pumps installed in self-build buildings are eligible for support.

4.34. Biomass boilers installed in self-build buildings are not eligible for support.

Insulation requirements

4.35. Low carbon heating systems are at their most efficient when installed in a property that is well insulated. To be eligible for the BUS, properties are required to have a minimum level of insulation, unless they are exempt from this requirement (see below).

4.36. For more information on how to demonstrate that a property meets the insulation requirements, please see paragraph 5.13.

Exemptions

4.37. Installations in eligible self-builds do not need to supply evidence that the minimum required level of insulation is present since these properties are required to be insulated in line with current building regulations.

4.38. Some properties may be exempt from the insulation requirements.³³ The list of possible reasons for an exemption is outlined in Table 4. The table also describes the evidence that will be needed to demonstrate the exemption. This evidence will need to come from an appropriate body that will be required to show that the reason applies to the property. In some instances, we may require further information. Where this is the case, we will get in contact with the installer to request it. We will review each case on a case-by-case basis. There are templates that must be used when providing the evidence, available on our website.³⁴

³³ The BUS regulations, Regulation 6 (2)

³⁴ <https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-insulation-exemption-evidence-form>

Table 4 - Insulation exemptions

Exemption reason	Body to confirm	What evidence is required?
Property is a listed building	The planning department of the local authority, English Heritage, Cadw or a member of the Royal Institute of Chartered Surveyors (RICS). Please visit the RICS website to find a local chartered surveyor. ³⁵	A letter stating that it is not possible to install cavity or loft insulation due to the property being a listed building.
Property is in a conservation area	The planning department of the local authority, English Heritage or Cadw. ³⁶	A letter stating that it is not possible to install cavity or loft insulation due to the building being located in a conservation area.
Property houses a protected species that would be materially affected by the installation of the insulation (most likely – though not necessarily – bats)	Natural England, Natural Resources Wales, or a chartered ecologist (please find a member of Chartered Institute of Ecology and Environmental Managers ³⁷).	National bodies can be contacted for advice, but it may be necessary to arrange a site visit and report by a private ecologist. The letter must state which protected species is housed at the property and that installing cavity or loft insulation would materially affect that species.
Due to local environmental conditions (for example regular exposure to driving rain).	A member of RICS. Please visit the RICS website to find a local chartered surveyor.	The property owner will need to arrange for a chartered surveyor to visit their property and prepare a report. The report would need to outline what environmental conditions prevent the property from being

³⁵ RICS Find a surveyor, https://www.ricsfirms.com/?_ga=2.18901694.704885461.1651585631-1098602411.1651585631

³⁶ *Following further feedback received since our consultation that certain bodies are unable to provide the required evidence. We have refined this list to ensure accuracy.

³⁷ <https://cieem.net/>

		insulated. The report will also need to state their RICS membership number.
Due to the structure of the building (for example it's a timber framed building).	A member of RICS. Please visit the RICS website to find a local chartered surveyor.	A report from a chartered surveyor. The report would need to outline what structural features are present that prevent the property from being insulated. The report will also need to state their RICS membership number.
Because it would be otherwise unlawful	The planning department of the local authority, English Heritage, Cadw, Natural England, the Natural Resources Body for Wales, member of RICS or a chartered ecologist.	A letter stating which law prevents the installation of cavity or loft insulation at the property and why it does so.

5. How to benefit from the Boiler Upgrade Scheme – the application process

Section summary

This chapter explains how property owners can take advantage of the Boiler Upgrade Scheme through their installer. It sets out the information and documentation that property owners may need to provide. It also describes how property owners should provide consent to their installer’s voucher application.

5.1. The scheme is designed to provide a simple process for property owners to obtain the discount by minimising what they need to do to benefit from the grant. It is an ‘installer-led’ two stage application process, which means the property owner’s chosen installer will apply for and then redeem the voucher themselves. We expect installers to discount the value of the grant from the total cost paid by the property owner and include this in their quote.

Choosing an installer and technology

5.2. The property owner’s chosen installer will need to be certified by MCS. This demonstrates that they are technically competent and that the installation will be compliant with this aspect of scheme requirements. It will also ensure that the property owner is covered by consumer protection schemes governing the products and their performance, as well as the quality of the installation and service they receive from the installer. For more information on consumer codes, please see chapter 6.

5.3. It’s possible to search for an installer by area on the MCS website.³⁸

5.4. As with all property improvements, we encourage property owners to obtain a quote from multiple installers. Comparing quotes should help to decide if you’re getting a fair price.

³⁸ <https://mcscertified.com/find-an-installer/>

Applying for the BUS voucher

5.5. The voucher application will be led by the installer.³⁹ Once the property owner has selected their preferred installer, the installer will:

- apply to us, for a voucher representing the grant amount. The property owner will likely need to assist the installer by sharing information and evidence demonstrating that the property and chosen technology are eligible
- provide the property owner's contact details to us so the property owner can consent to the voucher application
- receive the voucher from us if the voucher application is successful
- complete the installation in line with industry standards and scheme requirements
- provide the property owner with the appropriate post-installation documentation such as the MCS certificate for the heat pump or biomass boiler and emission certificate for biomass boilers
- redeem the voucher following installation
- receive the grant payment from us, on behalf of BEIS.

5.6. All vouchers have a set validity period to ensure that installers only apply for vouchers when they need them. We are not able to extend validity periods under any circumstances. Vouchers for ASHPs and biomass boilers are valid for three months. Vouchers for GSHPs are valid for six months. If a voucher expires before work is complete and commissioned, the installer will be able to submit a new voucher application for the same installation.

5.7. Installers may apply for a voucher retrospectively after the installation has been commissioned. However, please note that if a system is installed and commissioned before applying for a voucher, the property owner and the installer will be doing so at additional risk.

5.8. We will issue a BUS voucher to the installer in the form of an email. BUS vouchers are issued by us on behalf of the Secretary of State.

What to give an installer

5.9. Property owners will need to provide evidence to the installer for them to be able to make a voucher application to us. This will include information about the property owner and their property. Where a property owner has a genuine concern or needs to provide evidence directly to us rather than via their installer, for example sensitive documents such as bank

³⁹ The BUS regulations, Regulation 14

statements or mortgage documents, we will consider these situations on a case-by-case basis. Please contact us at BUS.propertyowner@ofgem.gov.uk for assistance with this.

5.10. However, before doing this, the property owner should ensure they have obtained a reference for their application from the installer where possible. They must use this reference number in any correspondence they send us. The reference number will begin with "GID..."

Self-build evidence

5.11. If the building is a self-build, the property owner must provide evidence of this to their installer. The installer will provide this information to us during the application. Note that it is only necessary to provide sufficient evidence that the property satisfies the definition of self-build set out at paragraph 4.32. The list below is an indicative, non-exhaustive list of the types of evidence that could be used to demonstrate that a building is a self-build. It is unlikely that all of the evidence listed below will be required. Sensitive information on these documents that does not impact on us judging whether the definition has been met (eg bank details) can be redacted by the property owner if they so wish.

5.12. Acceptable evidence to prove a building is a self-build can include but is not limited to the below, but evidence provided must demonstrate **both** that the property was funded using the labour/resources of the first owner and has never been owned by a non-individual:

- proof of property ownership (eg a copy of title deeds, contract of sale)
- documents confirming you received a self-build VAT exemption, self-build loan or mortgage
- an invoice for substantial structural materials or labour (eg foundations or timber frame, smaller works such as re-wiring or kitchen-fitting will not be sufficient)
- self-build insurance
- copies of bank statements
- trader and builders' invoices or contracts.

Insulation requirements evidence

5.13. Some properties are exempt from the insulation requirements. These exemptions are discussed at paragraphs 4.37 to 4.38. It is important to note these properties will still require a valid EPC to be submitted at voucher application stage.

5.14. If a property is not exempt from the insulation requirements, the way we assess whether a property has the minimum level of insulation is by checking whether there are

recommendations for loft and/or cavity wall insulation listed on the property's EPC. We do not check this for eligible self-builds.

5.15. Property owners will therefore need a valid EPC at the time their installer submits a voucher application. There is no set fee for an EPC assessment as the cost will vary depending on the size and type of the property. Property owners may want to obtain a quote from more than one EPC assessor. It's possible to find a local EPC assessor through the GOV.UK website.⁴⁰

5.16. If there are no recommendations for loft and/or cavity wall insulation listed on the EPC then the property fulfils the insulation requirements for BUS.

Recommendation for loft and/or cavity wall insulation present on EPC

5.17. If there are recommendations for loft and/or cavity wall insulation listed on the EPC then the property is not eligible for BUS. The property owner will need to rectify this. This can be done by installing the necessary insulation and generating a new EPC which does not list any recommendations for loft and/or cavity wall insulation.

5.18. The installation of insulation can be done either before the voucher application stage or after a voucher has been issued. It must be done by the time the installer submits a voucher redemption application after installing the new low carbon heating system.

5.19. If the new EPC does not address the insulation recommendations the installer will not be able to receive payment of the grant. It is therefore important that the property owner installs any required insulation and obtains an EPC in a timely manner.

Option to install required insulation at the same time as installing low carbon heating technology

5.20. Property owners who need to install insulation to make their properties eligible may wish to install the required insulation at a similar time to installing the low carbon heating system. This could concentrate the building disruption to their property into one project. For these property owners we are able to accept a voucher application if the property owner arranges for

⁴⁰ <https://www.gov.uk/get-new-energy-certificate>

the installation of the insulation alongside the low carbon heat system. We ask property owners to confirm they understand and commit to this.

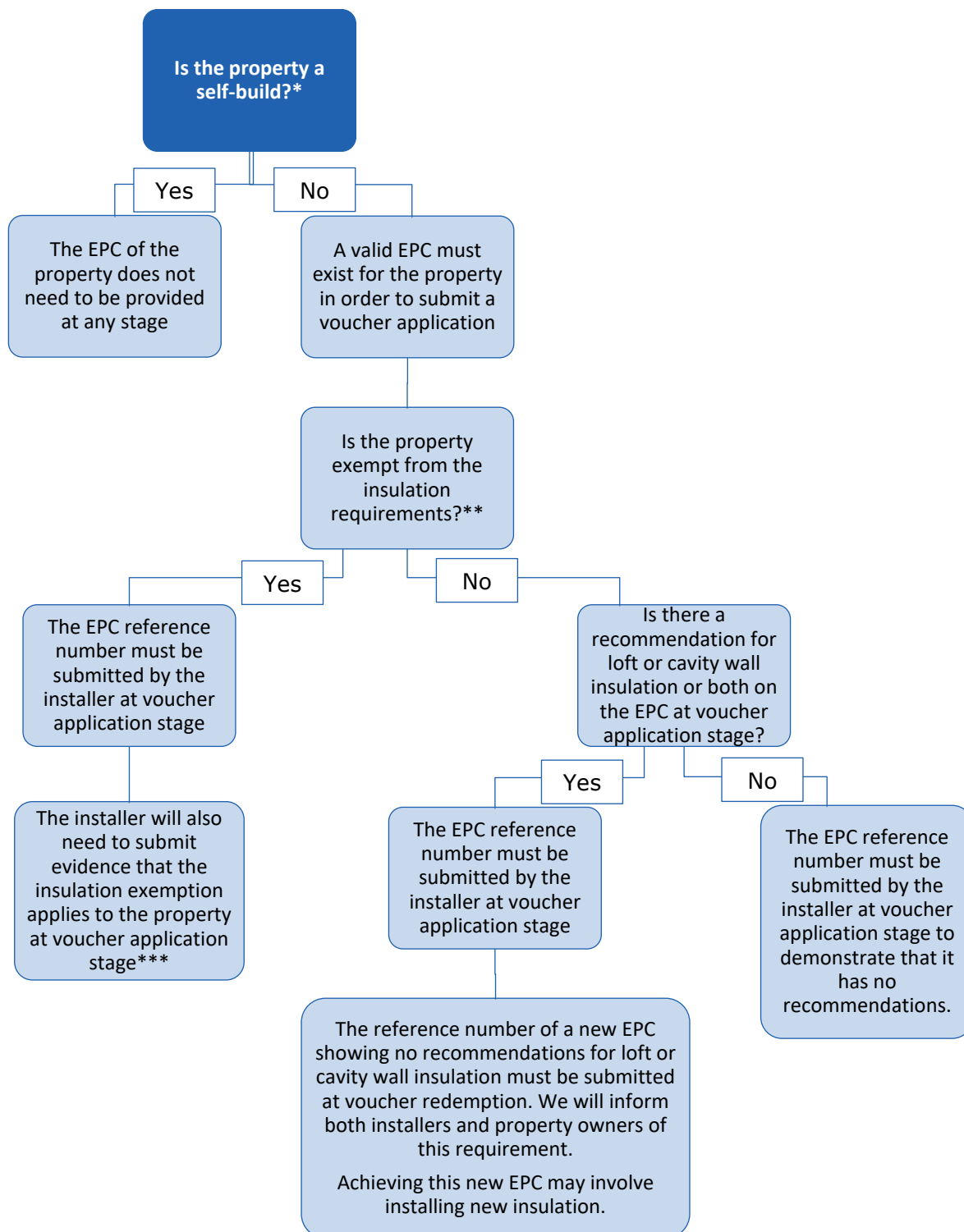
5.21. Once the insulation is installed, the property owner must obtain a new EPC which demonstrates that the insulation has been installed. This new EPC should no longer have recommendations showing for loft and/or cavity wall insulation. The installer will be required to submit this new EPC in order to redeem the voucher.

5.22. If the property owner does not obtain a new EPC demonstrating that the required insulation has been installed, the installer will not be able to receive payment of the grant. It is therefore important that the property owner installs any required insulation and obtains an EPC in a timely manner.

5.23. Room-in-roof insulation is deemed distinct from loft insulation, and therefore if an eligible property has EPC recommendations for the installation of room-in-roof insulation, it will still be eligible for a BUS voucher.

5.24. Likewise, solid wall insulation and internal wall insulation are distinct from cavity wall insulation. Properties with recommendations for solid wall or internal wall insulation can still be eligible for a BUS voucher, provided they meet all other eligibility requirements.

Figure 2 - Flow chart of EPC requirements for an eligible grant application and voucher redemption



*Definition set out in Chapter 4.

** Exemption reasons are set out in Table 4.

*** Template forms to be completed by a named expert and submitted by the installer at voucher application stage have been published separately.

Property owner consent

5.25. Once the installer has submitted an application for a voucher, the property owner will be contacted by us via email to provide their consent to the installer making an application on their behalf.⁴¹ This email will come from boiler.upgrade.scheme.ofgem@notifications.service.gov.uk.

5.26. Seeking consent is solely for Ofgem to confirm that an installer is applying on behalf of the property owner and the property owner has consented to this. It does not confirm that a property owner agrees to the installation of the low carbon heating system. It does not duplicate or recreate any contractual arrangements that an installer and property owner have in place.

5.27. Consent will be asked for only once and will be obtained at the voucher application stage and not at the voucher redemption stage.

5.28. Where the property is owned by an organisation, the property owner is anyone who can legally represent that organisation eg a director or company secretary.

5.29. The property owner **must give their consent within 14 days** of the date we send the email to them. **Failure to provide consent may lead to the application being rejected.** Property owners **must provide consent via the validation link in the email** we send to them. We cannot accept consent via another medium unless the property owner is part of the assisted digital pathway.

5.30. Property owners will be required to confirm:

- their full name⁴²
- key project details, including the installation address, proposed low carbon heating system and quote details supplied by the installer
- that they own (or co-own) the property at the installation and where there are multiple owners of a property, that the person confirming consent is acting with the agreement of the other owners
- that they consent to the installer making a BUS application on their behalf

⁴¹ The BUS regulations, Regulation 14 (2)

⁴² Where the property is owned by an organisation this should be an individual who can legally represent the organisation eg a director or company secretary

- that they will become the owner of the low carbon heating system upon completion of the installation
- that the property is not social housing
- that they have not received other support from public funds or government schemes, such as the Energy Company Obligation (ECO), for any of the costs of the purchase or installation of the eligible low carbon heating system in question.

5.31. Where the EPC submitted as part of the voucher application has a loft or cavity wall insulation recommendation and the property does not meet any of the exemption criteria, we will also ask the property owner to confirm that they intend to:

- install the recommended insulation, and
- obtain a new EPC, with no recommendations for loft or cavity wall insulation to be installed, by no later than the date on which a voucher redemption application is made.

5.32. The property owner will also be informed of the possibility that they may be contacted to ask for access to their property for audit purposes. Further information on the audit process is set out in chapter 6.

5.33. Where there are multiple owners of the same property, we will only need the details and confirmation of consent from one of the owners. However, that confirmation must state that the property owner giving consent on behalf of the other(s) has the authority to do so.

5.34. In cases of shared ground loop applications, where there are multiple properties being connected to a single ground loop, we will require the installer to submit a separate application for each property that intends to connect to the ground loop. We will require consent from the owner of each property that intends to connect to the loop.

What giving consent means

5.35. It's important to remember that the property owner is only consenting to an installer making a BUS application on their behalf. This is so that we have assurance that the application is being made in good faith.

5.36. It does not mean the property owner has committed to working with a particular installer. That's something that needs to be handled separately through the contract the property owner signs with the installer.

Assisted digital

5.37. We realise that some property owners do not use emails or may not be able to access the online service to provide their consent. If the installer is unable to provide an email address for the property owner, we will contact them via an alternative channel such as telephone or post. As this might take longer we will allow 28 days for the property owner to provide consent. As with the standard consent process, it is important that the property owner responds within the required deadline. Failure to do so may lead to the application being rejected and the application process will have to be started again.

Consent in error or fraud

5.38. In situations where more than one installer has submitted a BUS application for one property, the property owner can only give their consent to one of them. Once consent is given, we'll reject any applications from other installers.

5.39. Where consent has been provided in error, please contact us at BUS.application@ofgem.gov.uk so we can correct the situation.

5.40. Where we identify that consent has been provided fraudulently, we will reject an application or revoke the voucher and contact the property owner and the installer regarding the application. We may refer the case to the police.

5.41. We will verify the identity of property owners using the information we have received from installers as part of the application. This will be done using a third party providing an ID verification service. This verification will not impact the property owner's credit rating. Where we require additional information to verify the property owner's identity, we will request information directly from them. For more information on how we process your personal information, please see our Privacy Policy for Property Owners.⁴³

5.42. If we require any further information from the property owner after they've confirmed their consent, we will get in touch. Otherwise the property owner doesn't need to do anything else in relation to the BUS application.

5.43. Once the property owner has provided consent and subject to all eligibility criteria being met, a voucher will be issued to the installer. The property owner will also be informed.

⁴³ <https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-privacy-notice-property-owners>

Completing the project

5.44. Once a voucher for an ASHP or biomass boiler is issued,⁴⁴ the installer has three months from the date the application is approved to complete the installation in line with industry standards and scheme requirements, and to register the installation with MCS and to redeem the voucher. Installers will have six months to do this for GSHPs.⁴⁵ MCS may get in touch with the property owner regarding the quality of the installation.

5.45. If a voucher expires before work is complete, the installer will have to submit a new voucher application for the same installation.

5.46. When the new system has been installed and the installer has completed their checks, the installer must submit a voucher redemption application to us in order to claim the grant amount. When a redemption application is successful, we will notify the installer and the property owner of this outcome.

Payment

5.47. Once a redemption application has been approved, it will be processed for payment, along with all other redeemed vouchers, on the next scheduled payment day. We operate a weekly payment schedule, meaning we will seek to make several payments on the same day each week. Therefore the gap between us approving a voucher redemption application and sending payment for it will be a maximum of five working days for most voucher redemption applications. Where the scheduled payment day is a public holiday, payments will be made on the following working day. We may make payments more frequently depending on our capacity. We understand it may take up to three to five additional working days for banks to clear funds and for the payment to appear in the installer's account.

⁴⁴ We will not issue BUS vouchers after 31 December 2024. The latest date a BUS voucher will expire is therefore 31 March 2025.

⁴⁵ The BUS regulations, Regulation 15 (2)

6. Audit & compliance

Section summary

This chapter explains our audit powers under the BUS. It explains why we audit, the types of audits we carry out, what an audit consists of and what to expect from audits. It also sets out how property owners can get help from consumer codes if they experience a problem with their heating system or installer.

Why we undertake audits

6.1. To help ensure that the public money that funds the BUS has been used correctly in line with the BUS eligibility criteria, we (and agents authorised on our behalf) run a comprehensive audit programme on installers, properties and installations that have made a BUS application or received a BUS grant. The regulations provide a range of powers that allow us to take action where non-compliance, fraud or abuse is suspected or discovered.

Audit types

6.2. We carry out both site and desk audits. These are both done either on a statistical or a targeted basis.

6.3. **Desk Audits:** Desk audits can be by phone or email. In these cases we may need additional information from the property owner or the installer as assurance that the installation is compliant with scheme eligibility.

6.4. **Site Audits:** We may request access at any reasonable hour to inspect a property which relates to a BUS voucher application, a BUS voucher redemption application or has had a BUS grant paid.

6.5. We will give property owners no less than two days notice ahead of a site audit taking place. Within the notice the following information will be provided:

- date of the audit
- the property owner's right to refuse the request. If property owners refuse the request, we may withhold payment, reject the voucher or voucher redemption application, revoke a voucher or seek to recoup any grant already paid out.

6.6. All our site auditors are Disclosure and Barring Service (DBS) checked. It is possible for a property owner to check that a request from us for access to their property is genuine by either e-mailing BUS.enquiry@ofgem.gov.uk or by telephoning our BUS Enquiry line on 0330 053 2006.

6.7. MCS undertake their own checks on BUS-funded heating system installations completed by MCS installers. They will be contacting property owners directly to capture information to carry out these checks. They may contact property owners via boilerupgradescheme@mcscertified.com or 0333 103 8198. Property owners should aim to respond within seven days of receiving their communication. For further help, contact MCS.⁴⁶

After an audit is conducted

6.8. We will write to the installer and the property owner to outline the results of the audit. Where there are rectifiable issues identified by the audit, the letter will specify the actions required of the installer and if necessary, of the property owner. The installer or the property owner will be expected to address these issues and will be asked to report back to us when the necessary action has been taken. Instructions of how to report back will be contained within the communication from us. Depending on the nature of the issues identified and the response received, we may either launch a formal compliance investigation (which may involve a temporary withholding of a grant payment) or take other compliance action.

6.9. If, during our investigation or an investigation carried out by MCS or consumer codes, we come to believe that a non-compliance with the BUS regulations has occurred, we have the authority to take compliance actions against the installer. These could include withholding payments,⁴⁷ revoking vouchers,⁴⁸ offsetting payments due, or seeking repayment.⁴⁹

6.10. Some examples of non-compliance are:

- the installer has failed or is failing to comply with an obligation
- the installer has been issued a voucher, or has been paid as a result of incorrect information in a grant application
- the installer is not an MCS-certified installer for the technology that was installed
- the property is not an eligible property

⁴⁶ <https://mcscertified.com/about-us/contact-us/>

⁴⁷ The BUS regulations, Regulation 19 and 20

⁴⁸ The BUS regulations, Regulation 21

⁴⁹ The BUS regulations, Regulation 22

- the heating system is not eligible
- the property owner has not consented to the installation or that consent is falsified
- the property owner has previously received public funding for the low carbon heating system
- where we have reasonable grounds to suspect non-compliance, including where access for an audit is refused.

6.11. Where we decide to revoke a voucher or withhold or recoup a payment, we will inform the property owner and the installer of this.

6.12. Where we believe installers and property owners have colluded in fraudulent activity, we may refer cases to the police.

6.13. Where information provided by the property owner to the installer is false and the installer has become aware, the installer must notify us of that fact no more than 14 days after becoming aware. Inaccurate information could lead to us revoking the voucher or withholding or recouping the grant payment from the installer. We do not have any role or responsibility relating to the contractual arrangements between installers and property owners.

Fraud

6.14. Fraud is a criminal offence and we will take stringent action wherever this is suspected.

6.15. We take a zero-tolerance approach to fraud. We have a dedicated Counter Fraud function that undertakes activity to detect, prevent and deter fraudulent activity on the environmental and social programmes that we deliver.

6.16. Irrespective of any action we may take in relation to non-compliance, there may be instances where we uncover evidence of possible criminal conduct such as fraud. In such cases, based on the nature of the information we hold, we may refer the case to law enforcement agencies for investigation.

6.17. Report any concerns about suspected fraud to us by:

- emailing us at counterfraud@ofgem.gov.uk or
- calling us on 0207 901 7373 where you will be invited to leave a voice message. If we require further information in order to consider the concern, we will call you back.

6.18. Our website page on counter fraud for environmental and social programmes⁵⁰ provides further information on what we do if we suspect fraud and what information must be provided when reporting suspected fraud.

Consumer rights and protections

What to do when things go wrong

6.19. If a property owner experiences problems or has concerns with their new heating system, for example underperforming equipment, repairs, or safety issues, they should speak to their installer first.

6.20. All installers must be a member of MCS. If a property owner experiences problems with their installer, they should visit the MCS website and read 'What to do when things go wrong' for further advice and guidance.⁵¹

6.21. Property owner rights are protected by the consumer codes, HIES⁵² and RECC,⁵³ set up to promote the renewable energy sector and protect customers. MCS can advise on when and how to engage with them.

6.22. Members of HIES and RECC are from the renewable industry, and they are required to adhere to the code, which is certified by the Chartered Trading Standards Institute. A condition of MCS certification is membership to HIES or RECC. They can help deal with complaints about breaches of the consumer code, such as:

- where misleading information has been provided about the scheme or the renewable technology installed
- where the information in the contract and the actual service provided do not match up
- where the installer has inflated the costs provided in the quote.

6.23. MCS and the consumer code organisations work closely together to address complaints for consumers. If a property owner does have a complaint or a concern, they should consider

⁵⁰ <https://www.ofgem.gov.uk/environmental-and-social-schemes/counter-fraud-environmental-and-social-programmes>

⁵¹ <https://mcscertified.com/complaints-compliance/>

⁵² <https://www.hiesscheme.org.uk/>

⁵³ <https://www.recc.org.uk/>

highlighting it to each organisation to make sure it can be fully investigated. These consumer codes exist to protect consumers from any harm they may face due to any MCS installer's misconduct.

Reporting

6.24. As part of our administrative responsibilities, we are required to publish reports on a quarterly and annual basis on our website.⁵⁴ Additionally, we will seek to publish monthly updates on the operation of the BUS. This aids transparency on how the scheme is progressing and how much budget remains available for installers to apply for on a property owners' behalf. These reports will consist of key information relating to the scheme, including the number of vouchers issued, number of vouchers redeemed, total value of grants paid and remaining budget.

Reporting frequency

6.25. We will seek to publish monthly reports for each calendar month in the first week of the following month.⁵⁵

6.26. Quarterly reports will be published by:

- Q1: 31 August
- Q2: 30 November
- Q3: 28 February
- Q4: 31 May

6.27. Annual reports will be published on the 31 July each year covering the preceding 12-month period ending with 31 March of that year.

6.28 All information will be published in an anonymised form.

⁵⁴ The BUS regulations, Regulation 30

⁵⁵ <https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus/guidance-and-resources>

7. Useful contacts

Queries

7.1. For general queries regarding the BUS please email us at: BUS.enquiry@ofgem.gov.uk

Right of review

7.2. If the property owner thinks we have made an error in a decision relating to the BUS application that has been submitted on their behalf, they should talk to their installer as they are able to ask for a review of any decision we have made related to the scheme. Installers must submit a request for a review within 28 days from when we sent them the decision. Details of how they can do this are included within our separate guidance document for installers.⁵⁶

Complaints

Complaints about policy and policy decisions

7.3. Where the complaint is about the scheme's underlying policy, including the eligibility criteria, please contact BEIS: boilerupgradescheme@beis.gov.uk.

Complaints about scheme administration

7.4. If a property owner has a complaint or recommendation about our administration of the scheme or concerns on how an application has been handled, they can email feedback@ofgem.gov.uk. Our Complaining About Ofgem webpage gives more information on our complaints process.⁵⁷

Complaints about installers

7.5. If you have a complaint about an installer, you should raise it with them in the first instance. If you have already done so, but feel that it has not been resolved satisfactorily, you may be able to take the complaint to MCS,⁵⁸ HIES,⁵⁹ or RECC.⁶⁰

⁵⁶ <https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers>

⁵⁷ <https://www.ofgem.gov.uk/about-us/contact-us/complaining-about-ofgem>

⁵⁸ <https://mcscertified.com/>

⁵⁹ <https://www.hiesscheme.org.uk/>

⁶⁰ <https://www.recc.org.uk/>