

Warm Home Discount Annual Report

Scheme Year 14 (1 April 2024 to 31 March 2025)

ofgem

Making a positive difference
for energy consumers



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Foreword

Since its introduction in 2011, the Warm Home Discount (WHD) has played a vital role in helping low income and vulnerable households across Great Britain keep warm. The scheme achieves this by providing energy bill rebates to households, helping them reduce their energy costs during an ongoing period of elevated energy prices and wider cost of living pressure. This year's support builds on more than a decade of progress since the scheme began, bringing the scheme lifetime spend on those in need to £5.13 billion.

This year saw increased delivery across all major elements of the scheme, strong supplier engagement, and consistently high numbers of households receiving support. Overall, the scheme delivered more support to a greater number of households than ever before, with over 3.41 million rebates delivered to eligible customers.

As with previous years, Ofgem administered key elements of the WHD on behalf of government. While the Department for Energy Security & Net Zero (DESNZ) sets the scheme's policy and maintains overall responsibility, Ofgem sets suppliers' obligations, ensures these are met, and reports transparently on performance each year. In practice, DESNZ sets the rules and Ofgem ensures they are followed, so support reaches households fairly, efficiently and on time.

Support is delivered via the scheme in two ways: first, the automatic £150 rebates provided to eligible households, and second, the wider Industry Initiatives programme, which funds energy advice, benefit entitlement checks, small energy efficiency measures and financial support delivered in partnership with suppliers. This year around £512 million worth of rebates were delivered to eligible households and a further £83 million of support was delivered through Industry Initiatives. These interventions make a real difference to people's lives – helping them to manage energy costs, improve the warmth of their homes and access support they might otherwise miss.

Strong oversight and accountability remain central to our work as we collaborate with suppliers to secure the best outcome for consumers. I am disappointed that this scheme year saw a number of non-compliances from obligated suppliers, mainly due to late rebate payments or shortfalls in spending. These cases represent 6.7% rebates and 0.2% of suppliers other spending obligations, meaning thousands of vulnerable households did not receive timely support at a moment when they most needed it. This is not acceptable, and we take these failings extremely seriously. Where rebates were issued late by suppliers, they agreed to issue £150 compensation to those affected, in addition to the £150 rebate. Where spending shortfalls occurred, suppliers agreed to make additional payments to support fuel poor consumers, as well as the shortfall being added to the next years obligation.

However, I am pleased to see that there has been positive progress shown by other suppliers. Green Energy and Foxglove who all had non-compliances last year are fully compliant this year, demonstrating that the expectations we set and our close monitoring drive positive outcomes for consumers.

Looking ahead, with the government confirming a 5-year extension of the WHD including an expansion to reach a further 2.7 million households, our focus is now on working closely with DESNZ, suppliers and consumer groups to make sure the scheme is administered efficiently, support reaches all eligible households and the changes to the scheme are implemented successfully.

As always, I welcome feedback on this report and on how we can continue improving the scheme. Please contact us at SchemesReportingFeedback@ofgem.gov.uk.

Neil Lawrence

Executive Director, Delivery & Schemes

595.2million
of support

In SY14 suppliers delivered **£595.2 million** in WHD support to customers (**£543.5 million** in England & Wales and **£51.8 million** in Scotland). Up almost 3% on the £578.7 million spent during SY13.

3.41 million
Rebates

During SY14, energy bill rebates of £150 were provided to around **3.41 million customers** in or at risk of fuel poverty (**3.14 million** in England & Wales and **276,672** in Scotland). This is up from a total of 3.35 million in SY13.

£143.5million
Rebates for low-income pensioners

956,967 of the 3.41 million rebates, with a value of **£143.5 million**, went to eligible low-income pensioners in SY14 (**866,000** in England & Wales and **90,967** in Scotland). This is down slightly on the 959,826 rebates to low-income pensioners in SY13.

£369million
Rebates for other fuel poor groups

2.46 million other customers received rebates in SY14, up from 2.39 million in SY13. **£340.7 million** to customers on low incomes and with high energy costs in England & Wales and **£27.9 million** to customers in or at risk of fuel poverty in Scotland.

£83million
Industry Initiatives spend

Suppliers spent a combined **£83.1 million** to deliver other forms of support via Industry Initiatives in SY14 (**£72.9 million** in England & Wales and **£10.3 million** in Scotland). This was up from a total of £76.4 million spent in SY13.

£5.13billion
Lifetime support

Since the start of the scheme in 2011, a total of **£5.13 billion** has been spent supporting vulnerable consumers through energy bill rebates and Industry Initiatives.

Executive summary

The Warm Home Discount (WHD) scheme was first introduced by the Government in 2011 to support low-income households or individuals in Great Britain, who are vulnerable to cold-related illness or living in or at risk of fuel poverty.

The elements that make up the WHD scheme are detailed below:

- **Core Group 1 (England & Wales) and Core Group (Scotland)** – Energy bill rebates are provided to low-income pensioners in receipt of Pension Credit Guarantee Credit.
- **Core Group 2 (England & Wales)** - Energy bill rebates are provided to low-income households with estimated high energy costs.¹
- **Broader Group (Scotland)** – Energy bill rebates are provided to a wider group of fuel poor customers or those at risk of fuel poverty.
- **Industry Initiatives (England & Wales and Scotland)** – A wide range of activities that include both financial as well as non-financial support, run by energy suppliers to help consumers living in or at risk of fuel poverty.

To benefit from a WHD rebate, eligible households must buy their energy from an obligated energy supplier and meet certain eligibility requirements. Other households may also be able to benefit via Industry Initiatives, since these tend to target wider groups of fuel-poor consumers and are often not restricted to customers of a specific energy supplier.

The Department for Energy Security & Net Zero (DESNZ) maintain overall responsibility for the coordination and oversight of the WHD scheme, including changes to policy. They also oversee delivery of the Core Group elements. Ofgem is responsible for overseeing the Industry Initiatives, the Broader Group in Scotland, monitoring supplier compliance and publishing guidance on the scheme.

¹ In SY15, the high energy cost threshold for Core Group 2 rebates was removed. Customers are eligible for Core Group 2 if they are on low income (in SY12-15) and have high energy costs (in SY12-14 only).

Additionally, as part of our responsibilities, we produced this report summarising activity during the 14th year of the WHD scheme (Scheme Year 14), covering the period 1 April 2024 to 31 March 2025. An outline of the key points from the Scheme Year 14 (SY14) are set out below.

Compliance summary (page 19)

There were 18 suppliers participating in the WHD scheme at the end of SY14. This includes 2 suppliers participating in the scheme for the first time.

During SY14, obligated suppliers provided £595.2 million of support to eligible consumers. Of this, £543.5 million was delivered in England & Wales and £51.8 million in Scotland. This included supporting around 3.41 million households with £150 rebates (up from 3.35 million households in SY13) and spending of £83.1 million on a range of alternative support through Industry Initiatives (up from £76.4 million in SY13). In SY14, more households qualified for a rebate than expected. As a result, the overall spend by suppliers exceeded the scheme's £577 million budget by £18.2 million, or 3.16%.

Non-compliance

In total, 6 suppliers were responsible for 12 non-compliances in England & Wales, and 5 suppliers were responsible for 13 non-compliances in Scotland. Examples of the type of non-compliances found included Core Group rebates not being provided by the relevant deadline, Broader Group minimum spend not being met and some suppliers not meeting their overall non-core spending obligations². The rebates involved represent 6.7% of the 3.42 million rebates provided, and supplier non-core spending shortfalls are equivalent to 0.2% of the combined non-core spending obligations.

All of these incidents of non-compliance have been recorded in our Supplier Performance Report (SPR).³ We take suppliers' compliance with their obligations, including engagement with Ofgem as the scheme administrator, very seriously. We

² Non-core spending on the England & Wales WHD is comprised solely of spending on Industry Initiatives and on the Scotland WHD it is comprised of spending on the Broader Group and Industry Initiatives.

³ [Information about the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>.

expect all suppliers to be diligent and proactive with their responsibilities and continue to monitor all participants closely during SY15.

The Warm Home Discount (England & Wales) (page 23)

Core Group 1

In SY14, all customers of participating suppliers who received Pension Credit Guarantee Credit⁴ were eligible for a rebate of £150 each.

Overall, 866,000 households were supported with a Core Group 1 rebate in SY14, worth almost £129.9 million.

Core Group 2

Suppliers provided rebates to low-income households with high energy costs and rebates were provided at the same value as for Core Group 1.

Overall, 2,271,378 households were supported with a Core Group 2 rebate in SY14, worth over £340.7 million.

Industry Initiatives

Industry Initiatives form the non-core element of the England & Wales WHD scheme. Obligated suppliers were collectively required to spend a minimum of £67 million on these initiatives, with individual contributions allocated according to each supplier's market share. The minimum spend is then adjusted each year through the WHD's adjusted non-core obligation mechanism, which increases or decreases a supplier's obligation based on the previous year's performance.

SY14 minimum spend was later revised from £67 million to £71.54 million. The adjustment reflected two factors – the addition of undelivered rebates from the SY13 Core Groups being added to SY14 supplier obligations, and variations in supplier spending during SY13, where some suppliers either exceeded or fell short of the non-core obligations.

⁴ [Information on Pension Credit Guarantee Credit](https://www.gov.uk/pension-credit): <<https://www.gov.uk/pension-credit>>

In total, suppliers spent £83.14 million on 43 attributable Industry Initiatives activities in SY14. These initiatives helped to provide support to over 2.24 million consumers.⁵

The Warm Home Discount (Scotland) (page 46)

Core Group

The Core Group in Scotland operated in the same way as Core Group 1 in England & Wales. All customers of participating suppliers who received Pension Credit Guarantee Credit were eligible for a rebate of £150 each.

Overall, 90,967 households were supported with a Core Group rebate in SY14, worth a total of £13.6 million.

Broader Group

The Broader Group element of the WHD scheme required suppliers to provide rebates to a wider group of fuel poor customers or those at risk of fuel poverty. Rebates were provided at the same value as the Core Group.

Broader Group rebates form part of the Scottish 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 the Broader Group.

The Scottish non-core obligation was £38 million. The maximum spending allowed on Industry Initiatives was £10.99 million (including transfers from the Broader Group – see below). This meant that the Broader Group minimum in SY14 was £26.56 million.

Overall, 185,705 households were supported with a Broader Group rebate in SY14, worth a total of £27.9 million.

⁵ Customers often receive more than one type of support through an initiative (e.g. 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.

Industry Initiatives

Suppliers do not have any minimum spend on Industry Initiatives in Scotland and do not have to carry out any Industry Initiatives activity. Of the 18 obligated suppliers, 16 chose to meet some of their non-core obligation through Industry Initiatives spending.

In Scotland, suppliers have a combined maximum spend on Industry Initiatives. For SY14, this was originally £7 million but increased to £10.99 million after a compliance assessment and approval process allowed certain suppliers to transfer a portion of, or their entire, Broader Group spending obligations (collectively around £3.9 million) to Industry Initiatives. The total value of the non-core obligation to support customers remained unchanged. Suppliers spent £10.3 million on 24 attributable Industry Initiatives activities in SY14.

Audit programme (page 68)

The onus is on obligated suppliers to ensure compliance with their obligations. To ensure the expected benefits are being delivered, our annual audit programme monitors supplier performance, providing assurance that information is being reported accurately, and the risks of non-compliance are minimised.

Our appointed auditors carried out 4 audits for SY14, each focusing on a relevant area of a supplier's operations. All of these audits were rated as being 'Satisfactory', meaning a small number of minor weaknesses were identified. The audit results are shared with suppliers, and we work with them to agree any actions required to address the findings.

Please note: a spreadsheet containing the data used in the production of this report is published alongside the report on our website.

Contacts

For more information about the WHD scheme, please visit our [website](#).¹⁷ If you can't find the information you need, you may find it helpful to refer to our [WHD guidance](#).¹⁸ Alternatively, please email us at whd@ofgem.gov.uk.

Press enquiries

For press enquiries please contact Ofgem's press office at press@ofgem.gov.uk.

1. About the Scheme

This chapter introduces the purpose, background and operation of the Warm Home Discount (WHD) scheme, detailing supplier obligations and Ofgem's administrative role. It also provides an update on the schemes' budget and summarises scheme changes during Scheme Year 14 (SY14).

Introduction

- 1.1 The WHD scheme, launched in April 2011, requires participating domestic energy suppliers, including those who volunteer for the scheme, to provide support towards energy costs. This support is targeted at low-income households or individuals in Great Britain who are particularly vulnerable to cold-related illness or living wholly or mainly in fuel poverty.
- 1.2 The scheme provides support directly, through energy bill rebates for eligible customers, or indirectly through Industry Initiatives, where support is available through a variety of services to reduce fuel poverty and its associated impacts. Support must be delivered within defined scheme periods.⁶
- 1.3 In order for someone to benefit from a WHD rebate in the Core or Broader Groups,⁷ they must buy their energy from an obligated energy supplier and meet certain eligibility requirements. Other households may also be able to benefit via Industry Initiatives, since these tend to target wider groups of fuel poor consumers and are often not restricted to customers of a specific energy supplier.

Elements of the WHD scheme

- 1.4 The WHD scheme is made up of core and non-core elements. Both mandatory and voluntary suppliers have obligations under the 'core' elements, whereas only mandatory suppliers have obligations under the 'non-core' elements.

⁶ A scheme period runs annually from 1 April to 31 March.

⁷ The elements of the WHD are defined in the section starting at paragraph 1.4.

1.5 The ‘core’ elements of the WHD scheme are Core Group 1 and Core Group 2 in England & Wales, and the Core Group in Scotland. The ‘non-core’ elements are Industry Initiatives in England & Wales and the Broader Group and Industry Initiatives in Scotland.

1.6 Further information on each of these elements is provided in **Figures 1.1** and **1.2**.

Figure 1.1: Elements of the WHD scheme in England & Wales

Core Group 1	Core Group 2	Industry Initiatives
<ul style="list-style-type: none"> • Targets low-income pensioners in England & Wales in receipt of Pension Credit Guarantee Credit. • Provides a rebate of £150 applied to the electricity or gas account. • The Department for Work and Pensions (DWP) works with participating suppliers to identify eligible customers. Most eligible customers receive their rebate automatically. • Customers identified as eligible under Core Group 1 must be provided with a rebate. • The cost of Core Group 1 rebates is reconciled between participating suppliers according to their market share. 	<ul style="list-style-type: none"> • Targets low income customers in England & Wales with high energy costs. • Provides a rebate of £150 applied to the electricity or gas account. • Customers on low income are identified through data matching with DWP benefit and HMRC Tax Credit data. Government data on property characteristics is used to identify which low-income households are likely to have high energy costs. • Customers identified as eligible under Core Group 2 must be provided with a rebate. • The cost of Core Group 2 rebates is reconciled between participating suppliers according to their market share. 	<ul style="list-style-type: none"> • The Industry Initiative element of the scheme allows suppliers to help fuel-poor customers through a variety of activities (e.g. energy advice, energy efficiency measures). • The Industry Initiatives spending obligations were set out in the Regulations for SY12 to SY15, and increase each scheme year to take account of inflation estimates. The spending obligations are split by supplier according to market share. • The collective spending obligation may be adjusted (up or down) to account for over or underspend in the Core Groups. The Government committed to limit this to £10 million.

Figure 1.2: Elements of the WHD scheme in Scotland

Core Group	Broader Group	Industry Initiatives
<ul style="list-style-type: none"> • Targets low-income pensioners in Scotland in receipt of Pension Credit Guarantee Credit. • Operates in the same way as Core Group 1 in England & Wales. 	<ul style="list-style-type: none"> • Targets a wider group of customers in Scotland in or at risk of fuel poverty. • Provides a rebate of £150 applied to the electricity or gas account. • Suppliers' spending obligations determined according to market share. • In addition to mandatory eligibility criteria, suppliers had some discretion to vary the eligibility criteria to address their specific customer base. • Support under the Broader Group element of the scheme was generally delivered on a first come, first served basis and customers needed to apply for the rebate. 	<ul style="list-style-type: none"> • The Industry Initiatives element of the scheme allows suppliers to help fuel-poor customers through a variety of activities (e.g. energy advice, energy efficiency measures). • Total spending cap of £7 million on Industry Initiatives in Scotland, split according to market share. • Spending on Industry Initiatives in Scotland is optional. • Suppliers at risk of not meeting their minimum spending obligation on the Broader Group can apply to transfer up to 100% of their Broader Group obligation to Industry Initiatives.

The role of WHD suppliers

1.7 Obligated suppliers have either passed a threshold for compulsory participation or have volunteered to join the scheme. The threshold for compulsory participation is based on the number of domestic customers the licensed supplier and any other licensed suppliers in the same group of companies⁸ have in Great Britain.

⁸ Suppliers with the same owner are treated as a group for the purposes of determining the obligation.

1.8 In SY14, any licensed supplier within a corporate group that had at least 1,000 domestic customers for gas and/or electricity (calculated annually), was obligated to fully participate in the WHD scheme. Two new suppliers (Fuse Energy and Home Energy) was required to participate during SY14. There were no voluntary suppliers which participated during SY14.

WHD scheme budget and obligations

1.9 The ‘WHD Regulations’⁹ set an overall spending obligation (shared among participating suppliers) for the period 2022 to 2026, with 9.4% of the total apportioned for the scheme in Scotland. The size of the Core Groups is estimated by the Department for Energy Security and Net Zero (DESNZ) each year before the start of the scheme year. Once the size of the Core Groups has been estimated, the remaining obligation forms the non-core spending obligation.

1.10 The non-core obligation must be met through Industry Initiatives spending alone in England & Wales, or a combination of Broader Group and Industry Initiatives spending in Scotland. However, the ‘WHD (Scotland) 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.

1.11 The scheme budget rises with inflation, so the sum spent on support over time is maintained in real terms. In England & Wales the overall spending target in SY14 was £526 million, whilst in Scotland the spending target was £51 million, giving a combined scheme budget of £577 million.¹⁰ The WHD Regulations allow suppliers to carry forward any underspend or overspend, which is then taken into account when calculating spending obligations over the following two years.

⁹ [The Warm Home Discount \(England & Wales\) Regulations 2022](https://www.legislation.gov.uk/uksi/2022/772/contents/made) the ‘WHD (England & Wales) Regulations’: <<https://www.legislation.gov.uk/uksi/2022/772/contents/made>>

[The Warm Home Discount \(Scotland\) Regulations 2022](https://www.legislation.gov.uk/uksi/2022/1073/contents/made) the ‘WHD (Scotland) Regulations’: <<https://www.legislation.gov.uk/uksi/2022/1073/contents/made>>

These separate pieces of legislation are collectively referred to in this report as the ‘WHD Regulations’, unless otherwise stated.

¹⁰ In SY14, suppliers exceeded the scheme budget by around £18 million. For more information on the overspend, see section 2.10.

1.12 Further information on the WHD scheme budget is provided in **Figures 1.3** and **1.4** below.

Figure 1.3: The WHD scheme budget (England & Wales) – SY12 to SY14

	Industry Initiatives spending obligation	Core Groups spend estimate	Overall spending target
SY12 (2022-2023)	£40m	£434m	£474m
SY13 (2023-2024)	£60m	£434m	£494m
SY14 (2024-2025)	£67m	£459m	£526m

Figure 1.4: The WHD scheme budget (Scotland) – SY12 to SY14

	Industry Initiatives spending limit	Broader Group minimum spend	Core Group spend estimate	Overall spending target
SY12 (2022-2023)	£7m	£28m	£14m	£49m
SY13 (2023-2024)	£7m	£32m	£13m	£52m
SY14 (2024-2025)	£7m	£31m	£13m	£51m

Core Group reconciliation

1.13 Customers who are eligible for one of the Core Group rebates are not necessarily distributed evenly between suppliers in proportion to market share, meaning that some suppliers may have a disproportionate number of customers eligible to receive rebates. To manage the financial impact of this, an important part of the Core Group elements 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 2022 ('the Reconciliation Regulations').¹¹ 'The Reconciliation Regulations' set out the method by which the costs are reconciled and therefore fairly distributed between suppliers through a series of payments organised by Ofgem.

The roles of Ofgem and DESNZ

Ofgem

1.14 As administrators of the WHD scheme, Ofgem performs a number of functions including:

- Overseeing the non-core elements of the scheme (Broader Group and Industry Initiatives for Scotland, and Industry Initiatives for England & Wales).
- Monitoring suppliers' compliance with all elements of the scheme.
- Managing the reconciliation process.
- Publishing scheme guidance for suppliers.
- Publishing an annual report on activity under the scheme.¹²

The Department of Energy Security and Net Zero (DESNZ)

1.15 DESNZ maintains overall responsibility for coordination and oversight of the WHD scheme and any policy changes. It also oversees delivery of the Core Groups.

¹¹ [Warm Home Discount \(Reconciliation\) Regulations 2022:](https://www.legislation.gov.uk/uksi/2022/1162/contents/made)

<<https://www.legislation.gov.uk/uksi/2022/1162/contents/made>>

¹² Publishing this report is part of our discharging our ongoing duty to keep the scheme under the review under section 13 of the Energy Act 2010.

Changes to the Scheme

1.16 There were no additional policy changes affecting the WHD scheme during SY14.

For changes to the scheme during SY15 (1 April 2025 to 31 March 2026), please see our updated guidance.¹³

¹³ [WHD Guidance \(England and Wales\)](https://www.ofgem.gov.uk/guidance/warm-home-discount-guidance-v2-england-and-wales): <https://www.ofgem.gov.uk/guidance/warm-home-discount-guidance-v2-england-and-wales>
[WHD Guidance \(Scotland\)](https://www.ofgem.gov.uk/guidance/final-warm-home-discount-supplier-guidance-version-2-scotland): <https://www.ofgem.gov.uk/guidance/final-warm-home-discount-supplier-guidance-version-2-scotland>

2. Compliance Summary

This chapter provides information on overall compliance with scheme obligations and non-compliances for the England & Wales and Scotland WHD scheme during Scheme Year 14 (SY14).

Determining compliance

- 2.1 One of our key responsibilities administering the WHD scheme is to determine supplier compliance with scheme obligations. To do this, each supplier submits separate reports for England & Wales and Scotland, summarising the WHD support provided to consumers during the scheme year. We then assess whether they have provided all support in line with the requirements of the WHD scheme.
- 2.2 The ‘WHD Regulations’ set specific requirements for how support through each element should be provided to eligible customers. For the direct rebates of the Core Groups 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.¹⁴
- 2.3 For the non-core elements of the scheme, we assess whether the support that suppliers provided can be attributed to the scheme. For Industry Initiatives we work with suppliers to ensure they can evidence that all the funded Industry Initiatives activities were eligible. We also assess whether the value of their activities for the year was sufficient to meet their overall non-core spending obligations.

¹⁴ Regulation 10 to the ‘WHD (England & Wales) Regulations ’; Regulations 9 and 23 to the ‘WHD (Scotland) Regulations ’.

Overall scheme spending in SY14

- 2.4 There were 18 suppliers reporting compliance under the WHD scheme at the end of SY14. Two suppliers (Fuse Energy and Home Energy) participated in the scheme for the first time.¹⁵ Details of all suppliers participating in the scheme can be found in **Appendix 2**.
- 2.5 In total, during SY14 obligated suppliers provided £595.2 million worth of eligible support to consumers, including 3.41 million energy bill rebates and £83.1 million of support through Industry Initiatives. £543.5 million of this was delivered in England & Wales and £51.8 million in Scotland. This was a 2.9% increase on the £578.7 million spent in SY13 and comfortably above the spending targets for England & Wales (£526 million) and Scotland (£51 million).
- 2.6 The variance between the scheme budget of £577 million (as described in chapter 1) and delivered spending in England & Wales and Scotland is discussed at paragraph 2.10.

Scheme non-compliance

- 2.7 A non-compliance occurs when a supplier has failed to comply with the requirements of the WHD Regulations or a rule set out in our guidance. In addition to incidents occurring in relation to the Core or non-core obligations, there are other scenarios where non-compliance can occur, including:
- Not providing support to customers in an efficient way.
 - Not passing information to other organisations within set timescales.
 - Delays to the provision of a customer's rebate.
 - Poorly targeted support.
 - Poor evidence of eligibility for targeted support.

¹⁵ In SY14 suppliers were obligated to participate in the scheme if they had 1,000 or more domestic customers, down from a threshold of 50,000 domestic customers in SY12.

- 2.8 For each non-compliance we assess the impact on customers and the scheme overall. We ensure that incidents have been resolved within a reasonable timescale and where customers have been impacted, we seek action from the supplier to mitigate the impact of customers missing out on the support that should have been provided. This includes ensuring that suppliers do not benefit from not providing the support. In addition, we also expect suppliers to take preventative actions to prevent issues reoccurring in future.
- 2.9 In total, 6 suppliers were responsible for 12 non-compliances on the England & Wales scheme, and 5 suppliers were responsible for 13 non-compliances in Scotland. These included Core Group and Broader Group rebates not being provided by the relevant deadline and suppliers not meeting their non-core spending obligations. Further details are provided in the following chapters and full details of each suppliers' compliance are provided in **Appendix 1**.

WHD SY12 underspend

- 2.10 In SY12, there was a Core Group underspend of about £74 million across England, Wales, and Scotland. The WHD regulations allow any underspend or overspend to be carried forward for two 2 years. As a result, suppliers overspent by around £32 million in SY13 and £18 million in SY14, supporting low-income and fuel poor households. As the SY12 Core Group underspend has not been fully offset during SY13 and SY14, the Secretary of State has increased the SY15 spending target to account for the shortfall.

Core Group reconciliation

- 2.11 There are 3 elements to the Core Group in WHD, respectively known as Core Group 1 (England & Wales), Core Group 2 (England & Wales) and Core Group (Scotland). As the elements are administered in a similar way, they were collectively reconciled in a single exercise referred to as the Core Group Reconciliation process.

2.12 An interim Core Group Reconciliation took place between February and March 2025. All participating suppliers in the Core Groups that were required to make payments made these in full. As a result, £36.7 million was collected and subsequently distributed to eligible suppliers in line with the Core Group Reconciliation process.

2.13 The final reconciliation took place in November 2025. All participating suppliers in the Core Groups that were required to make payments made these in full. As a result, £2.6 million was collected and subsequently distributed to eligible suppliers in line with the Core Group Reconciliation process.

3. The Warm Home Discount (England & Wales)

This chapter provides information on the England & Wales WHD scheme during Scheme Year 14 (SY14). Details are provided on overall compliance with scheme obligations, non-compliances, and a breakdown of activity under each of the components of the England & Wales scheme.

England & Wales compliance summary

- 3.1 The 18 suppliers reporting compliance at the end of SY14 provided 3.14 million rebates across Core Groups 1 and 2. Additionally £72.9 million was spent providing alternative support through Industry Initiatives.
- 3.2 A summary of individual supplier compliance is shown in **Figure 3.1** below. Where a non-compliance has been identified this is highlighted in red, with the number of incidents also shown. Note that each incident may impact many rebates/customers. Further information on each scheme element is provided later in this chapter, and full details of individual supplier compliance are provided in **Appendix 2**.
- 3.3 All non-compliance incidents are recorded in our Supplier Performance Report (SPR)¹⁶. We take suppliers' compliance with their obligations, including engagement with Ofgem as scheme administrator, very seriously. We expect all suppliers to be diligent and proactive with their responsibilities and will continue to monitor all participants closely during SY15.

¹⁶ [Information about the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>.

Figure 3.1: Supplier compliance with SY14 obligations - England & Wales

Supplier	Core Group 1	Core Group 2	Non-Core	Administrative
British Gas				
E				
Ecotricity	1			
EDF				
E.ON				
Foxglove				
Fuse Energy		2	1	
Good Energy		2	1	
Green Energy				
Home Energy	1	1		
Octopus Energy Ltd				
OVO				
Scottish Power				
So Energy				
Tomato Energy				
Tru Energy				
Utilita	1	1		
Utility Warehouse				1

Administrative non-compliance

3.4 In addition to non-compliances occurring within Core Groups 1 and 2 and Industry Initiatives, we also record administrative non-compliances. Utility Warehouse was the only supplier with an administrative non-compliance on the England & Wales WHD scheme. The reason for this was because the supplier failed to submit obligation setting data by the required deadline of 1 February 2024. This was submitted on 6 February 2024.

Core Group 1 (England & Wales)

- 3.5 The Core Group 1 element of the WHD scheme is administered by the Department for Energy Security and Net Zero (DESNZ), which works closely with the Department for Work and Pensions (DWP) and participating suppliers to identify eligible Core Group 1 customers.
- 3.6 In SY14, the eligibility criteria for Core Group 1 remained the same as for Core Group 1 in SY13. All customers of participating suppliers who received Pension Credit Guarantee Credit¹⁷ were eligible for a rebate of £150 each. Customers identified as eligible for Core Group 1 must be provided with a rebate.
- 3.7 In total, 866,000 households were provided with a Core Group 1 rebate in SY14. These rebates were collectively worth £129.9 million.

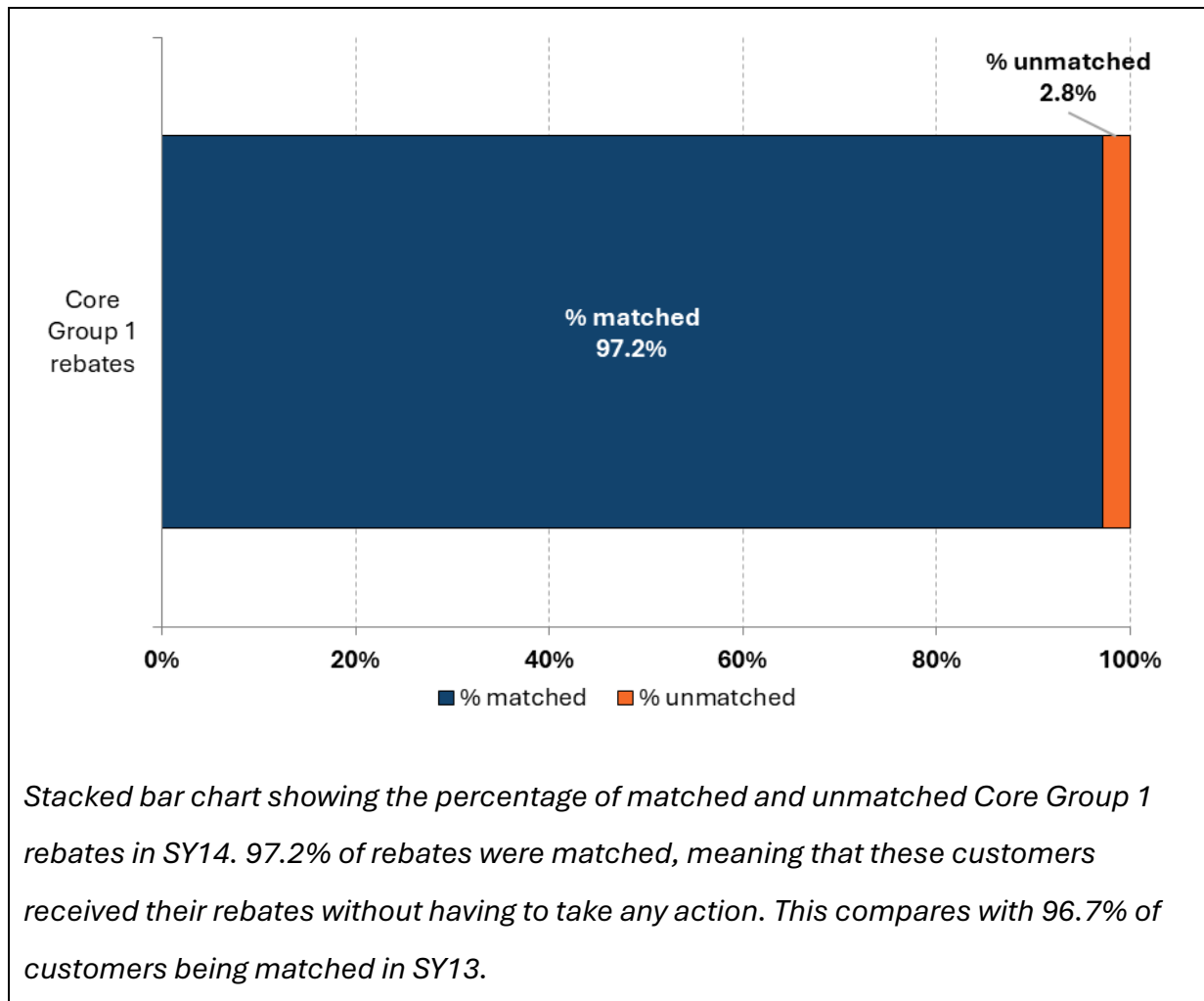
Data matching

- 3.8 To identify customers eligible for Core Group 1, 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 3.2**, for SY14, 97.2% of Core Group 1 customers received their rebate this way, without needing to take any action.
- 3.9 The remaining customers that received a rebate, who could not be matched automatically, were asked to provide further information to a government call centre to confirm their electricity supplier. There were 24,501 'unmatched' customers that received a rebate (2.8% of the total) through this method during SY14.

¹⁷ [Information on Pension Credit Guarantee Credit](https://www.gov.uk/pension-credit): <<https://www.gov.uk/pension-credit>>

3.10

Figure 3.2: Core Group 1 rebates matched in SY14 – England & Wales



Exceptions

3.10 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 11’ (‘WHD Regulations England & Wales) allows the Secretary of State (SoS) to determine situations where it would not be reasonably practicable to provide the rebate.

3.11 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 the rebate.

3.12 There may be other reasons, outside those approved by the SoS, why a supplier was not able to provide a rebate to the named domestic customer. Where suppliers provide an explanation Ofgem has the power to determine if they are treated as exceptions.

3.13 Suppliers treated 55 Core Group 1 instructions as exceptions in SY14, about 0.006% of the total. Based on our review of the information provided, we are satisfied in all cases that the treatment as exceptions was justified.

Rebate provision and delivery

3.14 We treat a rebate as being ‘provided’ when a supplier attempts to give a rebate to a customer, and ‘delivered’ when the customer has successfully redeemed 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’.

3.15 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. We expect suppliers to treat customers fairly and in addition to normal processes used to ‘deliver’ outstanding rebates to customers, we ensured that suppliers followed this up and made at least one additional attempt to ‘deliver’ the rebate.

3.16 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.¹⁸ This allows suppliers to use unredeemed rebates to support additional customers in future scheme years. Any rebates that are not ‘delivered’ where the supplier has

¹⁸ Regulation 19(6) to the ‘WHD (England & Wales) Regulations’

not made one additional reasonable attempt to deliver may be treated as a non-compliance.

3.17 In SY14, 866,000 Core Group 1 rebates were ‘provided’ with a value of almost £129.9 million. In total, 858,613 Core Group 1 rebates were ‘delivered’ with a value of £128.8 million (99.1% of rebate value was delivered). We are satisfied with the overall high redemption rate across suppliers.

Core Group 1 non-compliance

3.18 In England & Wales non-compliances were recorded against 3 suppliers in Core Group 1. Home Energy failed to provide 20 rebates to customers by the 31 March deadline. They paid £150 of compensation to each affected customer in addition to the £150 rebate.

3.19 Ecotricity and Utilita were found to be non-compliant for failing to notify the SoS within the 30-day timescale, that customers identified as belonging to the Core Group were not Core Group customers, or could not be identified as Core Group customers. Ecotricity made a payment of £150 into the Voluntary Redress Fund (VRF)¹⁹ to reflect their failure in relation to 1 rebate. Utilita chose not to make a Voluntary Redress payment in relation to their non-compliance affecting 531 rebates. We are disappointed that Utilita elected not to provide additional support to fuel poor consumers in recognition of their failing.

¹⁹ [Information on the Voluntary Redress Fund \(VRF\): <https://energyredress.org.uk/about-us>](https://energyredress.org.uk/about-us)

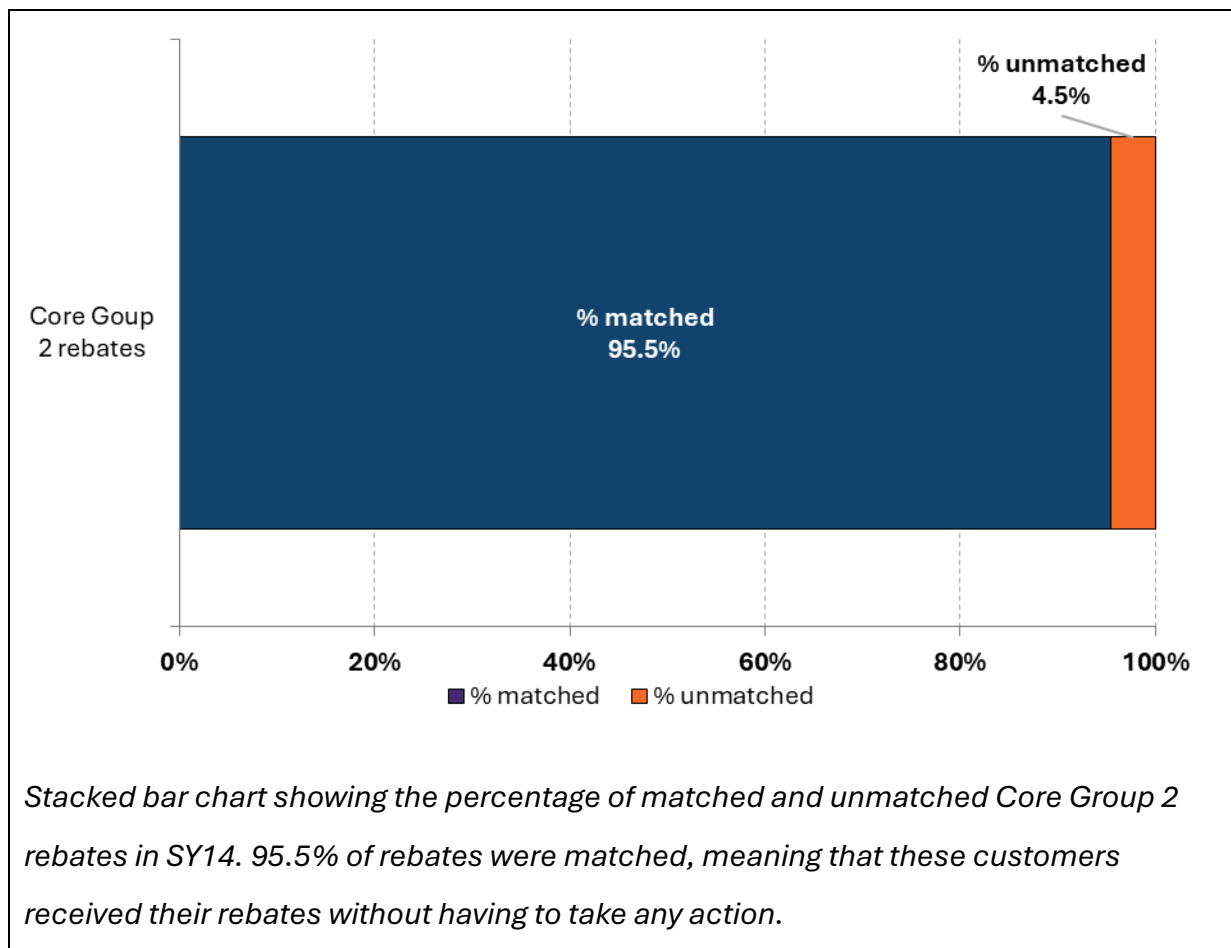
Core Group 2 (England & Wales)

- 3.20 The Core Group 2 element of the WHD scheme is administered by the DESNZ, which works closely with DWP, HM Revenue & Customs (HMRC), and participating suppliers to identify eligible Core Group 2 customers.
- 3.21 Suppliers provide rebates to low-income households with estimated high energy costs and rebates are provided at the same value as for Core Group 1, which was £150 during SY14. Customers identified as eligible under Core Group 2 must be provided with a rebate.
- 3.22 In total, 2,271,378 households were provided a Core Group 2 rebate in SY14. These rebates were collectively worth £340.7 million.

Data matching

- 3.23 As with Core Group 1, rebates are required to be provided automatically. To identify eligible Core Group 2 customers the following data is matched to identify low-income households with high energy costs:
- Benefits and Tax Credit receipts, which are held by DWP or shared by HMRC with DWP.
 - Property characteristics, primarily obtained using Valuation Office Agency (VOA) data.
 - Customer accounts provided by the participating suppliers.
- 3.24 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 3.3**, for SY14, 95.5% of Core Group 2 customers given a rebate received their rebate this way without needing to take any action. The remaining customers that received rebates had to provide further information to a government call centre to confirm their eligibility.

Figure 3.3: Core Group 2 rebates matched in SY14 – England & Wales



Exceptions

3.25 Exceptions in Core Group 2 are treated in the same way as exceptions in Core Group 1.

3.26 Suppliers treated 166 Core Group 2 instructions as exceptions in SY14, about 0.01% of the total. Based on our review of the information provided we are satisfied in all cases that the treatment as exceptions was justified.

Rebate provision and delivery

3.27 In SY14, 2,271,378 Core Group 2 rebates were ‘provided’ with a value of £340.7 million. In total, 2,244,582 Core Group 2 rebates were ‘delivered’ with a value of

£336.7 million (98.8% of rebate value was delivered). We are satisfied with the overall high redemption rate across suppliers.

3.28 For more information on the process for rebate provision and delivery refer to the section beginning paragraph 3.14.

Core Group 2 non-compliance

3.29 For Core Group 2, non-compliances were recorded against 4 suppliers. Home Energy and Utilita were responsible for one each and Fuse Energy and Good Energy recorded 2 non-compliances each.

3.30 Fuse Energy, Good Energy and Home Energy all failed to provide some rebates to consumers by the 31 March deadline. Home Energy failed to provide 183 rebates on time, Utilita failed to provide 164 rebates, Good Energy failed to provide 4 rebates and Fuse Energy failed to provide 2 rebates. Each supplier responded to this failing by paying the impacted consumers the £150 overdue rebate plus a further £150 in compensation.

3.31 Each supplier took this issue seriously and responded with an appropriate compensation package that recognised the seriousness of its error. We recognise the swift action taken by each supplier to rectify these errors.

3.32 Additionally Fuse Energy, Good Energy and Utilita failed to give notice to the SoS within the 30-day timescale, that some customers, identified as belonging to the Core Group were not Core Group customers, or could not be identified as a Core Group customer. In such circumstances suppliers are required to return the relevant instructions to pay to the SoS within 30 days.

3.33 Fuse Energy failed to return 13 instructions to pay on time, while Good Energy failed to return 5 instructions. Both suppliers implemented process improvements and realised the impact this failing could have had on consumers and made payments £1,950 and £750 respectively into the VRF.

3.34 Utilita failed to return 531 instructions to pay by the deadline. Utilita implemented additional process improvements and training in response to this failing but did

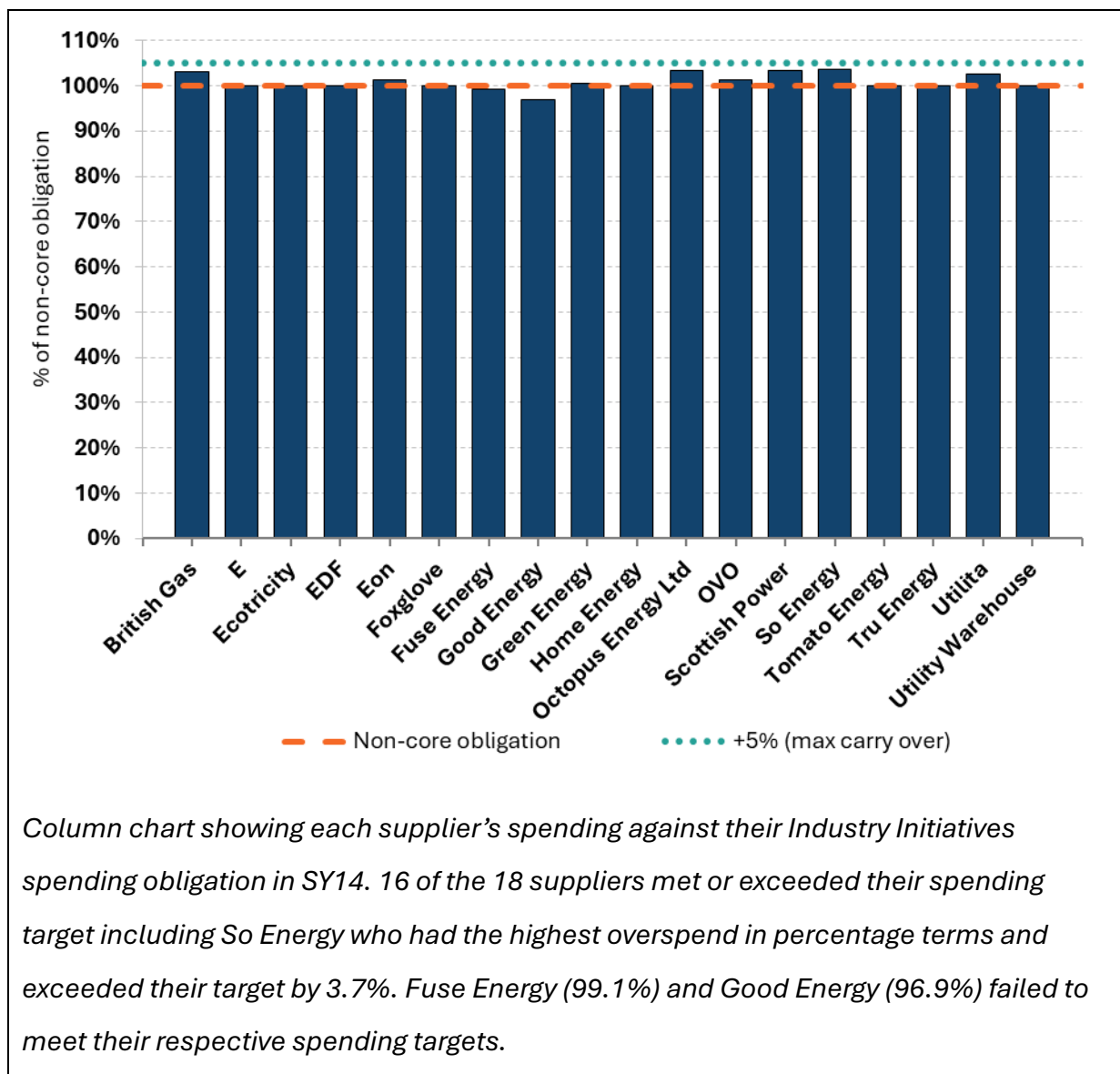
not agree to pay any redress in relation to this failing. Utilita was the only supplier that did not make a redress payment in recognition of this non-compliance.

Non-core obligation (England & Wales)

- 3.35 Non-core spending on the England & Wales WHD is comprised solely of spending on Industry Initiatives. **Figure 3.4** below shows details of individual supplier spend against their non-core obligations in SY14.
- 3.36 Suppliers had a combined minimum spend on Industry Initiatives in England & Wales of £67 million, divided among obligated suppliers according to their market share. However, due to the value of undelivered rebates from the SY13 Core Groups being added to SY14 supplier obligations, and some suppliers overspending or underspending on their non-core obligation during SY13, the minimum spend was adjusted to £71.5 million.
- 3.37 Suppliers who exceeded their SY14 non-core obligation by over delivering can carry over the excess to SY15, reducing their spending obligation that year. However, this carry over is limited to 5% of the SY14 obligation value²⁰. Ten suppliers reported over delivery in SY14.

²⁰ Regulation 19(5)(a) to the 'WHD (England & Wales) Regulations'

Figure 3.4: Supplier spend against non-core spending obligations in SY14 - England & Wales



Non-core non-compliance

3.38 As shown above, 2 suppliers failed to meet their Industry Initiatives, and therefore their non-core spending obligations. Details are shown in **Figure 3.5**.

Figure 3.5: Non-core spending non-compliances in SY14 - England & Wales

Supplier	Spending obligation	Actual spend	Shortfall	Shortfall (%)
Fuse Energy	£5,372.69	£5,325.00	£47.69	0.9%
Good Energy	£103,229.06	£99,986.24	£3,242.82	3.1%

3.39 Fuse Energy failed to meet their non-core obligation by £47.69. Fuse Energy recognised this and agreed to make a payment of £95.26 into the VRF.

Additionally, the value of the underspend has been added to Fuse Energy’s SY15 non-core obligation.

3.40 Good Energy spent £3,242.82 above the Debt Write off Cap, which resulted in them having an underspend of £3,242.83 in their non-core obligation. As a result, this spend was taken into consideration in redress discussions. Good Energy took this failure seriously and agreed to make a payment of £3,242.82 into the VRF as well as an additional £486.42 uplift for a repeat failure. Additionally, the underspend has been added to Good Energy’s obligation for SY15.

Industry Initiatives – overview

3.41 Suppliers are required to submit notifications to Ofgem outlining their Industry Initiatives plans each scheme year. We approve Industry Initiatives 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.

3.42 The ‘WHD Regulations’ place 4 conditions on approval of Industry Initiatives. Before receiving approval at the notification stage, the supplier must demonstrate plans meet each of the 4 conditions for the proposed activity. At the end of the scheme year, suppliers must be able to provide evidence that each of the conditions were met.

3.43 The 4 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’ (as summarised in paragraph 3.43)
- 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 and smart meter advice.
- The activity should demonstrate value for money.

3.44 The ‘WHD Regulations’ require that Industry Initiatives spending must be on certain types of activity to be eligible.²¹ Broadly, these activities fall into 8 categories:

1. **Referrals** - Payments to organisations that refer customers who are in or at risk of fuel poverty and may be eligible for a benefit under the WHD scheme or any other support provided by the supplier.
2. Providing **benefit entitlement checks** and/or assistance to claim benefits
3. Providing **energy efficiency measures**
4. Providing **energy advice**
5. **Debt assistance**, including non-monetary debt assistance and debt write-off
6. Payments to eligible occupiers of **mobile homes**

²¹ Regulation 21 of the ‘WHD Regulations England & Wales’

7. Financial assistance payments towards energy bills, including rebates.

3.45 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.

3.46 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.

3.47 There were also several caps on different types of Industry Initiatives spending during SY14 in England & Wales, and these are outlined below. If a supplier spent above their share of these limits, then the additional spend would not be counted towards their WHD non-core spending obligations.

- **Debt write-off** across all suppliers could not exceed £6 million.
- There was a collective minimum spend on **financial assistance payments** of £5 million, and a cap of £10 million.
- For **boiler and central heating replacements** there was a collective spending cap of £8 million.

3.48 For more information on the rules around Industry Initiatives please refer to our guidance.²²

Pilot initiatives

3.49 A supplier may run a new Industry Initiatives 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

²² [Warm Home Discount Guidance \(England & Wales\)](https://www.ofgem.gov.uk/publications/warm-home-discount-guidance-v1-england-and-wales): <https://www.ofgem.gov.uk/publications/warm-home-discount-guidance-v1-england-and-wales>

money. This flexibility is intended to encourage suppliers to develop more innovative initiatives.

3.50 There were 2 pilot initiatives conducted in SY14, both of which were deemed compliant:

- **British Gas: Citizens Advice Advisor Training** - Citizens Advice delivered a pilot programme for National Energy Action (NEA) run by British Gas, to train and accredit advisers in providing energy efficiency advice under this Warm Home Discount Industry Initiative. The aim was to equip around 300–350 advisers with specialist, up-to-date knowledge so they could support consumers to take both immediate and long-term actions to reduce energy bills. Through the Citizens Advice NEA Training Scheme, 334 advisers completed accredited courses, including Level 3 Energy Awareness, Level 2 Introduction to Domestic Renewable Low Carbon Technologies, and a range of short courses and webinars on fuel poverty, domestic energy efficiency and support for vulnerable households. Based on NEA’s methodology, the trained advisers enabled support for an additional 138,944 fuel poor households. Data shows that 67% of clients had a disability or long-term health condition, 19% were over 65, 19% had children under 14, and 12% had mental health conditions, with 49% of clients in fuel poverty and 48% at risk.
- **OVO: Money Mentors Scheme with Lightning Reach** – The scheme provided financial support and guidance to 301 OVO customers facing financial hardship. Customers accessed financial support through the online portal Lightning Reach, while Money Mentors delivered tailored guidance, including income and expenditure assessments. Together, these interventions helped improve customers financial literacy and stability as well as facilitating access to wider OVO services, generating 540 referrals in England and Wales and 36 in Scotland. These referrals, which included benefit checks, debt relief, and energy advice, were valued at approximately £213,704 in total outcomes for customers.

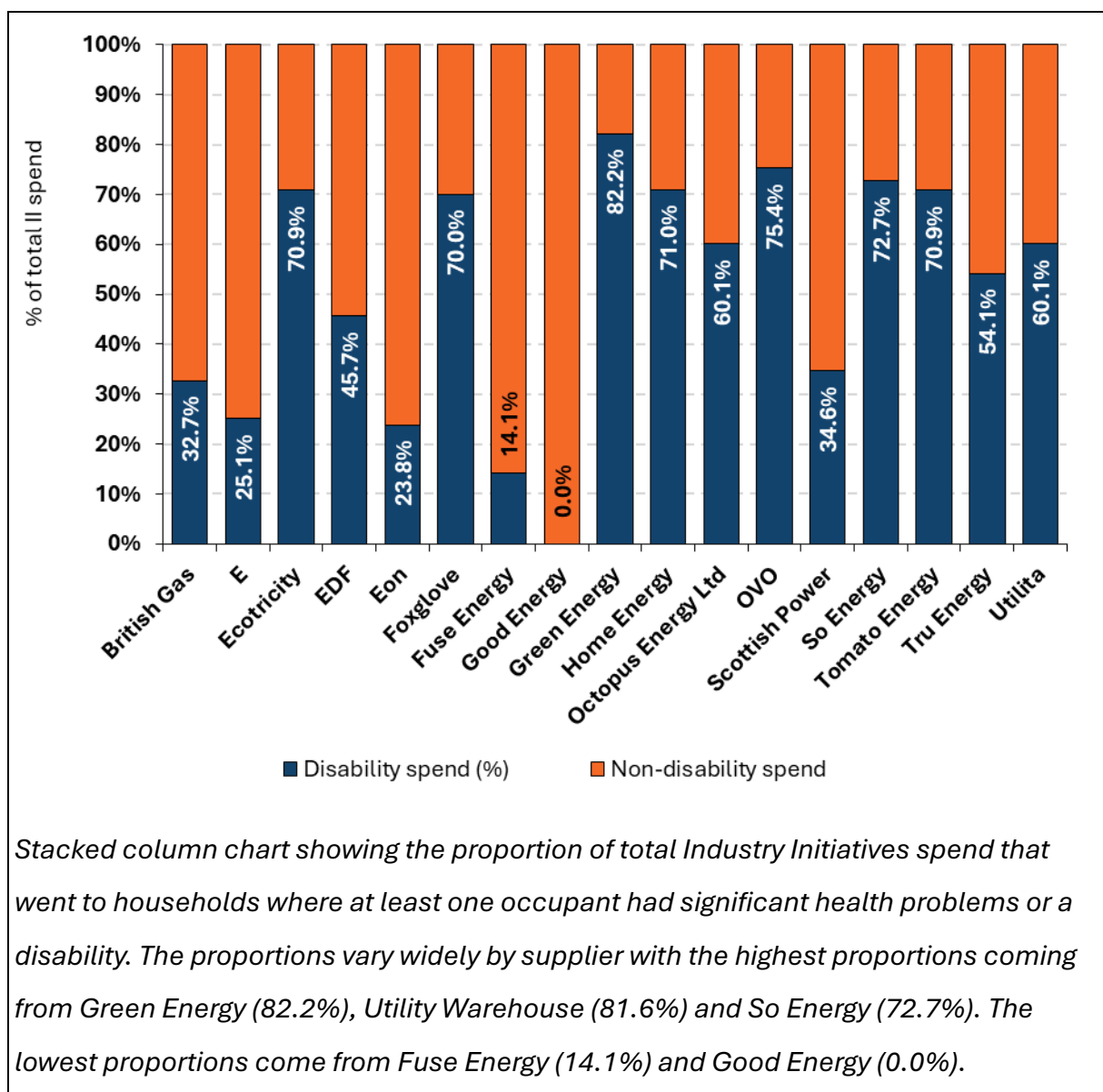
Additionally, advisers made other service referrals, with 169 in England and Wales and 12 in Scotland, supporting customers with broader financial and wellbeing needs.

Delivery

3.51 In total, suppliers spent £72.9 million on attributable Industry Initiatives activities in England & Wales during SY14. This compares to the £65.5 million spent in SY13. These initiatives helped to provide support to over 2.1 million consumers.²³ A total of £34.0 million (46.6%) of the amount spent on Industry Initiatives went to households with at least one person with significant health problems or a disability. Details are shown in **Figure 3.6**.

²³ Customers often receive more than one type of support through an initiative (e.g. 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.

Figure 3.6: Proportion of Industry Initiatives spend in households where at least one occupant has significant health problems or a disability in SY14 – England & Wales



3.52 **Figure 3.4** earlier in this chapter shows each supplier’s Industry Initiatives spend in relation to their spending target.

3.53 In SY14, suppliers funded 43 different Industry Initiatives, 7 of which were collaborations between multiple suppliers. All 7 types of activity were funded in at least one of the initiatives.

3.54 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.

3.55 We have summarised the spending and customers supported by activity type in **Figures 3.7** and **3.8** below.

Figure 3.7: Customer support activity figures in SY14 - England & Wales

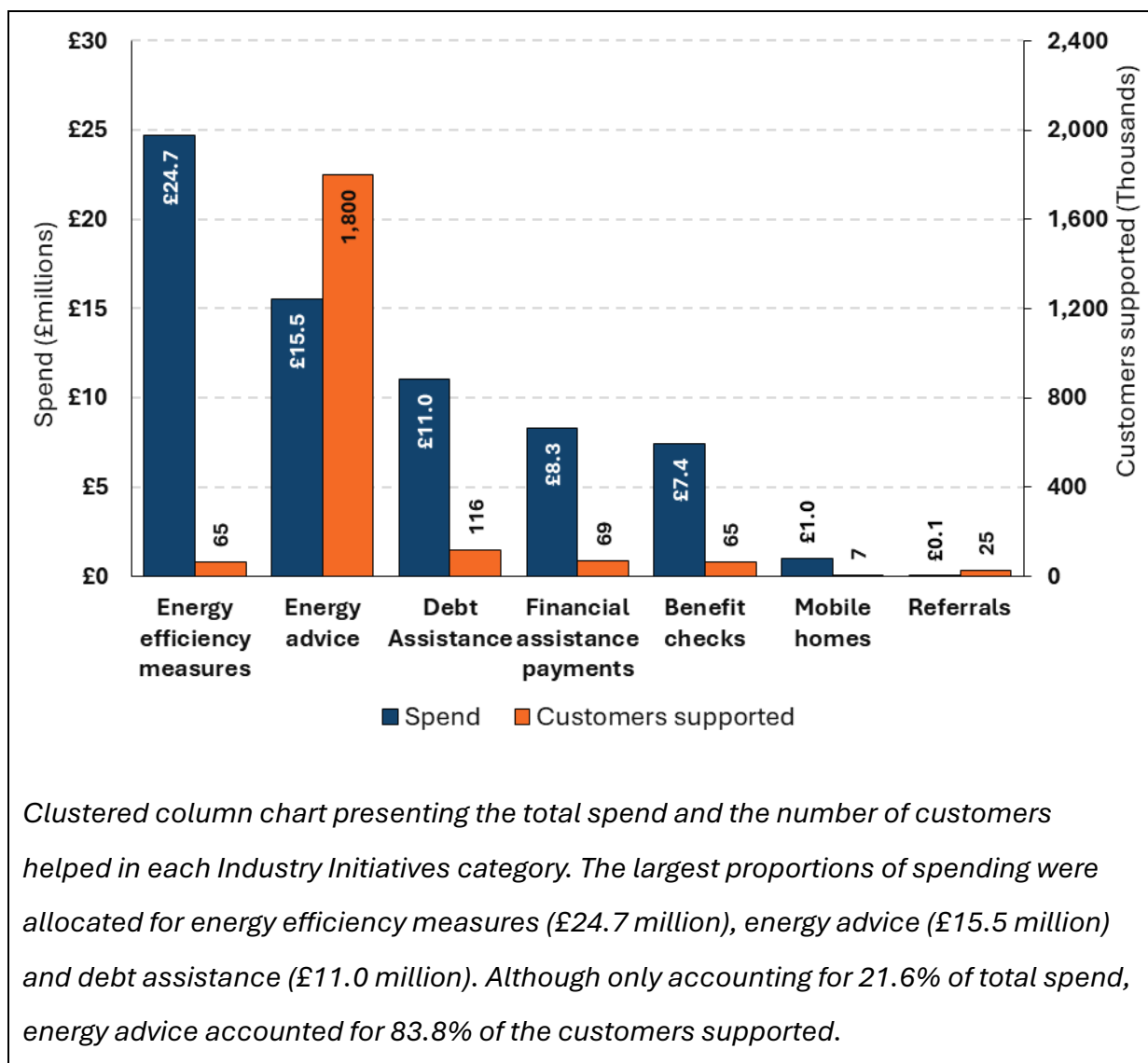
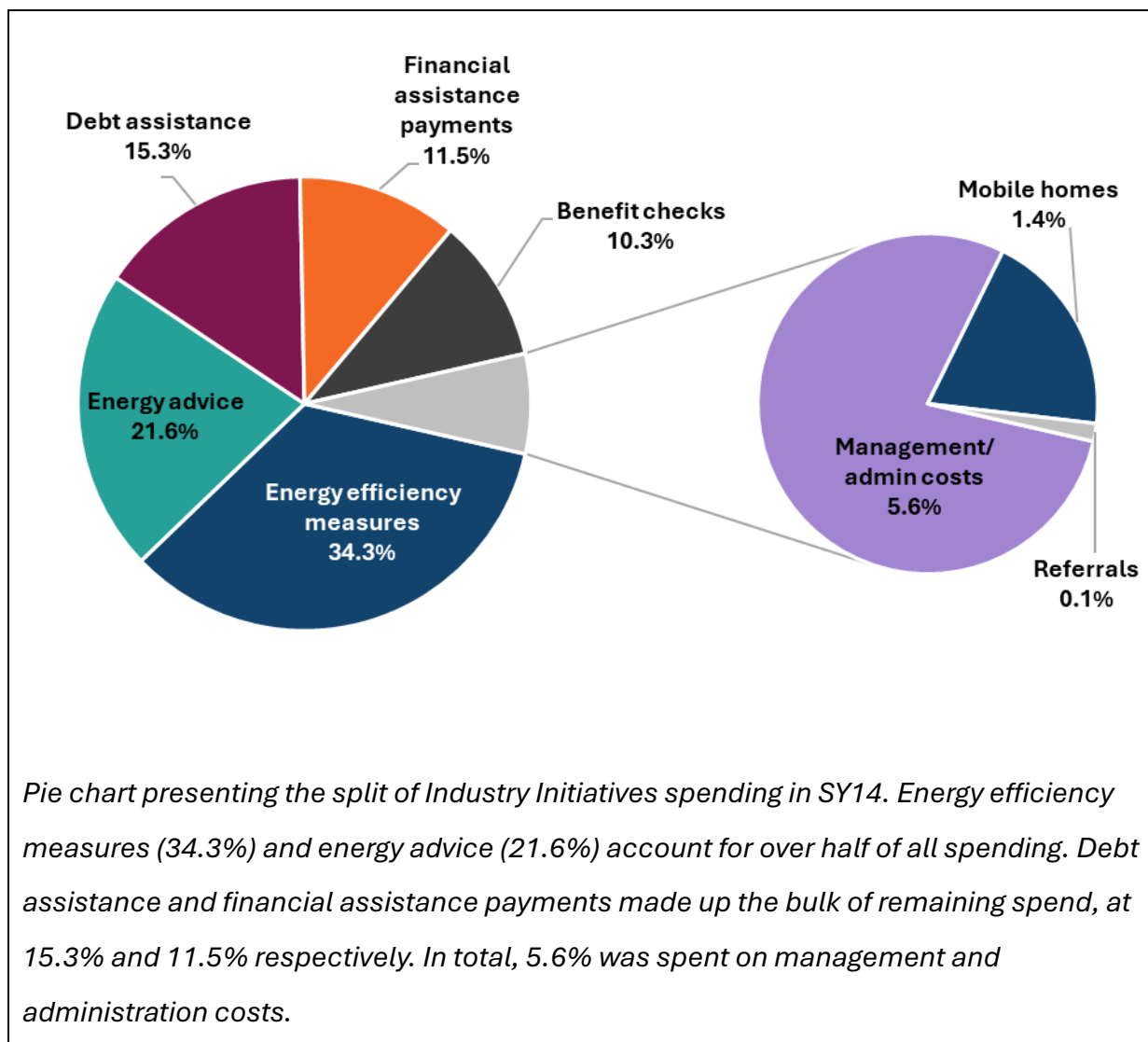


Figure 3.8 Industry Initiatives spending breakdown in SY14 - England & Wales



3.56 The largest proportion of funding was attributed to providing energy efficiency measures, accounting for over £24.7 million of total spend. Suppliers were required to confirm that this spend was not double counted as part of any other obligation, such as the Energy Company Obligation (ECO)²⁴.

3.57 In total £4.0 million, or 5.6% of the Industry Initiatives spend went towards ‘management and administration costs’.

²⁴ [The Energy Company Obligation \(ECO\) scheme](https://www.ofgem.gov.uk/environmental-and-social-schemes/energy-company-obligation-eco): <https://www.ofgem.gov.uk/environmental-and-social-schemes/energy-company-obligation-eco>

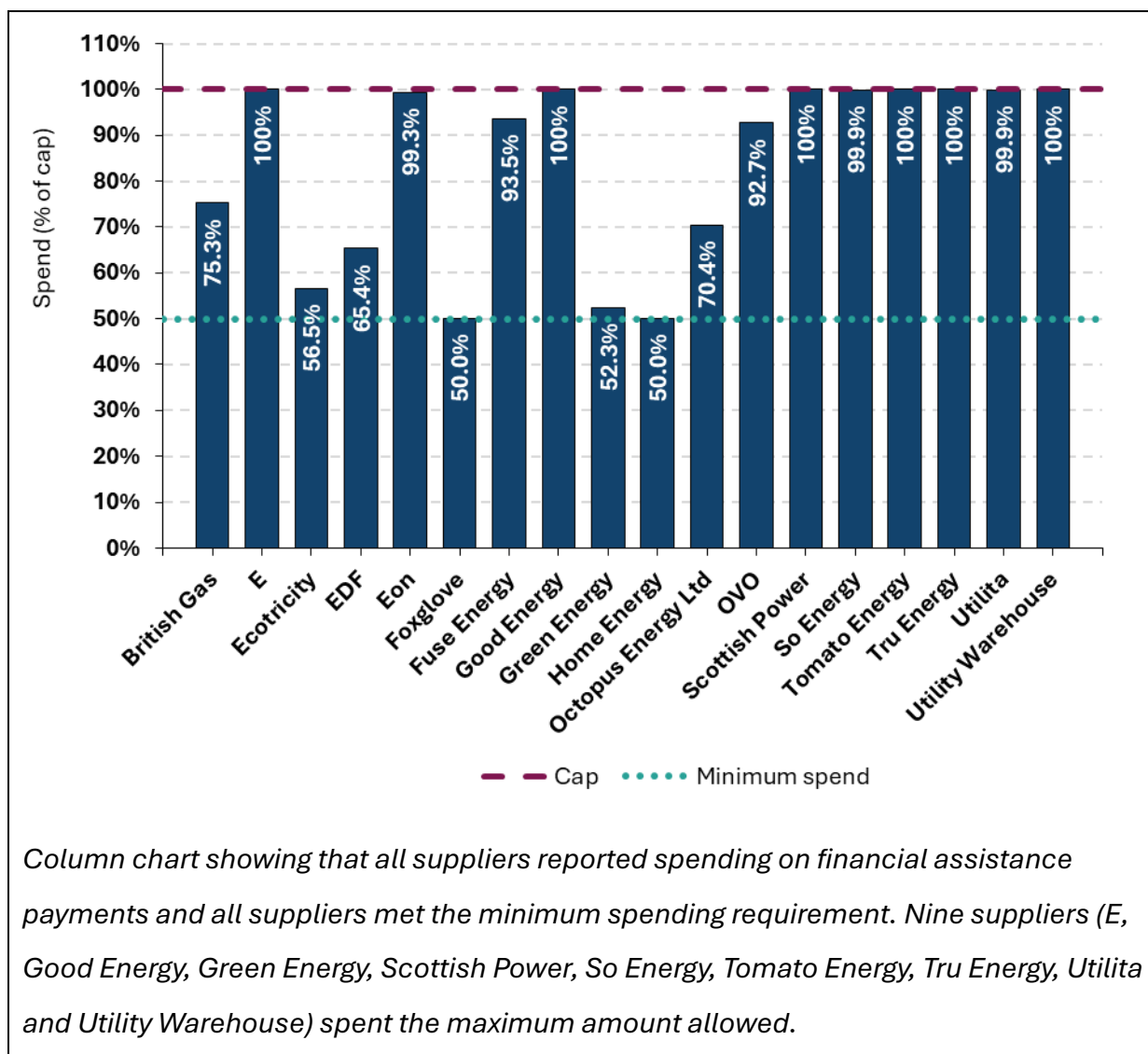
Industry Initiatives activities caps

3.58 As described in paragraph 3.46 there are spending limits (caps) on certain Industry Initiatives activities. Details of supplier performance against these caps follows.

Financial assistance payments

3.59 Overall, £8.3 million was spent on financial assistance payments. Well above the minimum required of £5 million, and below the cap of £10 million. **Figure 3.9** shows individual supplier spend on financial assistance payments.

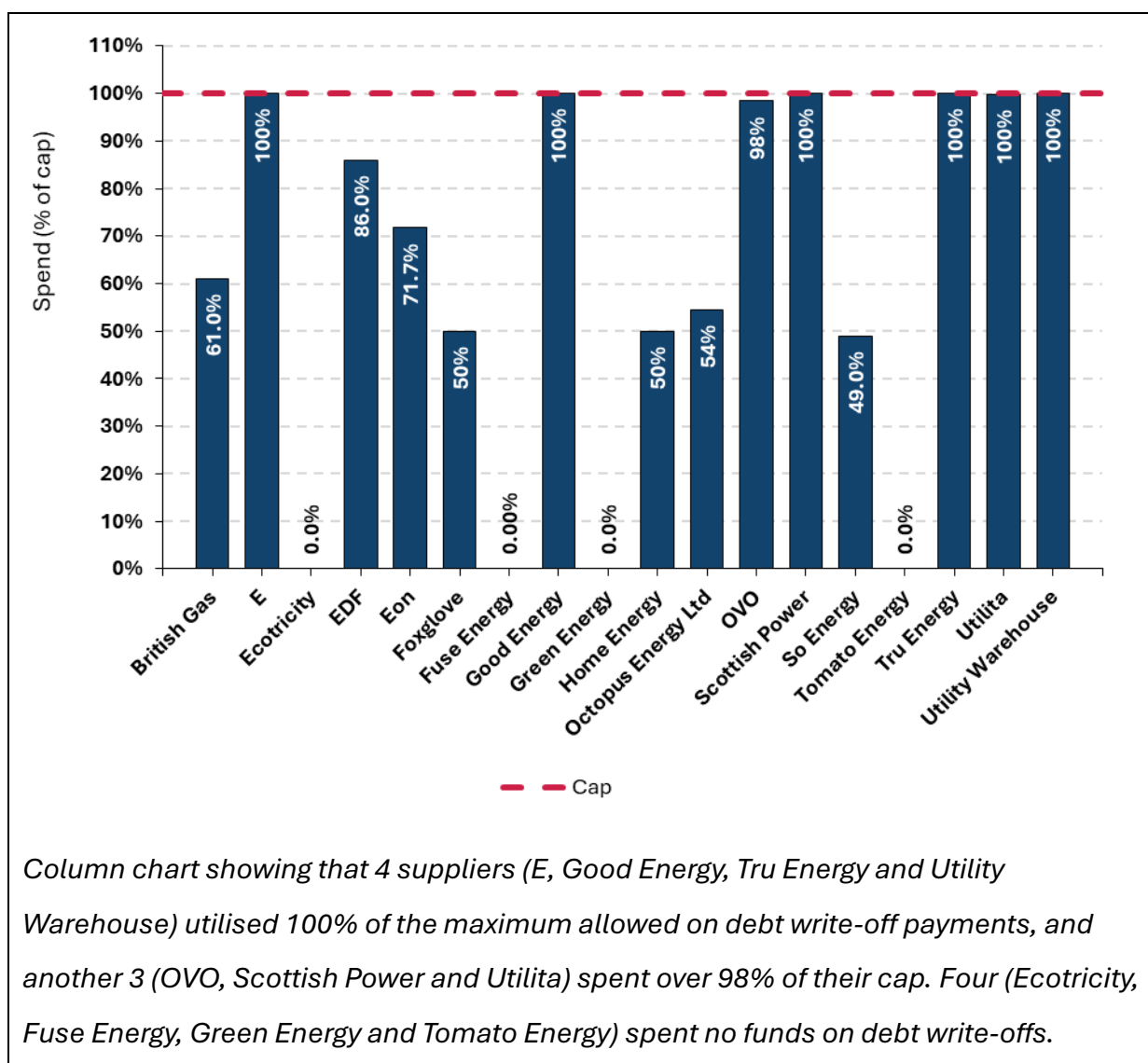
Figure 3.9: Individual supplier spend on financial assistance payments in SY14 – England & Wales



Debt write-off payments

3.60 Looking at debt write-off payments, collectively £4.4 million was spent. This represents 73.5% of the £6 million spending cap. **Figure 3.10** shows individual supplier spend against the debt write-off cap.

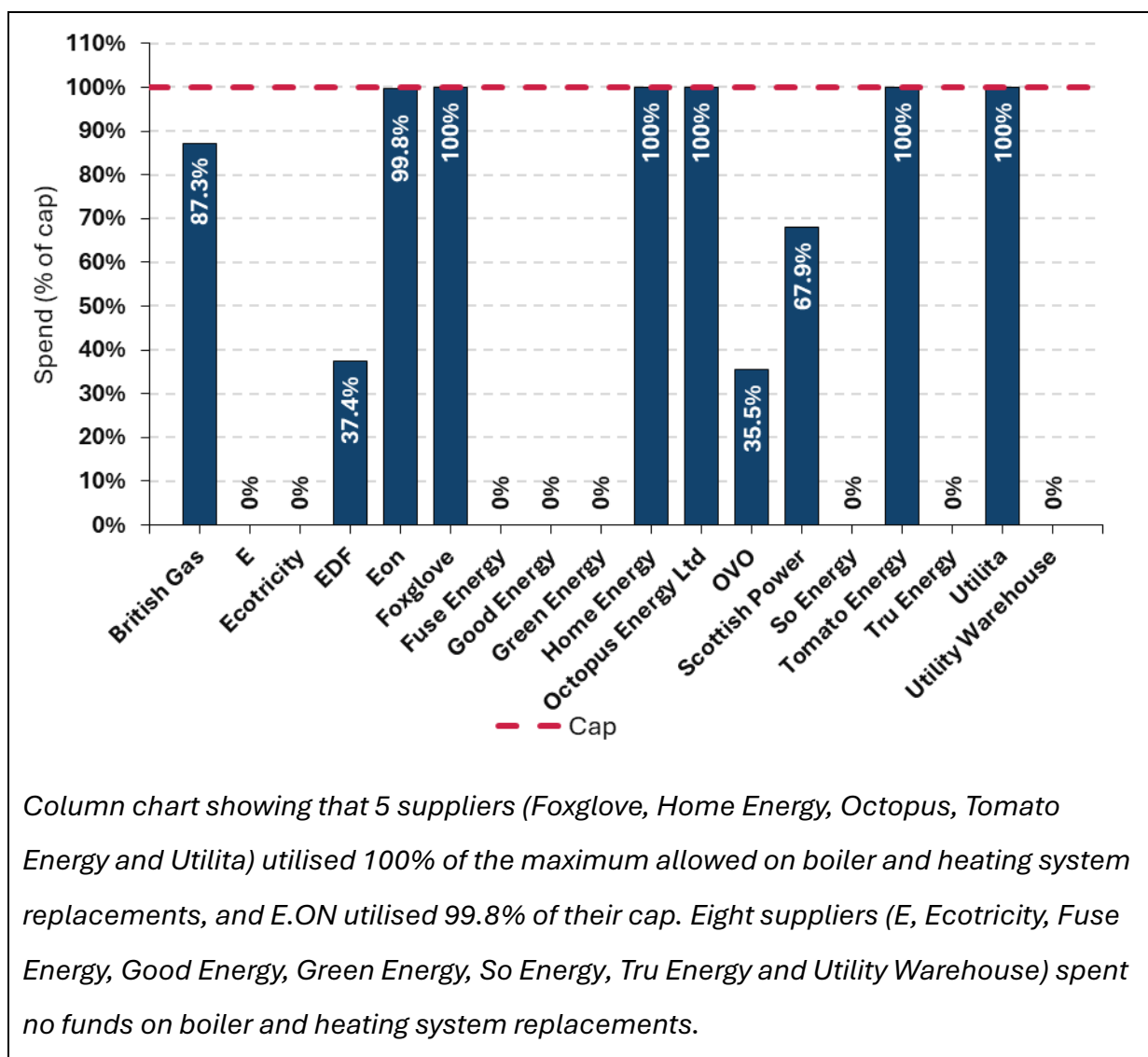
Figure 3.10: Individual supplier spend on debt write-off payments in SY14 – England & Wales



Boiler and heating system replacements

3.61 For boiler and heating system replacements £6.0 million was spent. This represents 75% of the £8 million spending cap. **Figure 3.11** shows individual supplier spend against the boiler and heating system replacements cap.

Figure 3.11: Individual supplier spend on boiler and heating system replacements in SY14 – England & Wales



Meeting the WHD requirements

3.62 We worked with suppliers to ensure they could evidence that all the Industry Initiatives activities funded in SY14 were eligible. Following completion of the annual compliance assessment, we allocated eligible spend to the Industry Initiatives which are reported in this chapter.

3.63 Based on the information provided, we are satisfied that the consumers who received support through the Industry Initiatives were fuel poor, or at risk of fuel poverty.

3.64 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.

3.65 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 directly to services helping consumers.

3.66 We expect suppliers to be proactive in their engagement with us. Where they identified delivery risks, suppliers generally engaged with us early to notify us of any issues that had arisen.

4. The Warm Home Discount (Scotland)

This chapter provides information on the Scottish WHD scheme. Details are provided on overall compliance with scheme obligations, non-compliances, and a breakdown of activity under each of the components of the Scotland scheme.

Scotland compliance summary

- 4.1 The 18 suppliers reporting compliance at the end of SY14 provided 276,672 rebates, worth £41.5 million, across the Core and Broader Groups. Additionally, £10.3 million was spent providing alternative support through Industry Initiatives.
- 4.2 A summary of individual supplier compliance is shown in **Figure 4.1** below. Where a non-compliance has been identified, this is highlighted in red with the number of incidents also shown. Note that each incident may impact many rebates/customers. Further information on each scheme element is provided later in this chapter, and full details of individual supplier compliance are provided in the appendix.
- 4.3 All non-compliance incidents are recorded in our Supplier Performance Report (SPR)²⁵. We take suppliers' compliance with their obligations, including engagement with Ofgem as scheme administrator, very seriously. We expect all suppliers to be diligent and proactive with their responsibilities and will continue to monitor all participants closely during SY15.

²⁵ [Information about the SPR: <https://www.ofgem.gov.uk/supplier-performance-report-spr>](https://www.ofgem.gov.uk/supplier-performance-report-spr).

Figure 4.1: Supplier compliance with SY14 obligations - Scotland

Supplier	Core Group	Broader Group	Overall Non-Core	Admin.
British Gas		1	2	
E				
Ecotricity				
EDF		1	2	
Eon				
Foxglove				
Fuse Energy				
Good Energy				
Green Energy				
Home Energy	2	1	2	
Octopus Energy Ltd				
OVO				
Scottish Power				
So Energy				
Tomato				
Tru Energy				
Utilita	1			
Utility Warehouse				1

Administrative non-compliance

4.4 In addition to non-compliances occurring within the Core Group, Broader Group, and Industry Initiatives, we also record administrative non-compliances. Utility Warehouse was the only supplier with an administrative non-compliance on the Scotland WHD scheme. The reason for this was because the supplier failed to submit obligation setting data by the required deadline of 1 February 2024. This was submitted on 6 February 2024.

Core Group (Scotland)

4.5 The Core Group element of the Scottish WHD has the same approach as Core Group 1 in England & Wales. For more information on the operation of the Core Group in Scotland please refer to the Core Group 1 section starting at paragraph 3.5.

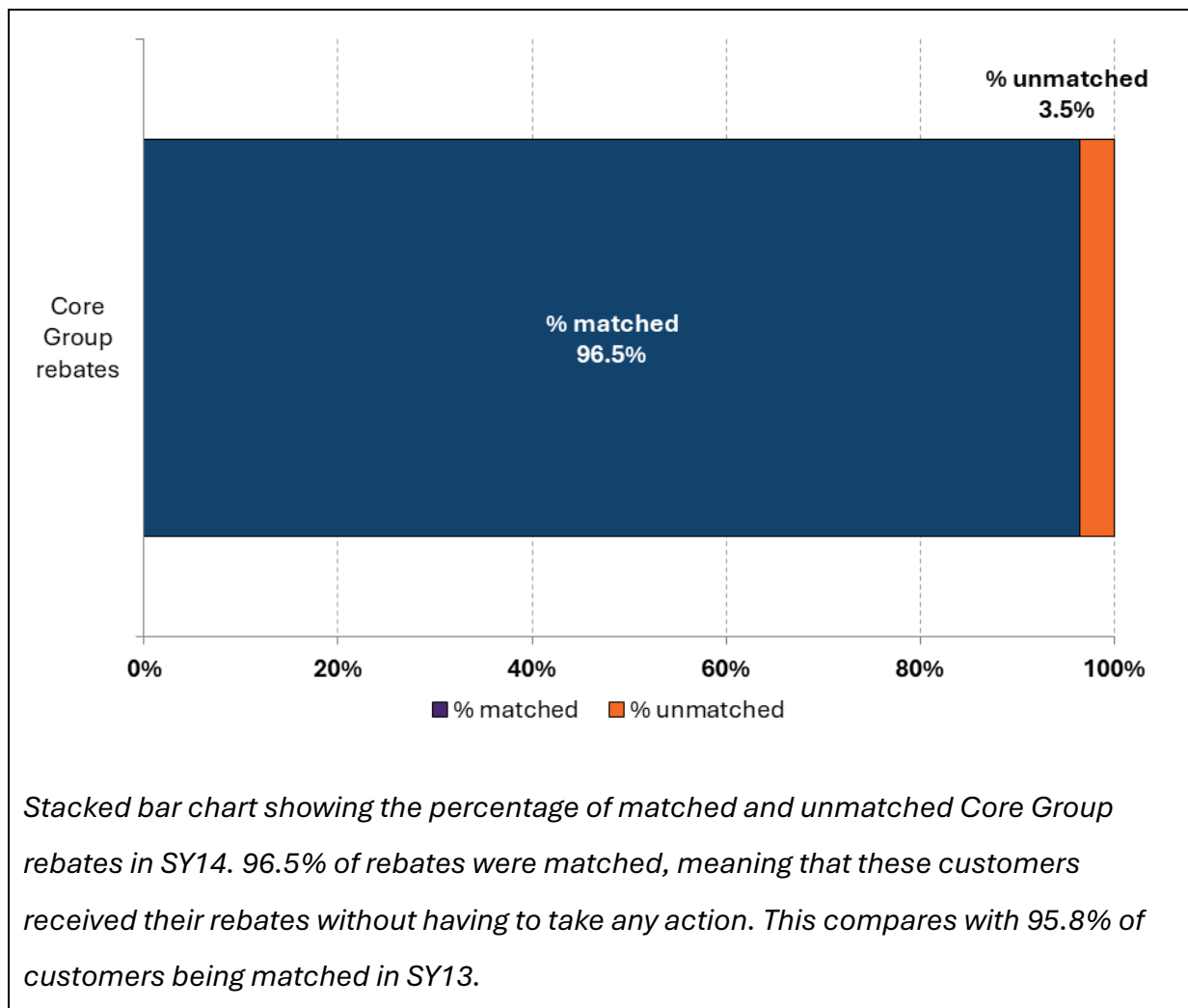
4.6 In total, 90,967 customers were provided a Core Group rebate in Scotland during SY14. These rebates were collectively worth £13.6 million.

Data matching

4.7 As shown in **Figure 4.2**, for SY14, 96.5% of Core Group customers were ‘matched’ and received their rebate automatically.

4.8 There were 3,167 ‘unmatched’ customers (3.5% of the total) who needed to provide further information to a government call centre to confirm their electricity supplier before they received their rebate during SY14.

Figure 4.2: Core Group rebates matched in SY14 - Scotland



Exceptions

4.9 Suppliers treated 8 Core Group instructions as exceptions in SY14, about 0.009% of the total. Based on our review of the information provided we are satisfied in all cases that the treatment as exceptions was justified.

Rebate provision and delivery

4.10 In SY14, 90,967 Core Group rebates were ‘provided’ with a value of over £13.6 million. In total, 90,186 Core Group rebates were ‘delivered’ with a value of £13.5 million (99.1% of rebate value was delivered). We are satisfied with the overall high redemption rate across suppliers.

Core Group non-compliance

- 4.11 In Scotland 2 suppliers (Home Energy and Utilita) recorded non-compliances against the Core Group element of the scheme.
- 4.12 Home Energy failed to provide 1 rebate before the 31 March 2025 deadline and failed to inform the customer about their Core Group rebate. Home Energy took the failure seriously and paid an additional £150 compensation to the customer in addition to the late rebate payment.
- 4.13 Utilita were found to be non-compliant as they failed to give notice to the Secretary of State within the 30-day timescale, that 4 customers identified as belonging to the Core Group were not Core Group customers, or could not be identified as a Core Group customer. Although Utilita were the only supplier responsible for this non-compliance on the Scotland scheme, they along with other suppliers were responsible for this non-compliance on the England & Wales scheme. It is notable that Utilita is the only supplier that chose not to make payments into the Voluntary Redress Fund (VRF) in lieu of this failure.

Non-Core obligation (Scotland)

- 4.14 The non-core obligation on the Scotland WHD is comprised of spending on the Broader Group and Industry Initiatives. **Figure 4.3** below shows details of individual supplier spend against their non-core obligations in SY14.
- 4.15 Suppliers who exceeded their SY14 non-core obligation by over delivering can carry over the excess to SY15, reducing their spending obligation that year. This carry over is limited to 5% of the SY14 non-core obligation value²⁶.
- 4.16 In SY14, 14 suppliers reported over delivery of their obligation, allowing them to carry over eligible spend to SY15. Further details of activity in relation to the Broader Group and Industry Initiatives can be found in the following sections.

²⁶ Regulation 18(5)(a) to the 'WHD (Scotland) Regulations'

Figure 4.3: Supplier spend against non-core spending obligations in SY14 - Scotland

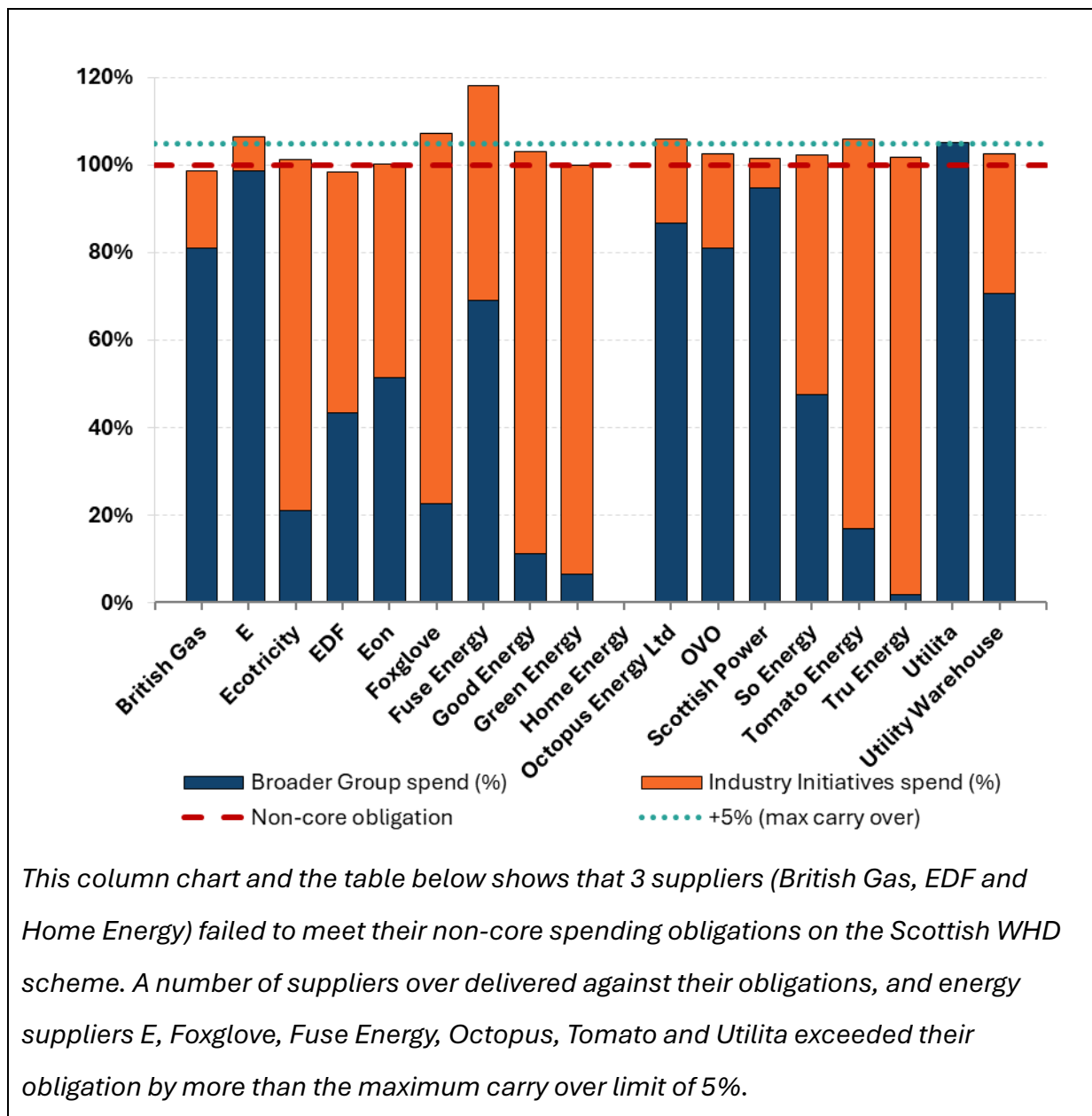


Figure 4.3 (Table): Supplier spend against Scotland non-core spending obligations

Supplier	Broader Group Spend (%)	Industry Initiatives Spend (%)	Overall Achievement
British Gas	80.95%	17.62%	98.56%
E	98.76%	7.68%	106.44%
Ecotricity	20.98%	80.27%	101.25%
EDF	43.34%	55.15%	98.49%
Eon	51.48%	48.82%	100.30%
Foxglove	22.46%	84.63%	107.09%
Fuse Energy	68.92%	49.23%	118.14%
Good Energy	11.10%	91.86%	102.96%
Green Energy	6.42%	93.58%	100.00%
Home Energy	0.00%	0.00%	0.00%
Octopus Energy Ltd	86.75%	19.13%	105.88%
OVO	80.96%	21.57%	102.53%
Scottish Power	94.66%	6.77%	101.43%
So Energy	47.61%	54.72%	102.34%
Tomato Energy	16.88%	89.15%	106.03%
Tru Energy	1.75%	100.00%	101.75%
Utilita	105.12%	0.00%	105.12%
Utility Warehouse	70.70%	31.86%	102.56%

Non-core non-compliance

4.17 As shown above, 3 suppliers failed to meet their non-core spending obligations.

The sums are shown in **Figure 4.4** below. In all these cases, the shortfall has been added to the supplier's non-core spending obligations for SY15. Additional detail for each non-compliance is also provided below.

Figure 4.4: Non-core spending non-compliances in SY14 - Scotland

Supplier	Spending obligation	Actual spend	Shortfall	Shortfall (%)
British Gas	£8,855,520.09	£8,728,350.00	£127,170.09	1.4%
EDF	£3,845,821.22	£3,787,771.22	£58,050.00	1.5%
Home Energy	£1,637.69	£0.00	£1,637.69	100%

4.18 British Gas missed their non-core spending target as they failed to meet their minimum spending obligations for the Broader Group. British Gas took this failure seriously and as a result made a payment of £254,340.18 to the VRF and the equivalent of the shortfall was added to their SY15 obligation.

4.19 Home Energy missed their non-core obligation spending target. This resulted from a shortfall in the Industry Initiative element of the non-core obligation. Home Energy took accountability for this failure and agreed to make a payment to the VRF. They paid a total of £3,276.00 which is equivalent to double the amount of this underspend. Additionally, the underspend sum has been added to their SY15 obligation.

4.20 EDF missed their non-core obligation spending target. This arose from an administrative error when submitting a notification in relation to their Broader Group. EDF did however spend the money on Industry Initiatives, which could not be counted. EDF took this failing seriously and agreed to make a redress payment of £58,050 to the EDF Customer Support Fund. Additionally, the underspend sum has been added to their SY15 obligation.

Broader Group (Scotland)

4.21 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 was £150 in SY14.

4.22 Broader Group rebates form part of the Scottish non-core spending obligation. At the outset of SY14, the Scottish non-core spending obligation totalled £38 million. Of this, spending on Industry Initiatives was capped at £7 million, which effectively set a collective minimum Broader Group spend of £31 million for obligated suppliers.

4.23 However, an overspend against the non-core obligation in SY13 reduced the total Scottish non-core obligation for SY14 to £37.5 million. In addition, the cap on Industry Initiatives was later increased to £10.99 million, as some suppliers requested to transfer part of their Broader Group obligation (around £3.9 million in total) to Industry Initiatives. As a result, the minimum Broader Group rebates and represented 71% of the supplier non-core spending obligation.

4.24 In total, 185,705 households were provided a Broader Group rebate during SY14. These rebates were collectively worth £27.9 million.

Broader Group eligibility

4.25 The ‘WHD Regulations Scotland’ include a mandatory set of criteria to assess claims which suppliers must use as a minimum²⁷, 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 SY14, suppliers included additional criteria in their proposals for Broader Group rebates.

4.26 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 Scotland’.

4.27 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 Scotland’ require suppliers to obtain documentary evidence from a

²⁷ Regulation 21 and 22(3) of, and Part 1 of Schedule 2 to, the ‘WHD (Scotland) Regulations’

minimum of 5% of consumers who receive a Broader Group rebate. This is to verify the eligibility information on their application to the scheme.²⁸

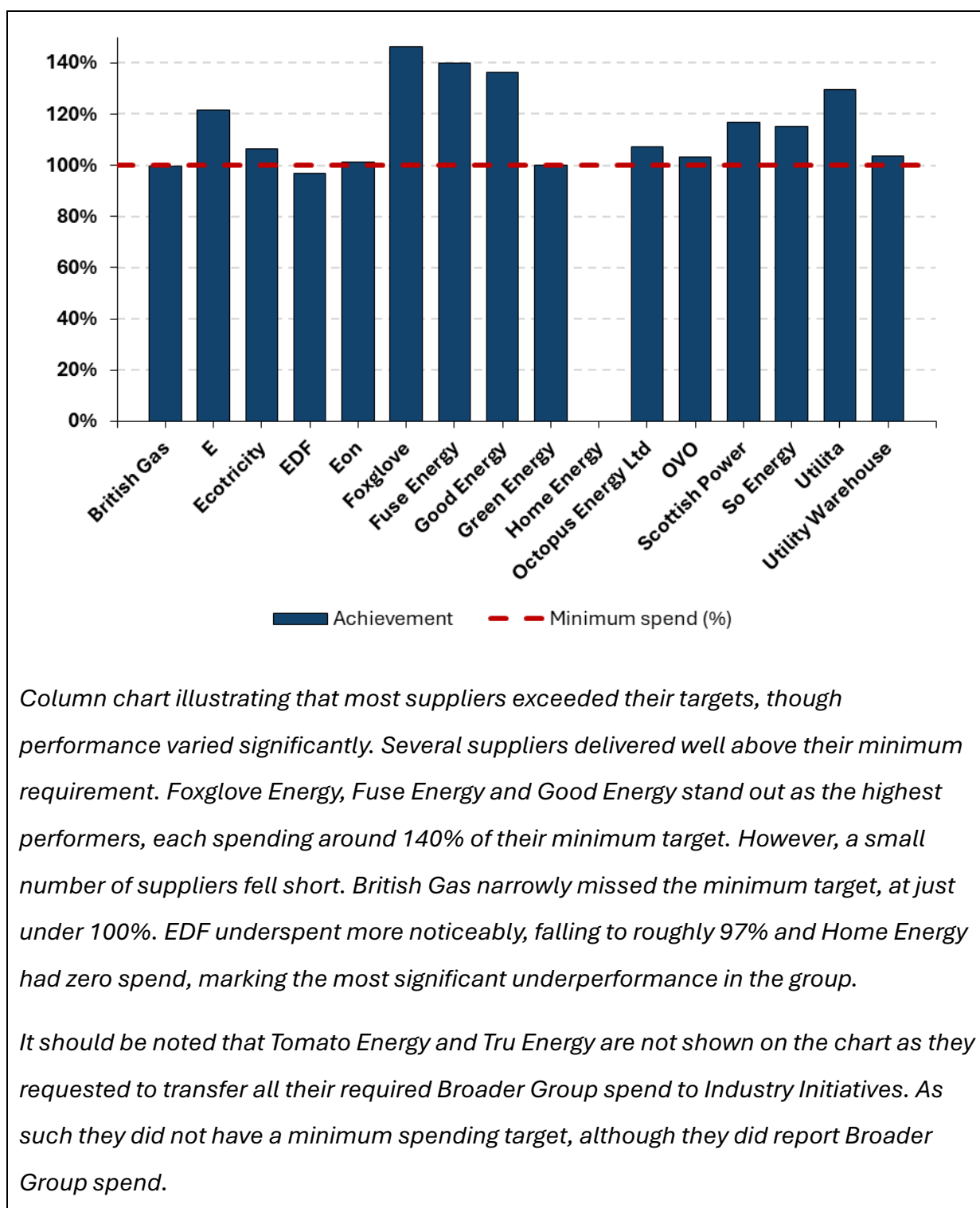
- 4.28 Suppliers take a random selection of applicants and seek documentary evidence from each applicant selected, confirming their eligibility before paying the rebate. If an applicant cannot provide the evidence, the rebate is withheld.
- 4.29 For SY14, suppliers were collectively required to obtain evidence of eligibility from 9,285 Broader Group consumers to meet this regulation.
- 4.30 All suppliers met this requirement and in total 20,402 applicants for Broader Group rebates provided satisfactory evidence when asked – well over double the required number.

Delivery

- 4.31 Of the 185,705 rebates ‘provided’ with a value of £27.9 million, the total number of ‘delivered’ Broader Group rebates was 184,581 with a value of £27.7 million (99.4% of the rebate value was ‘delivered’). We are satisfied with the overall high redemption rate across suppliers. For more information on our approach to rebate provision and delivery, please refer to the section beginning with paragraph 3.14.
- 4.32 The £27.9 million spend made up 73.3% of total non-core spending in SY14, with the remaining non-core spending of £10.3 million coming from Industry Initiatives. We look at Industry Initiatives in more detail in the section starting at paragraph 4.35.
- 4.33 Details of Broader Group spend against the minimum, split by supplier, can be seen in **Figure 4.5** below.

²⁸ Regulation 22(5)(a) and Part 2 of Schedule 2 to the ‘WHD (Scotland) Regulations’

Figure 4.5: Supplier Broader Group spend against minimum spend in SY14 - Scotland



Broader Group non-compliance

4.34 In the Broader Group, 3 suppliers failed to meet their minimum spending obligation. Details are shown in **Figure 4.6** below. For further information on these

non-compliances, please refer to the Scottish non-core obligation text starting at paragraph 4.16.

Figure 4.6: Broader Group spending non-compliances in SY14 - Scotland

Supplier	Spending obligation	Actual spend	Shortfall	Shortfall (%)
British Gas	£7,198,551.02	£7,168,350.00	£30,201.02	0.4%
EDF	£1,725,000.00	£1,666,950.00	£58,050.00	3.4%
Home Energy	£1,336.01	£0.00	£1,336.01	100%

Industry Initiatives (Scotland)

4.35 Industry Initiatives can be used to contribute to meeting suppliers’ Scottish non-core spending obligations. Suppliers do not have any minimum spend on Industry Initiatives and do not have to carry out any Industry Initiatives activity. Sixteen of the 18 obligated suppliers met some of their non-core obligation through Industry Initiatives spending.

4.36 Suppliers had a combined maximum spend on Industry Initiatives in Scotland. For SY14 this was originally £7 million but increased to £10.99 million due to certain suppliers being allowed to transfer some of their Broader Group obligation to Industry Initiatives.

4.37 There were also some caps on different types of Industry Initiatives spending during SY14 in Scotland, and these are outlined below. If a supplier spent above their share of these limits, then the additional spend would not be counted towards its WHD non-core spending obligation.

- **Debt write-off** across all suppliers could not exceed £600,000
- For **boiler and central heating replacements**, there was a collective spending cap of £800,000.

4.38 Aside from some differences detailed above, Industry Initiatives in Scotland operate in a very similar way to Industry Initiatives in England & Wales. Further

information on Industry Initiatives can be found starting at paragraph 3.40, and in our guidance²⁹.

Pilot initiatives

4.39 There was one pilot initiative conducted during SY14 in Scotland, this was deemed compliant:

- **OVO: Money Mentors Scheme with Lightning Reach** - The scheme provided financial support and guidance to 301 OVO customers facing financial hardship. Customers accessed financial support through the online portal Lightning Reach, while Money Mentors delivered tailored guidance, including income and expenditure assessments. Together, these interventions helped improve customers financial literacy and stability as well as facilitating access to wider OVO services, generating 540 referrals in England and Wales and 36 in Scotland. These referrals, which included benefit checks, debt relief, and energy advice, were valued at approximately £213,704 in total outcomes for customers. Additionally, advisers made other service referrals, with 169 in England and Wales and 12 in Scotland, supporting customers with broader financial and wellbeing needs.

Delivery

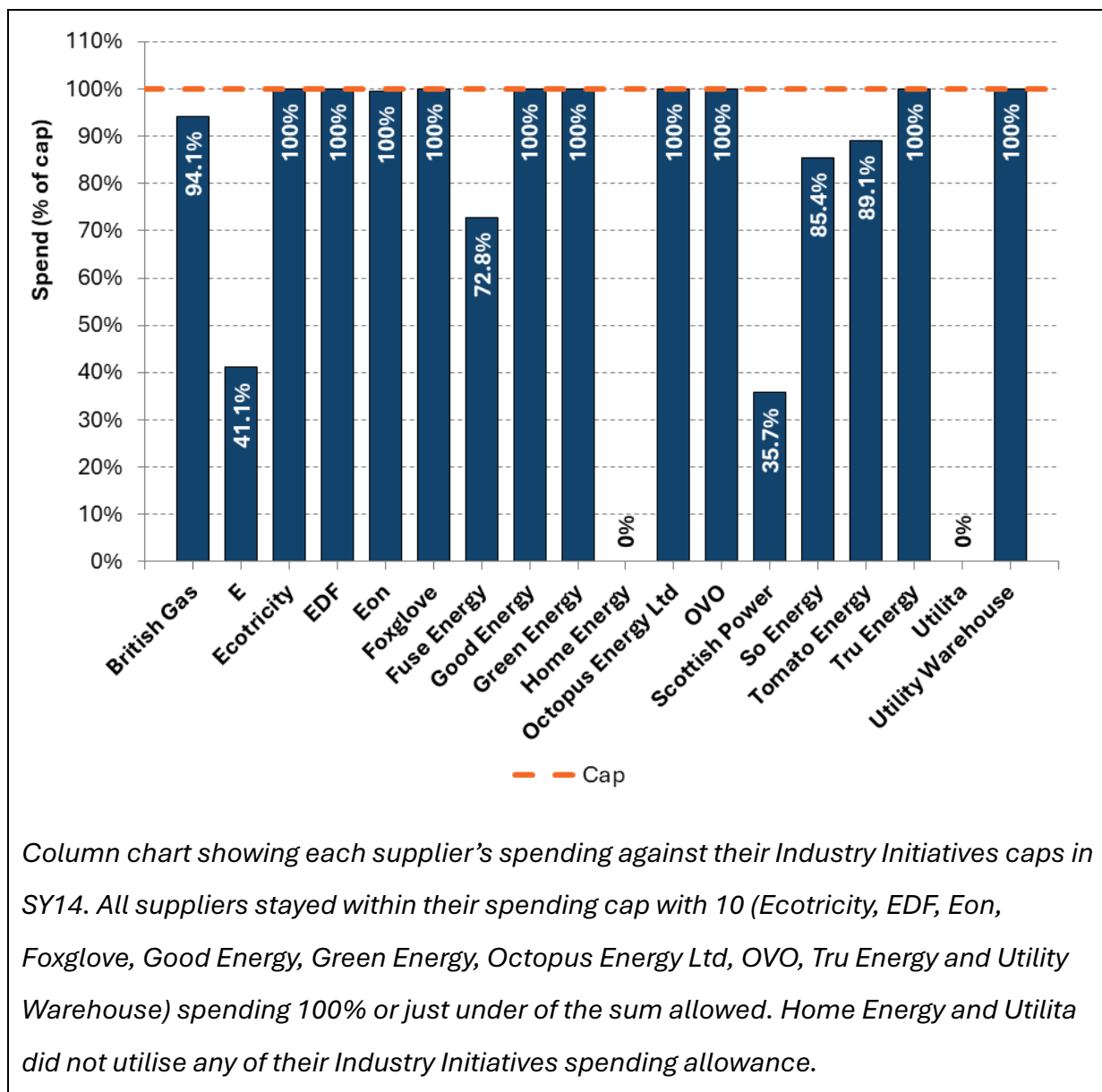
4.40 In total, suppliers spent £10.3 million on attributable Industry Initiatives activities in Scotland during SY14. This compares to the £10.9 million spent in SY13.

4.41 Suppliers' approaches to using Industry Initiatives allowances varied. Some focused their SY14 spending fully on the Broader Group (Utilita did not use any of their Industry Initiatives allowance), while others split their allowance to provide consumers with different types of support. Both approaches are acceptable.

²⁹ [Warm Home Discount Guidance \(Scotland\)](https://www.ofgem.gov.uk/publications/final-warm-home-discount-supplier-guidance-version-1-scotland): <https://www.ofgem.gov.uk/publications/final-warm-home-discount-supplier-guidance-version-1-scotland>

Figure 4.7 below shows each supplier’s Industry Initiatives spending in relation to the maximum allowed.

Figure 4.7: Supplier spend against the Industry Initiatives cap in SY14 - Scotland



4.42 In SY14, suppliers funded 24 different Industry Initiatives, 5 of which were collaborations between suppliers. All 7 types of Industry Initiatives activity were funded in at least one of the initiatives.

4.43 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 consumers in need of support took risk groups into consideration, although the focus was on individuals as in previous years.

4.44 We have summarised the spending and consumers supported by activity type in **Figures 4.8** and **4.9** below.

Figure 4.8: Consumer support activity figures in SY14 - Scotland

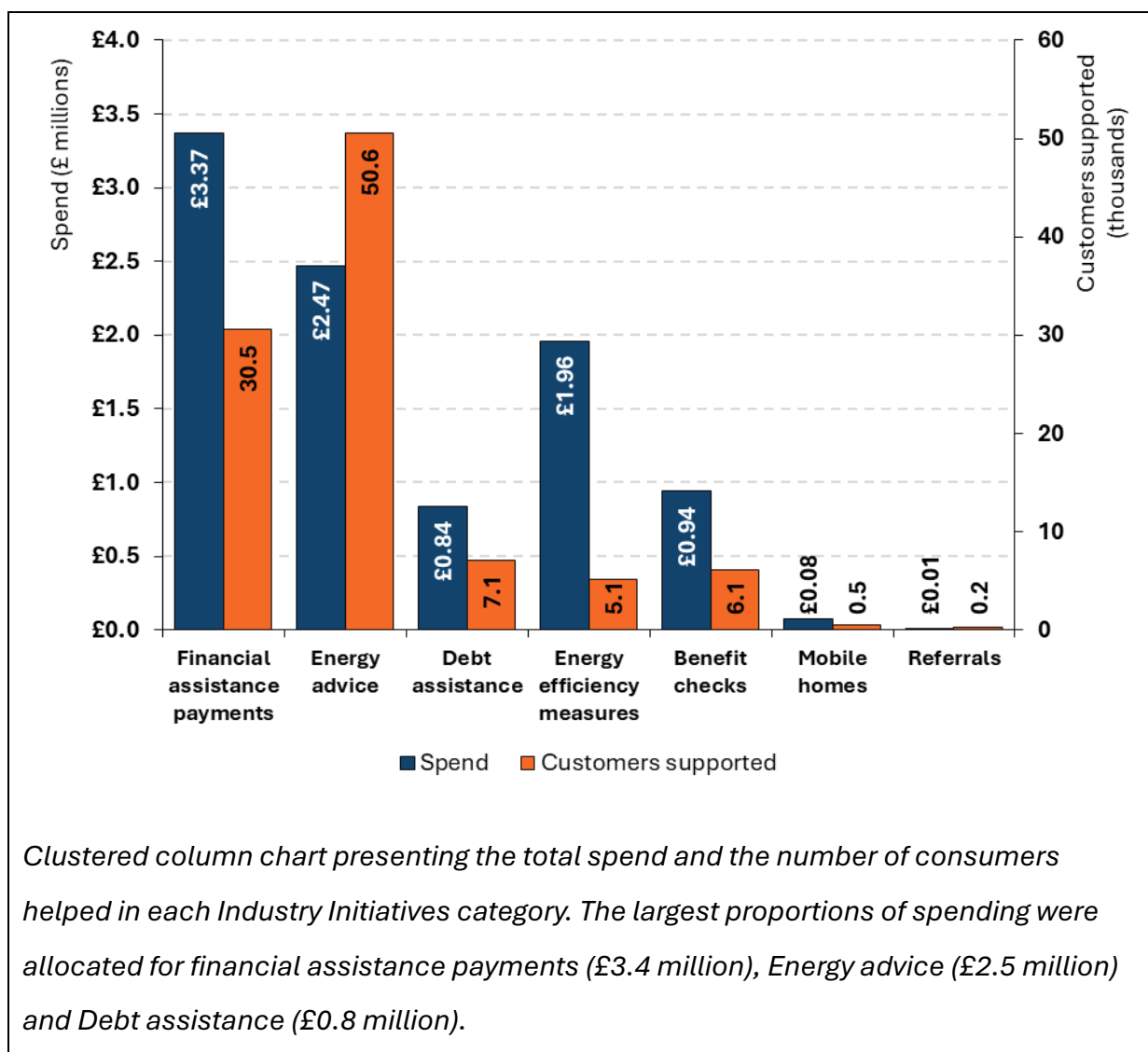
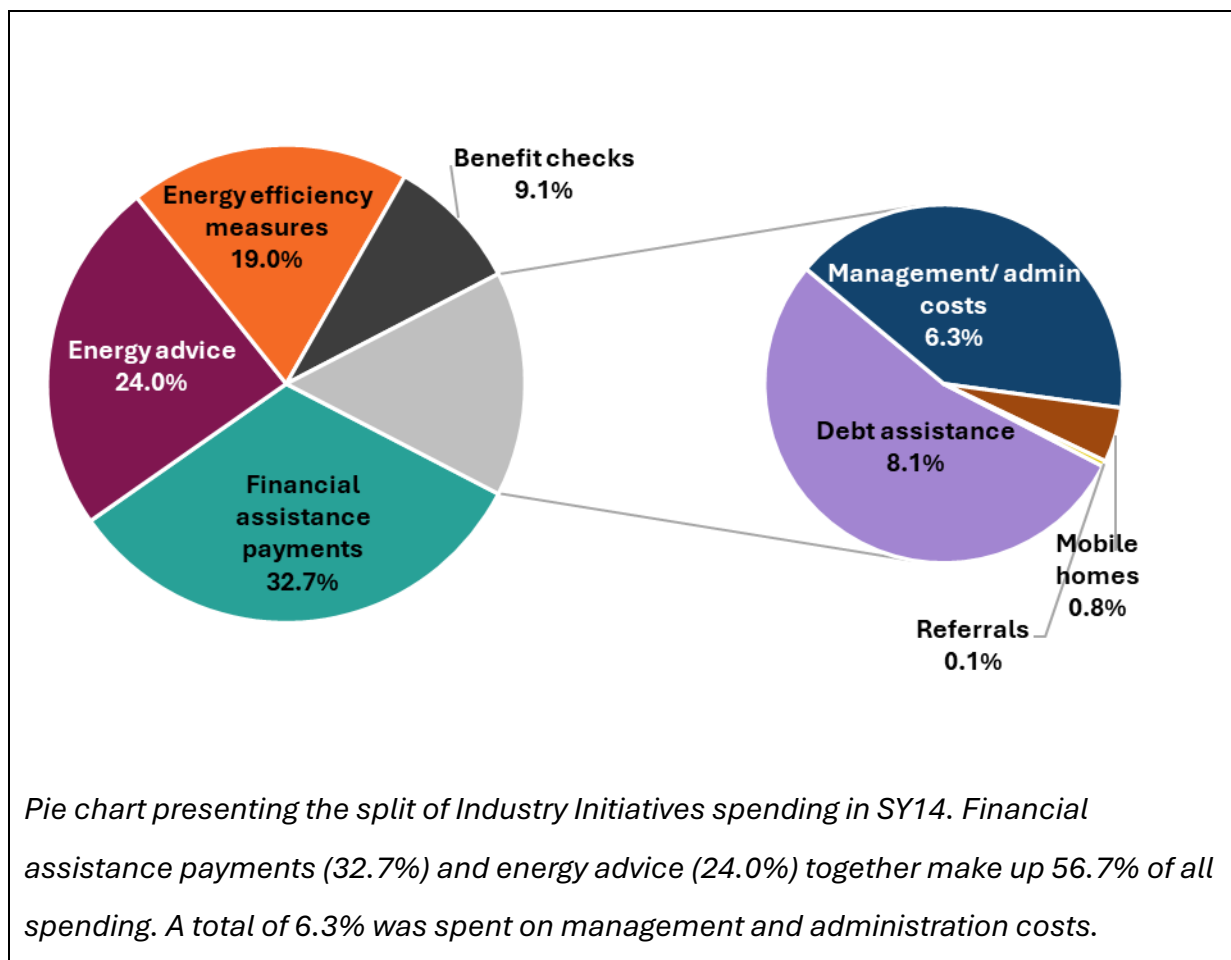


Figure 4.9: Industry Initiatives spending breakdown in SY14 - Scotland



4.45 The largest proportion of funding was attributed to providing financial assistance, accounting for over £3.37 million of total spend.

4.46 In addition to funding activities which directly helped consumers, the energy advice category also includes funding for the training of advisors who could assist consumers with managing their energy and energy bills.

4.47 In total £644,622 of the Industry Initiatives spend went towards ‘management and administration costs.

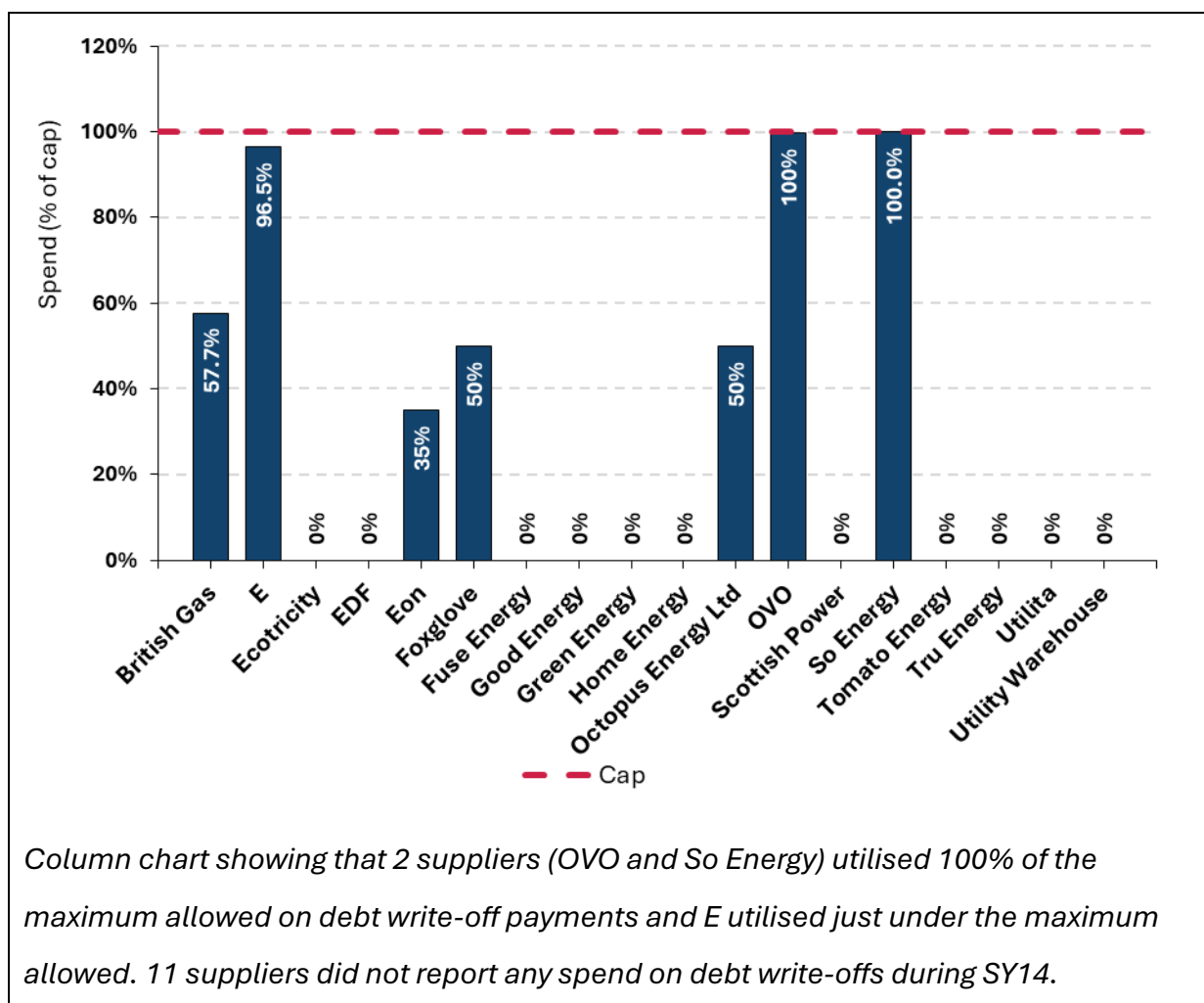
Industry Initiatives activities caps

4.48 As described in paragraph 4.37 there are spending limits (caps) on certain Industry Initiatives activities. Details of supplier performance against these limits follows.

Debt write-off payments

4.49 **Figure 4.10** shows individual supplier spend against the debt write-off cap, which was set at a total of £600,000 shared between suppliers according to their market share. Suppliers collectively spent £264,480, or 44.1% of the cap.

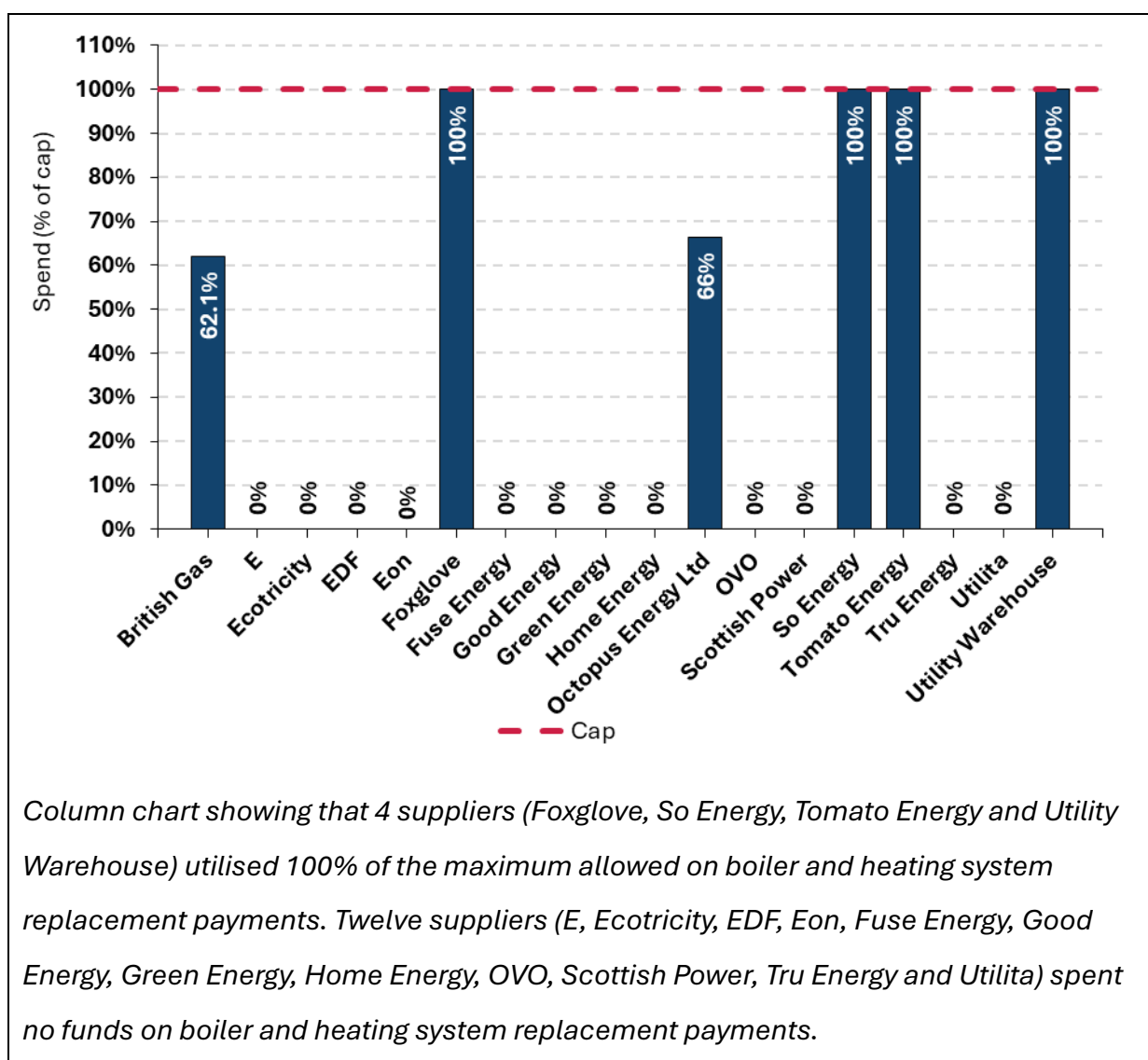
Figure 4.10: Individual supplier spend on debt write-off payments in SY14 - Scotland



Boiler and heating system replacements

4.50 A total of £270,695 was spent on boiler and heating system replacements. This represents 33.9% of the £800,000 spending cap. **Figure 4.11** shows individual supplier spend against the boiler and heating system replacements cap.

Figure 4.11: Individual supplier spend on boiler and heating system replacements in SY14 - Scotland



Meeting the WHD requirements

- 4.51 We worked with suppliers to ensure they could evidence that all the Industry Initiatives activities funded in SY14 were eligible. Following completion of the annual compliance assessment, we allocated eligible spend to the Industry Initiatives which are reported in this chapter.
- 4.52 Based on the information provided, we are satisfied that the consumers who received support through the Industry Initiatives were fuel poor, or at risk of fuel poverty.
- 4.53 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.
- 4.54 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.
- 4.55 We expect suppliers to be proactive in their engagement with us. Therefore, it was positive that where delivery risks were identified, suppliers generally engaged with us early to notify us of any issues that had arisen.

Transfer of Broader Group obligation to Industry Initiatives spend

- 4.56 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.
- 4.57 We have seen broader group transfers increase in SY14. Following the split of the WHD into Scotland and England & Wales schemes, the Broader Group is now only relevant in Scotland. Following scheme rules, the Broader Group targets were calculated based on supplier market share across the whole of Great Britain. As a

result, several suppliers were allocated Broader Group targets that could not be supported by their customer bases in Scotland.

4.58 E.ON, Ecotricity, EDF, Foxglove, Fuse Energy, Good Energy, Green Energy, OVO, So Energy, Tomato Energy, Tru Energy and Utility Warehouse all asked to transfer part or all of their Broader Group obligation to Industry Initiatives. These suppliers all expressed concerns about meeting their Broader group obligations due to not having sufficient eligible customers on supply in Scotland. The request to transfer was processed under Regulation 20(3).

5. WHD Audit Programme

This chapter provides information on the audit programme in respect of the WHD during scheme year 14 (SY14). It provides an overview of the results of our ‘external’ and suppliers’ own ‘internal’ audits.

Introduction

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 which 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 error or fraud on the scheme.

5.2 There are 2 types of audit that take place on the WHD scheme:

- **External audits** – Obligated suppliers are selected for audit by us based on a number of criteria. Once selected Ofgem-appointed external auditors focus on the highest risk areas of the selected supplier’s activities.
- **Internal audits** - Suppliers internal audit and quality assurance work verifies data reporting and assesses the effectiveness of their processes.

5.3 The criteria used to select suppliers for external audit include, but are not limited to:

- If the supplier is a new entrant to the scheme

³⁰ Section 13 of the Energy Act 2010.

- If a supplier has generated a high volume of queries during compliance checks
- The length of time since their last audit
- A previous weak audit rating
- Any concerns arising in the previous compliance year.

5.4 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.

5.5 It is important that suppliers engage effectively with these audit processes, which includes providing accurate and complete information in a timely manner.

External audits

5.6 There are different types of external audit which focus on either a Core Group, the 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.

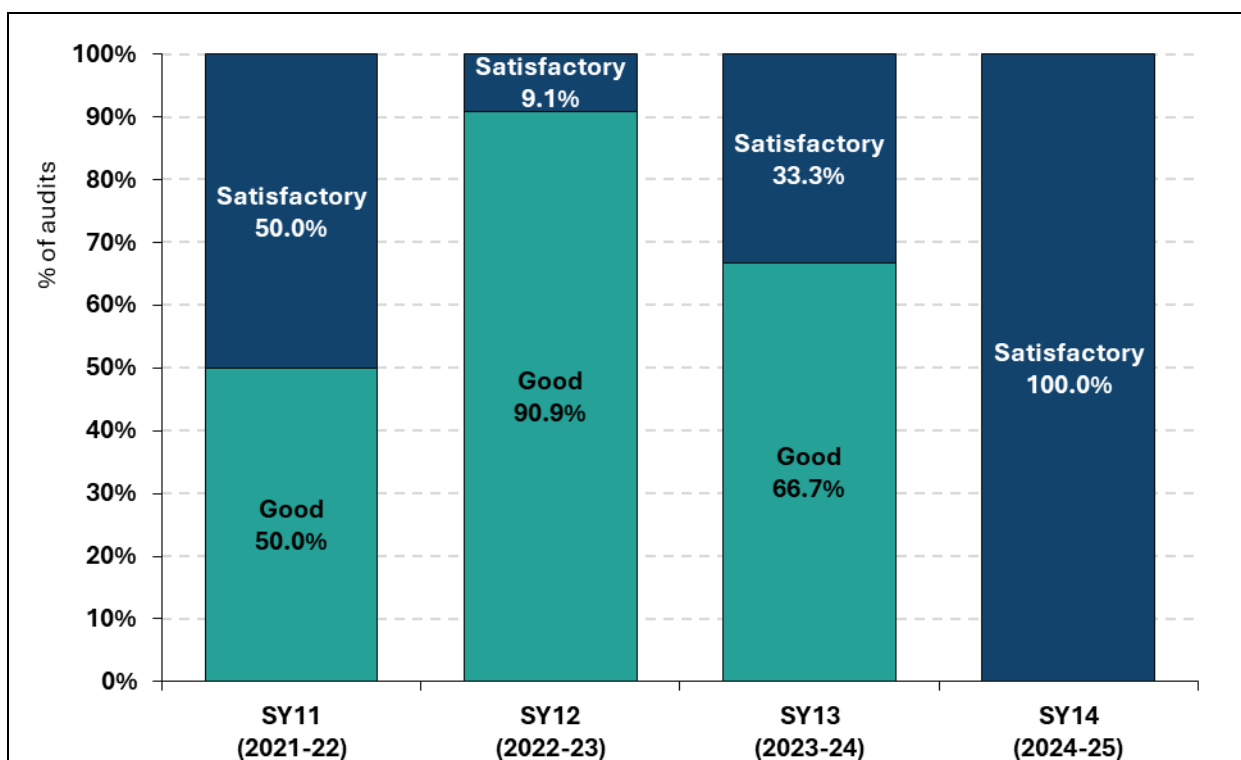
5.7 All SY14 external audits were interim audits designed to promote best practice across supplier delivery of their activities.

5.8 Our appointed auditors carried out 4 audits for SY14, covering the 2 areas of WHD scheme activity shown below.

- Testing supplier support delivery processes
- Verifying selected supplier reporting information.

5.9 The results of the SY14 external audits are shown in **Figures 5.1** and **5.2**.

Figure 5.1: WHD external audit ratings SY11 to SY14



Stacked column chart presenting the results of audits carried out between SY11 and SY14. All 4 audits were rated Satisfactory in SY14, compared to 3 of 9 audits in SY13. No audits were rated 'good' and for the fourth year in a row no audits were rated as either 'weak' or 'unsatisfactory'.

Figure 5.2: SY14 audit results

Supplier	Focus	Rating
Green Energy	Core Group and Broader Group	Satisfactory
Rebel Energy	Core Group and Broader Group	Satisfactory
Tomato Energy	Core Group, Broader Group and Industry Initiative	Satisfactory
Tru Energy	Core Group and Broader Group	Satisfactory

5.10 The audit results are shared with the suppliers; this includes an explanation covering any points of concern. We then work with the suppliers to confirm the accuracy of the report and to agree actions to address any findings. If the issues found during the audit process raise substantial concern and cannot be resolved to our satisfaction, we could refuse to approve some or all of the scheme spend, and the supplier would be at risk of failing to comply with their overall WHD obligation. Since the completion of their audits, Rebel Energy and Tomato Energy have ceased trading. Customers of both suppliers were transferred to British Gas, which was appointed as the Supplier of Last Resort. British Gas has committed to ensuring that all Rebel Energy and Tomato Energy customers eligible for WHD in SY15 will receive their Core Group rebates.

Internal audits

5.11 Our guidance document for suppliers sets out our requirements for suppliers' internal audits of scheme activities.³¹ We work with suppliers to ensure that their audits meet these requirements, and that they continue to strive for best practice in supporting consumers through their own quality assurance.

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

³¹ [Warm Home Discount Guidance \(England & Wales\)](https://www.ofgem.gov.uk/publications/warm-home-discount-guidance-v1-england-and-wales): <https://www.ofgem.gov.uk/publications/warm-home-discount-guidance-v1-england-and-wales>
[Warm Home Discount Guidance \(Scotland\)](https://www.ofgem.gov.uk/publications/final-warm-home-discount-supplier-guidance-version-1-scotland): <https://www.ofgem.gov.uk/publications/final-warm-home-discount-supplier-guidance-version-1-scotland>

6. Looking Forward

This chapter provides information on policy and administrative changes planned or due to take place from Scheme Year 15 (SY15) onwards.

- 6.1 The current iteration of the Warm Home Discount (WHD) scheme runs until 31 March 2026 (Scheme Year 15) in both England & Wales and Scotland.
- 6.2 On 25 February 2025, the Department for Energy Security and Net Zero (DESNZ) published a consultation³² on expanding the support offered under the WHD scheme for SY15. Under the proposals, an estimated additional 2.7 million households will receive support via the removal of the high-cost-to-heat threshold and an increase to the spending targets set out in the regulations. These changes came into force in September 2025.³³
- 6.3 On 25 September 2025 DESNZ, published a consultation³⁴ to continue the WHD for a new 5-year scheme period from 1 April 2026 to 31 March 2031. The Government published their response to this consultation on 30 January 2026³⁵ outlining new scheme regulations for the extended 5-years. The regulations and response cover the following:
- The extension of the scheme until March 2031.
 - The change in Core Group within England and Wales.
 - The expansion of eligibility for the Core Group in Scotland.

³² [Consultation: Expanding the Warm Home Discount Scheme, 2025 to 2026:](https://www.gov.uk/government/consultations/expanding-the-warm-home-discount-scheme-2025-to-2026/expanding-the-warm-home-discount-scheme-2025-to-2026-consultation-document-accessible-webpage)

<<https://www.gov.uk/government/consultations/expanding-the-warm-home-discount-scheme-2025-to-2026/expanding-the-warm-home-discount-scheme-2025-to-2026-consultation-document-accessible-webpage>>

³³ [The Warm Home Discount \(Amendment\) Regulations 2025:](https://www.legislation.gov.uk/uksi/2025/1031/contents/made)

<<https://www.legislation.gov.uk/uksi/2025/1031/contents/made>>

³⁴ [Continuing the Warm Home Discount Scheme: consultation document - GOV.UK](#)

³⁵ [Continuing the Warm Home Discount Scheme - GOV.UK](#)

- Explores expanding the role of suppliers in the communications around the WHD with eligible consumers.
- Changing the method for estimating scheme costs from a fixed annual spending target set out in the regulations to annual estimates reflecting the number of eligible households.

6.4 We also continue to work with suppliers to ensure they deliver on their scheme obligations. We expect all suppliers to meet their obligations on time and in full. We have high expectations of supplier performance, including those suppliers recently obligated under the scheme. As such, we have a low tolerance for any failures, in particular where suppliers have not been proactive in raising and addressing delivery risks at an early stage.

Appendix 1: Individual Supplier Performance

Presented below is information on individual supplier performance against their obligations on the England & Wales and Scotland WHD schemes. Red indicates a non-compliance has occurred with the number of non-compliance incidents for that area also shown. Note that one non-compliance can impact multiple customers. The accompanying text should be read for details.

British Gas

England & Wales

Core Group 1	Core Group 2	Non-core	Administrative

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative
	1	2	

Broader Group non-compliance

- Failure to meet Broader Group minimum spend of £7,198,551.02 as per regulation 19(2a) with attributable spend of £7,168,350.00.

Overall non-core non-compliance

- Failure to meet non-core spending obligation of £8,855,520.09 as per regulation 19(1) with reported spend of £8,728,350.00. British Gas took this failure very seriously and as a result made a payment of £254,340.18 to the Voluntary Redress Fund (VRF). The underspend sum has also been added to

their SY15 obligation, as required by regulation 18(3) of the Scotland Regulations.

E (Gas and Electricity)

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Ecotricity

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative
1			

Core Group 1 non-compliance

- Failure to return 1 Core Group 1 rebate to the Secretary of State within the 30-day timescale outlined in regulation 12(6). Ecotricity made a payment of £150 into the Voluntary Redress Fund (VRF) for this non-compliance.

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

EDF

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative
	1	2	

Broader Group non-compliance

- Failure to meet Broader Group minimum spend of £1,725,000.00 as per regulation 19(2a) with attributable spend of £1,666,950.00.

Overall non-core non-compliance

- Failure to meet non-core spending obligation of £3,845,821.22 as per regulation 19(1) with reported spend of £3,787,771.22. The underspend sum of £58,050 has been added to their SY15 obligation, as required by regulation 18(3) of the Scotland Regulations. They also made a redress payment of £58,050 into the EDF Customer Support Fund.

EON

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Foxglove

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Fuse Energy

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative
	2	1	

Core Group 2 non-compliances

- Failure to provide 13 Core Group 2 rebates to the Secretary of State within the 30-day timescale set out in regulation 12(6).
- Failure to provide 2 Core Group 2 rebates within the required timescale under regulation 10(6) where notice under regulation 8(1) was issued after 1 March 2025. Fuse Energy took this failing seriously and voluntarily provided an additional £150 of compensation to each consumer that received their rebate late.

Non-core non-compliance

- Failure to incur full spending under Part 4 to meet Fuse Energy Supply Limited’s non-core spending obligation as required by Regulation 20, incurring £5,325.00 against an obligation of £5,372.69, resulting in an underspend of £47.69. Fuse Energy recognised this and agreed to make a payment of £95.26 into the Voluntary Redress Fund (VRF). Additionally, the value of the underspend has been added to Fuse Energy’s SY15 Non-Core obligation.

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Good Energy

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative
	2	1	

Core Group 2 non-compliances

- Failure to return 5 Core Group 2 rebates to the Secretary of State within the 30-day timescale set out in regulation 12(6).
- Failure to provide 4 Core Group 2 rebates within the timescale required under regulation 10(5) or 10(6) where notice under regulation 8(1) was issued after 1 March 2025. Good Energy acknowledged this and voluntarily provided an additional £150 of compensation to each consumer that received their rebate late.

Non-core non-compliance

- Failure to incur full spending under Part 4 to meet Good Energy Limited’s non-core spending obligation as required by Regulation 20, incurring £99,986.24 against an obligation of £103,229.06, resulting in an underspend of £3,242.82. Good Energy acknowledged this and agreed to make a payment of £3,242.82 into the Voluntary Redress Fund (VRF) as well as an additional £486.42 uplift for a repeat failure. Additionally, the underspend has been added to Good Energy’s obligation for SY15.

Scotland

Core Group	Broader Group	Overall non-core	Administrative

Fully compliant

Green Energy

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Home Energy

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative
1	1		

Core Group 1 & Core Group 2 non-compliances

- Failure to provide 20 Core Group 1 rebates and 183 Core Group 2 rebates within the timescale required under regulation 10(5) or 10(6) where notice under regulation 8(1) was issued after 1 March 2025. Home Energy paid £150 of compensation to each affected customer in addition to the £150 rebate.

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative
2	1	2	

Core Group non-compliances

- Failure to provide 1 Core Group rebate within the timescale required under regulation 9(5) or 9(6) where notice under regulation 8(1) was issued after 1 March 2025 and failed to notify the customer of the provided Core Group rebate as required under regulation 9(7). Home Energy acknowledged this and paid an additional £150 to the customer in addition to the rebate payment for the late rebate payment.

Broader Group non-compliances

- Failure to meet the Broader Group minimum spend of £1,336.01 as required under regulation 19(2a), reporting a spend of £0.

Overall non-core non-compliances

- Failure to meet the non-core obligation of £1,637.69 under regulation 19(1), again reporting a spend of £0. Home Energy acknowledged this and paid a total of £3,276.00 which is equivalent to double the amount of this underspend. Additionally, the underspend sum has been added to their SY15 obligation.

Octopus Energy Ltd

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

OVO

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Scottish Power

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

So Energy

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Tomato Energy

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Tru Energy

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative

Fully compliant

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative

Fully compliant

Utilita

England & Wales

Core Group 1	Core Group 2	Non-Core	Administrative
1	1		

Core Group 1 & Core Group 2 non-compliance

- Utilita failed to give notice to the SoS within the 30-day timescale, that 531 customers identified as belonging to the Core Group were not Core Group customers, or could not be identified as a Core Group customers. Utilita did not agree to pay any redress in relation to this failing.
- Failure to provide 164 Core Group 2 rebates to consumers by the 31 of March deadline. Utilita paid £150 of compensation to each affected customer who received the rebate after the 31 of March in addition to the £150 rebate.

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative
1			

Core Group non-compliance

- Failure to return 4 Core Group rebates to the Secretary of State within the 30-day timescale outlines in regulation 11(6). Although Utilita were the only supplier responsible for this non-compliance on the Scotland scheme, they along with other suppliers were responsible for this non-compliance on the England & Wales scheme. It is notable that Utilita is the only supplier that chose not to make payments into the Voluntary Redress Fund (VRF) in lieu of this failure.

Utility Warehouse

England & Wales

Core Group 1	Core Group 2	Non-core	Administrative
			1

Administrative non-compliance

- Failure to submit obligation setting data to the Authority by deadline of 1 February 2024. This was submitted on 6 February 2024.

Scotland

Core Group	Broader Group	Overall Non-Core	Administrative
			1

Administrative non-compliance

- Failure to submit obligation setting data to the Authority by deadline of 1 February 2024. This was submitted on 6 February 2024.

Appendix 2: Participating Suppliers

Figure A2.1: WHD participating electricity suppliers SY14

Supplier ³⁶	Years participating
British Gas	1 to 14
E	9 to 14
Ecotricity	10 to 14
EDF	1 to 14
Eon	1 to 14
Foxglove	11 to 14
Fuse Energy	14
Good Energy	12 to 14
Green Energy	10 to 14
Home Energy	14
Octopus Energy Ltd	9 to 14
OVO	5 to 14
Scottish Power	1 to 14
So Energy	10 to 14
Tomato	13 to 14
Tru Energy	13 to 14
Utilita	5 to 14
Utility Warehouse	1 to 14

³⁶ The suppliers listed include specific licensed suppliers, plus alternative brand names and white label suppliers who do not hold a supply licence but offer tariffs under their own name through partnership with a licensed supplier. Customers of white label suppliers in partnership with a licensed supplier are also eligible for the WHD scheme. [A list of suppliers' subsidiary companies is published on the DESNZ website: <https://www.gov.uk/the-warm-home-discount-scheme/energy-suppliers>](https://www.gov.uk/the-warm-home-discount-scheme/energy-suppliers)

Appendix 3: Associated Documents

The **WHD Regulations** on the legislation.gov.uk website

[The Warm Home Discount \(England and Wales\) Regulations 2022](#)

<<https://www.legislation.gov.uk/uksi/2022/772/contents/made>>

[The Warm Home Discount \(Scotland\) Regulations 2022](#)

<<https://www.legislation.gov.uk/uksi/2022/1073/contents/made>>

The **WHD Guidance for Suppliers** on the Ofgem website:

[Warm Home Discount Guidance \(version 1\) - England and Wales](#)

<<https://www.ofgem.gov.uk/publications/warm-home-discount-guidance-v1-england-and-wales>>

[Warm Home Discount Supplier Guidance \(version 1\) – Scotland](#)

<<https://www.ofgem.gov.uk/publications/final-warm-home-discount-supplier-guidance-version-1-scotland>>

The **WHD Annual Report**: scheme year 13:

[Warm Home Discount Annual Report: Scheme Year 13 | Ofgem](#)

<<https://www.ofgem.gov.uk/transparency-document/warm-home-discount-annual-report-scheme-year-13>>

WHD Reports and Data on the Ofgem website:

[WHD reports and data](#)

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

WHD consultations:

[Consultation on WHD scheme from 2022](#)

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

[Consultation on expanding the Warm Home Discount Scheme, 2025 to 2026](#)

<<https://www.gov.uk/government/consultations/expanding-the-warm-home-discount-scheme-2025-to-2026/expanding-the-warm-home-discount-scheme-2025-to-2026-consultation-document-accessible-webpage>>