



Boiler Upgrade Scheme (BUS) Annual Report

Scheme Year 4 (1 April 2025 – 31 March 2026)

ofgem

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Foreword

More and more households across England and Wales are choosing low-carbon heating for their homes. For many the Boiler Upgrade Scheme (BUS) is helping to make that choice possible.

The BUS provides financial support to help households replace fossil fuel heating systems with low-carbon heat pumps and in limited circumstances, biomass boilers. By reducing the upfront cost of installation, it helps make cleaner heating more accessible, supporting consumers to take a meaningful step towards lower carbon emissions while maintaining comfort in their homes.

The BUS is one of a range of schemes Ofgem administers on behalf of the UK government and the devolved administrations. With a value exceeding £13 billion annually, our schemes work to advance decarbonisation and support vulnerable consumers. While DESNZ is responsible for scheme policy and regulations, Ofgem's role is to administer the scheme. This includes processing applications, issuing grant payments, publishing guidance and monitoring compliance with scheme requirements. Through our PACT principles (Predictable, Agile, Collaborative and Technology-enabled) we work with participants and stakeholders to support effective delivery, provide clear expectations and address risks early, and use data and technology to continuously improve administration of the scheme.

Over the past year, we have seen continued growth in uptake of the scheme, with 23% more properties receiving grants to install low-carbon heating systems than last year. This brings the total number of heating systems supported to over 80,000. Behind each application is a home or a business that has made the transition, illustrating the scheme's direct impact on people's lives, as well as its growing contribution to the UK's wider decarbonisation goals.

By working closely with installers, government and other delivery partners, we support effective scheme delivery and help ensure consumers receive a high quality experience, from application through to installation. We complement this collaborative approach

with clear expectations, proactive engagement and data-led oversight, supporting participants to meet their responsibilities while acting decisively where we identify poor practice or non-compliance. Together, these measures help maintain confidence in the scheme, protect public funds and ensure that funding delivers value for money.

Looking ahead, the Boiler Upgrade Scheme enters a new phase of delivery, supported by the government's Warm Homes Plan. The Plan confirms the extension of the scheme to 2030 and provides a long-term funding settlement, with total investment of around £2.7 billion and annual funding increasing over time. This expanded commitment is intended to support sustained growth in the uptake of low-carbon heating and provide greater certainty to consumers and industry. Alongside this, legislative changes introduced in April 2026 are designed to broaden access and support continued uptake. As the scheme evolves, our focus remains on delivering these changes effectively, ensuring efficient administration, and maintaining strong assurance so that public funding continues to deliver value for consumers.

We welcome feedback on the content of this report. So, if you want to get in touch, please email us at SchemesReportingFeedback@ofgem.gov.uk.

Neil Lawrence

Executive Director, Delivery & Schemes

80,098
Vouchers redeemed

From scheme launch to the end of March 2026, 80,098 low-carbon heating systems have been supported. Of these 98% were air source heat pumps.

£560.3m
Paid

The 80,098 vouchers redeemed mean a total of £560.3 million was paid to support the installation of low-carbon heating systems.

61,076
Fossil fuelled heating systems replaced

76.3% (61,076) of all grants paid were for the replacement of fossil fuelled heating systems, 10.2% were for the replacement of other heating system types e.g. direct electric, and 13.7% were for eligible self-build properties with no previous heating system.

1,789
Registered installers

At the end of March 2026, 1,789 Microgeneration Certification Scheme (MCS) certified installation companies were registered to participate in the BUS. The top 10 installers (by application volumes) were responsible for over 32% of all grant applications received.

£4.8m
Public funds protected or identified for recovery

Through our compliance action, taken following our audit and other administration activities, we protected £3,595,500 of public funds and identified £1,205,000 for recovery.

Note that percentages may not add up to 100% due to rounding.

Executive summary

The Boiler Upgrade Scheme (BUS) launched on 23 May 2022 to support the decarbonisation of heat in buildings. It provides upfront capital grants towards the cost of installing heat pumps and, in limited circumstances, biomass boilers in homes and small non-domestic buildings in England and Wales. Replacing fossil fuel and direct electric heating systems with lower-carbon, more efficient alternatives is an important step towards decarbonising heat. The Boiler Upgrade Scheme (BUS) plays a key role in supporting that transition.

Our administration of BUS is guided by Ofgem's PACT principles: Predictable, Agile, Collaborative and Technology-enabled. In practice, this means providing clear guidance and expectations for installers and property owners, adapting our processes as the scheme evolves, working closely with DESNZ and industry stakeholders, and using digital services, automation and data-led controls to support efficient scheme delivery and effective oversight. As scheme administrator, we are committed to ensuring that the scheme operates efficiently. This includes managing installer applications, issuing vouchers, and processing payments. Additionally, our audit and compliance programme plays a key role in upholding the scheme rules, helping to ensure that grants are only paid to those who meet the eligibility criteria. Protecting public funds remains a priority. Alongside our audit and compliance activity, we continue to use counter fraud capability, intelligence gathering and data-led assurance to identify and respond to potential fraud and scheme abuse risks.

As part of our statutory responsibilities¹, we have produced this annual report to provide an update on activity during Scheme Year 4 (SY4) from 1 April 2025 to 31 March 2026.

Voucher summary (page 18)

Applying for a BUS grant is a 2-stage process. Installers are required to submit an initial voucher application (stage 1) where we check the pre-installation eligibility criteria.

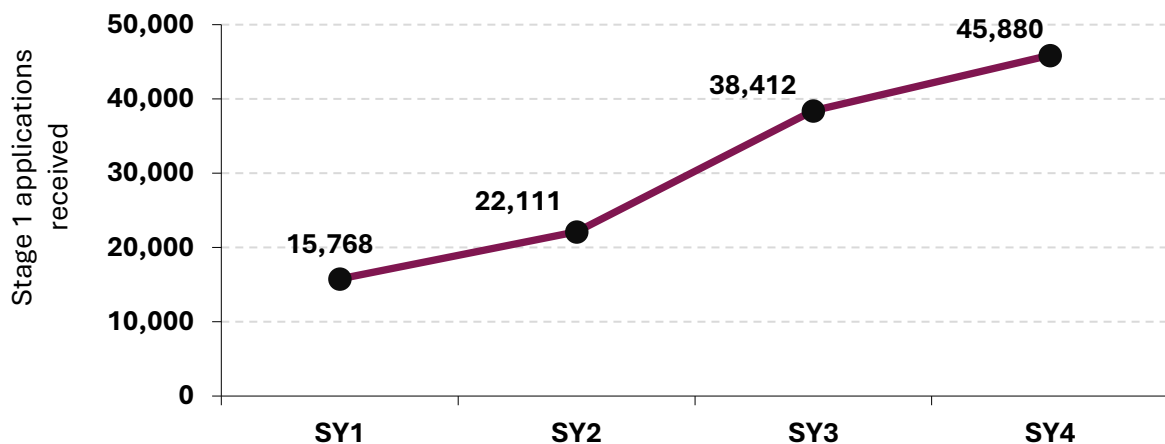
¹ This annual report is published as required by regulation 30(5) of the Boiler Upgrade Scheme (England and Wales) Regulations 2022 (the 'BUS regulations'). In so far as the data can be provided in aggregate form, this report contains the information specified by regulation 30(3)(c) of the BUS regulations.

Property owners are required to provide consent to the application and verify the application details submitted by their installer. If the voucher application is successful, we issue the applicant with a voucher.

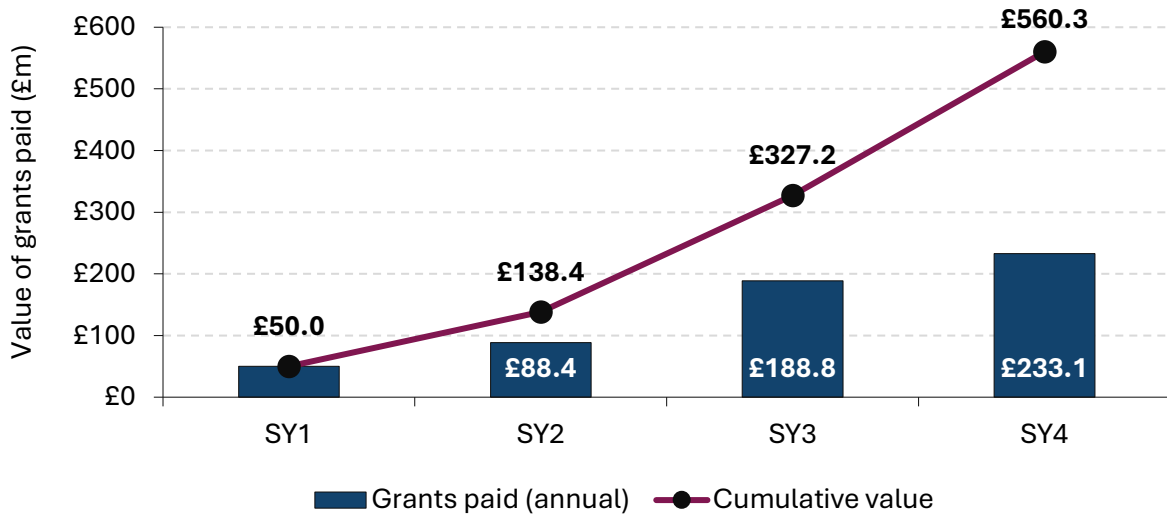
Following commissioning of an installation the installer can submit a voucher redemption application (stage 2). Once we have established that the remaining eligibility requirements have been met, the grant payment is made.

During Scheme Year 4, we received a total of 45,880 stage 1 applications. After completing our eligibility checks on these and outstanding applications from Scheme Year 3, we issued 39,435 vouchers worth over £295 million. We rejected 2,645 applications that failed our eligibility checks, and 3,301 applications were withdrawn. A small number of the stage 1 applications received towards the end of Scheme Year 3 were processed in Scheme Year 4.

Stage 1 applications received – Scheme Year 1 to Scheme Year 4



We also received 31,225 stage 2 applications, and 31,104 grant payments worth £233.1 million were made. As a result of our further eligibility checks we rejected 2 of the stage 2 applications.

Grant payments made - Scheme Year 1 to Scheme Year 4**Analysis of grants paid (page 22)**

97.6% of grants paid since the start of the scheme have been for air source heat pumps and 99.4% of installations were undertaken in domestic properties.

When looking at the heating systems being replaced, gas boilers made up the largest proportion at 55.1%. Oil boilers were the second most common technology being replaced making up 17.2% of the total. Altogether, replaced fossil fuelled heating systems account for 76.3% of grants paid. There were also an additional 13.5% of installations where no heating system was being replaced – all of which were in eligible self-build² properties.

Profile of BUS installers (page 30)

By the end of Scheme Year 4 there were 1,789 active installer accounts registered on the BUS. Of these, 1,645 or 92.0% have submitted applications and 144 have yet to submit an application (as of the time the data was extracted).

² New build properties are not eligible for the scheme except for certain 'self-builds'. An eligible self-build must have been built mainly using the labour or resources of the first owner, and the new building must never have been owned by a business or organisation.

It is worth noting that the top 10 installers, in terms of application numbers in Scheme Year 4, were responsible for 16,754 (36.5%) of applications. Conversely, there were 217 installers with a single application each.

Monitoring compliance (page 32)

Audit

We operate a robust audit programme to help ensure that applicants are following the scheme rules. By identifying non-compliances, we help ensure that grants are only paid to applicants eligible to receive them. This means that scheme funds are being spent effectively and are used to deliver on the objectives of the scheme, thereby providing value for money for the public.

We undertake both statistical and targeted audits. Statistical audits are selected at random and help us understand the overall level of non-compliance across the scheme. Targeted audits focus on applications where data, referrals or other intelligence indicate a higher risk of non-compliance.

We conducted 416 statistical audits during Scheme Year 4. For audits closed to date, we assessed that 98.5% of those audited were complying with the scheme rules. Note that as we instruct the applicant to take corrective action, some of those provisionally assessed as being non-compliant may subsequently be brought into compliance.

From the audits closed on the statistical programme to date for 2025 to 2026, the reasons for non-compliance were:

- The plant was not fully installed and commissioned at the time of voucher redemption
- The plant could not meet the eligible property's total space heating demands
- The plant could not meet the eligible property's total water heating demands

- The property was a new build and was part of an Excluded Property Development

Additionally, we selected 626 installations for targeted audit during Scheme Year 4. As these audits target known risk areas, we expect compliance rates in this group to be lower. Overall, we assessed that 89.4% of those targeted for audit were complying with the scheme rules.

It should be noted that the compliance rate can only be confirmed following the completion of a compliance investigation.

The value of payments made in error during 2025 to 2026 under the Boiler Upgrade Scheme is estimated at £4.5 million (1.9% of total payments) within a confidence interval of £1.4 to £7.6 million. The value of error stated represents the estimated impact of both fraud and error.

Compliance

When we suspect an application/participant has not complied with the scheme rules, for instance after completion of an audit or during the application process, we open a compliance investigation. If our investigation subsequently confirms a non-compliance, we will either work with the installer to bring the application into compliance, reject the ineligible application or revoke the voucher.

We closed 876 compliance investigations during Scheme Year 4, of which 367 (41.9%) were found to be non-compliant. The most common non-compliance reason affecting eligibility was 'property has had a previous grant from public funds', accounting for 32.7% of non-compliances. This non-compliance occurs when properties that have already received public funding for the installation of a heat pump or biomass boiler claim for support under BUS.

In total, the compliance action taken following our audit and other administration activities in Scheme Year 4, prevented £3,595,500 of public funds from being paid out incorrectly and a further £1,205,000 was identified for recovery.

Our administration (page 42)**Digital delivery**

During Scheme Year 4, the BUS digital service evolved to support sustained demand and emerging policy changes, with key updates to application processes, eligibility questions, and installer workflows delivered to tight timelines. Increased automation and service improvements reduced processing times, strengthened compliance controls, and improved user experience, supported by ongoing engagement and testing with installers.

Scheme changes

The Boiler Upgrade Scheme (BUS) regulations amendments came into force on 28 April 2026, introducing changes set out in the government's November 2025 consultation response.³ These amendments are designed to broaden eligibility, simplify the installer journey, and provide clearer standards for industry. Eligibility has been expanded to include a wider range of technologies and system configurations, including the introduction of a new £2,500 grant for air-to-air heat pumps in residential properties (subject to installers obtaining certification to install and commission air-to-air heat pumps) and the inclusion of exhaust air-to-water heat pumps under the existing £7,500 grant. In addition, multi-technology systems are now permitted, allowing heat pumps to be installed alongside other non-fossil fuel appliances, provided the BUS-funded heat pump meets 100% of a property's space heating demand.

The changes also streamline processes for installers and property owners. The requirement for a valid Energy Performance Certificate (EPC) has been relaxed, with installers able to provide alternative evidence to support applications, and a requirement for installers to deduct the grant amount from the upfront cost of the eligible plant has been implemented.

³ [The Boiler Upgrade Scheme \(England and Wales\) \(Amendment\) Regulations 2026](https://www.legislation.gov.uk/uksi/2022/565/contents/made)
<<https://www.legislation.gov.uk/uksi/2022/565/contents/made>>

Alongside this, the Microgeneration Certification Scheme (MCS) have redeveloped their installer scheme, with the aim of providing clearer, more consistent standards across the sector, and strengthening protections for BUS property owners.

In addition, the government announced an increase in support for certain off-gas grid properties. From 21 July 2026, the BUS grant increased from £7,500 to £9,000 for eligible properties that are not connected to the gas grid and are replacing oil or liquefied petroleum gas (LPG) heating systems. This uplift is intended to support households, many of which are in rural areas, to transition to low-carbon heating and reduce their exposure to volatile fossil fuel prices, particularly in relation to ongoing conflict in the Middle East.

As these changes came into force after the end of the 2025 to 2026 reporting period, they did not impact scheme delivery during the year covered by this report but will shape delivery going forward.

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

1. About the scheme

This chapter summarises the context and legislative background to the Boiler Upgrade Scheme (BUS), including Ofgem's administrative duties. This chapter also summarises the changes to the scheme that occurred during Scheme Year 4 (SY4).

- 1.1 The Boiler Upgrade Scheme (BUS) supports the decarbonisation of heat in buildings by providing upfront capital grants towards the installation of heat pumps and, in limited circumstances, biomass boilers in homes and small non-domestic buildings in England and Wales. Launched on 23 May 2022⁴, the scheme helps property owners replace fossil fuel heating systems with cleaner, more efficient alternatives. Over time, wider deployment of these technologies will help reduce the UK's reliance on fossil fuels, improve resilience to global energy price shocks and support the transition to net zero.
- 1.2 The Department for Energy Security & Net Zero (DESNZ) is responsible for BUS policy, regulations and funding decisions. Ofgem administers the scheme on behalf of government in line with those regulations. Our role includes processing applications and payments, publishing guidance, monitoring compliance with scheme requirements and reporting on scheme performance.
- 1.3 The BUS is underpinned by 'The Boiler Upgrade Scheme (England and Wales) Regulations 2022'⁵ (as amended) (the BUS regulations).
- 1.4 The BUS had an initial budget of £150 million per financial year from 2022 to 2025, increasing to £295 million in 2025 to 2026. Under the government's Warm

⁴ Although the BUS launched on 23 May 2022, systems first commissioned from 1 April 2022 were eligible for support.

⁵ [The Boiler Upgrade Scheme \(England and Wales\) Regulations 2022:](https://www.legislation.gov.uk/uksi/2022/565/contents/made)

<<https://www.legislation.gov.uk/uksi/2022/565/contents/made>>

The regulations were subsequently amended in 2024 and 2026

[Boiler Upgrade Scheme \(England and Wales\) \(Amendment\) Regulations 2024:](https://www.legislation.gov.uk/uksi/2024/524/contents/made)

<<https://www.legislation.gov.uk/uksi/2024/524/contents/made>>

[The Boiler Upgrade Scheme \(England and Wales\) \(Amendment\) Regulations 2026](https://www.legislation.gov.uk/uksi/2026/390/contents/made)

<<https://www.legislation.gov.uk/uksi/2026/390/contents/made>>

Homes Plan, the scheme has been extended to 2030, with annual funding increasing from £400 million in 2026 to 2027 to £709 million in 2029 to 2030, totalling £2.7 billion over the period. This provides greater long-term certainty for the scheme and supports the continued deployment of low-carbon heating technologies across England and Wales.

1.5 Ofgem’s responsibilities are set out in the BUS regulations. Our functions include but are not limited to:

- Publishing scheme guidance for installers⁶ and property owners⁷
- Processing voucher and redemption applications, as well as installer account creation requests
- Making payments to installers following processing of successful voucher redemptions
- Publishing reports on how the BUS is operating
- Monitoring and enforcing compliance with the BUS regulations.

1.6 This distinction is important throughout this report. government determines the policy framework and future development of the scheme, while Ofgem is responsible for administering the scheme and providing assurance that it operates effectively and in accordance with the regulations

1.7 This report is produced to meet our obligation to publish a report on scheme activity annually by 31 July.⁸ This fourth annual report on the BUS covers the period from 1 April 2025 to 31 March 2026.

⁶ [BUS: Guidance for Installers](https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers): <<https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers>>

⁷ [BUS: Guidance for Property Owners](https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-property-owners): <<https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-property-owners>>

⁸ This annual report is published as required by regulation 30(5) of the Boiler Upgrade Scheme (England and Wales) Regulations 2022 (the ‘BUS regulations’). In so far as the data can be provided in aggregate form, this report contains the information specified by regulation 30(3)(c) of the BUS regulations.

- 1.8 We also publish monthly⁹ and quarterly¹⁰ reports covering the BUS on our website and DESNZ publish monthly statistics on GOV.UK¹¹.
- 1.9 Installers and the low-carbon heating products supported under the BUS scheme must be Microgeneration Certification Scheme (MCS) certified¹². MCS is a certification scheme for microgeneration installation companies and products, whose responsibilities include:
- setting and maintaining technical standards for installations and products
 - certifying installers and products and issuing MCS certificates for completed eligible installations
 - assisting certification bodies to review and address cases and consumer issues relating to installers or products.
- 1.10 MCS has redeveloped its installer scheme, with the new arrangements being introduced throughout 2026 and into early 2027. The reforms are designed to strengthen consumer protection and maintain high standards for low-carbon heating installations as the market grows. In June 2026, MCS:2025 was approved by the Secretary of State as a consumer code for BUS. This simplifies the certification requirements for installers, as those operating under the redeveloped MCS scheme no longer need separate membership of another approved consumer code.
- 1.11 The BUS regulations were amended, having been laid in Parliament on 25 March 2026 and coming into force on 28 April 2026, to introduce several scheme changes. This represents the first phase of implementing the measures outlined in the government’s response to the BUS consultation in November

⁹ [BUS monthly scheme update](https://www.ofgem.gov.uk/publications/bus-monthly-scheme-update): <<https://www.ofgem.gov.uk/publications/bus-monthly-scheme-update>>

¹⁰ [BUS publications](https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus/boiler-upgrade-scheme-bus-guidance-and-resources): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus/boiler-upgrade-scheme-bus-guidance-and-resources>>

¹¹ [Monthly DESNZ BUS statistics](https://www.gov.uk/government/collections/boiler-upgrade-scheme-statistics): <<https://www.gov.uk/government/collections/boiler-upgrade-scheme-statistics>>

¹² [Information on MCS](https://mcscertified.com/): <<https://mcscertified.com/>>

2025.¹³ Alongside these changes, the government confirmed that the BUS would be extended to 2030. Key developments include:

Broadening eligibility

- Multi-technology systems: Heat pumps may be installed alongside supplementary non-fossil-fuel appliances, provided the BUS-funded heat pump meets 100% of space-heating demand
- New grant category: air-to-air heat pumps are eligible for a £2,500 grant (in residential properties only) (subject to MCS and certification body accreditation arrangement being in place)
- Exhaust air to water heat pumps: eligible for the £7,500 grant, provided they meet the eligibility criteria and the relevant MCS standards.

Simplifying the installer journey

- EPC requirement relaxed: Where a property does not have a valid EPC, one will no longer be needed to apply. Installers can instead provide alternative evidence, eg a utility bill and photograph
- Upfront discount: Installers must deduct the value of the BUS grant from installation quotes and invoices.

Providing clearer standards

- MCS reforms: changes have been made to formally recognise the redeveloped MCS installer scheme (MCS:2025).

¹³ [Boiler Upgrade Scheme and certification requirements for clean heat schemes:](https://www.gov.uk/government/consultations/boiler-upgrade-scheme-and-certification-requirements-for-clean-heat-schemes)
<<https://www.gov.uk/government/consultations/boiler-upgrade-scheme-and-certification-requirements-for-clean-heat-schemes>>

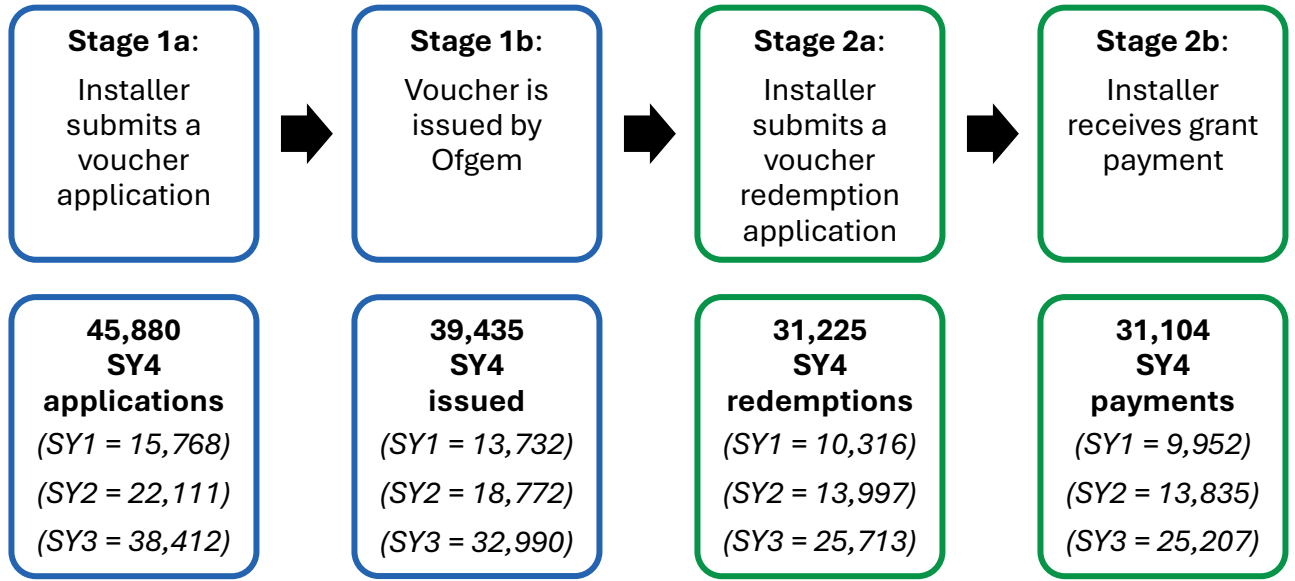
2. Voucher summary

This chapter provides a summary of BUS voucher applications, the vouchers we issued, and the redemption applications received.

- 2.1 The BUS grant application is a 2-stage process which is illustrated in **Figure 2.1** alongside application volumes for each Scheme Year.
- 2.2 For voucher applications submitted in Scheme Year 4 (SY4), firstly installers were required to submit a voucher application (stage 1) where we checked that the pre-installation eligibility criteria were met. Property owners were required to provide consent to the application and verify the application details submitted by their installer. If the voucher application was successful, we issued the installer with a voucher.
- 2.3 Once a voucher has been issued to an installer, they must complete the installation and submit a redemption application within the voucher validity period set out on the voucher. The validity period is 3 months for air source heat pumps (ASHPs) and biomass boilers, or 6 months for ground source heat pumps (GSHPs). If a redemption application is not received within the relevant validity period, the voucher expires.
- 2.4 After the installation has been commissioned, the installer can submit a voucher redemption application (stage 2). Once we have established that the remaining eligibility requirements have been met, we pay the grant to the installer.¹⁴

¹⁴ Further detail on the BUS application process can be found in our [BUS: Guidance for Installers](https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers): <<https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers>>

Figure 2.1: Summary of grant application process and volumes



Voucher applications (stage 1)

2.5 During BUS SY4 a total of 45,880 applications were received with 98.6% of these being for ASHPs. It should be noted that this total can include multiple applications for the same property, for example, where a re-application is made following a voucher expiring.

2.6 A breakdown of applications received split by technology type is shown in **Figure 2.2**.

Figure 2.2: Applications received by technology type in Scheme Year 4

ASHP	GSHP	Biomass	GSHP (Shared ground loop) ¹⁵
45,247 (98.6%)	504 (1.1%)	109 (0.2%)	20 (0.04%)

Note that percentages may not add up to 100% due to rounding.

2.7 Following our eligibility checks (including on outstanding applications from Scheme Year 3) we rejected 2,645 BUS applications at this stage in SY4, thereby

¹⁵ See glossary for description.

protecting £19,827,500 of public funds. Applicants withdrew a further 3,301 applications. Applications were most commonly rejected due to a failure by the installer or property owner to provide further information when requested, or because the property was deemed to be ineligible. The most common issues affecting property eligibility are listed below:

- The installation was commissioned more than 120 days before the application was properly made
- Consent was not received from the property owner, or authorised other person with Lasting Power of Attorney
- The evidence supplied in support of the application for a self-build project did not satisfy the requirement that the property was built principally with the labour or resources of the first owner (including where the resource was a loan which the first owner was liable to repay)

2.8 After completing our stage 1 checks we issued 39,435 vouchers worth £295,530,000.¹⁶

2.9 A total of 6,352 vouchers expired in SY4 before being redeemed. Where a voucher has expired a new BUS application with the same information can be made. Our analysis shows that many of these have reapplied with 2,887 (45.5%)¹⁷ having already been approved and paid. Of those that expired in SY3, 74.2% have now reapplied and been paid.

2.10 The rates of voucher expiry for each technology type since the start of the scheme are as follows: ASHP (14.4%), GSHP (9.8%), shared ground loop GSHP (6.8%) and biomass (14.3%).

¹⁶ The figure for vouchers issued in SY4 includes applications received in SY3 where the voucher was issued in SY4. Also included are vouchers which have subsequently expired.

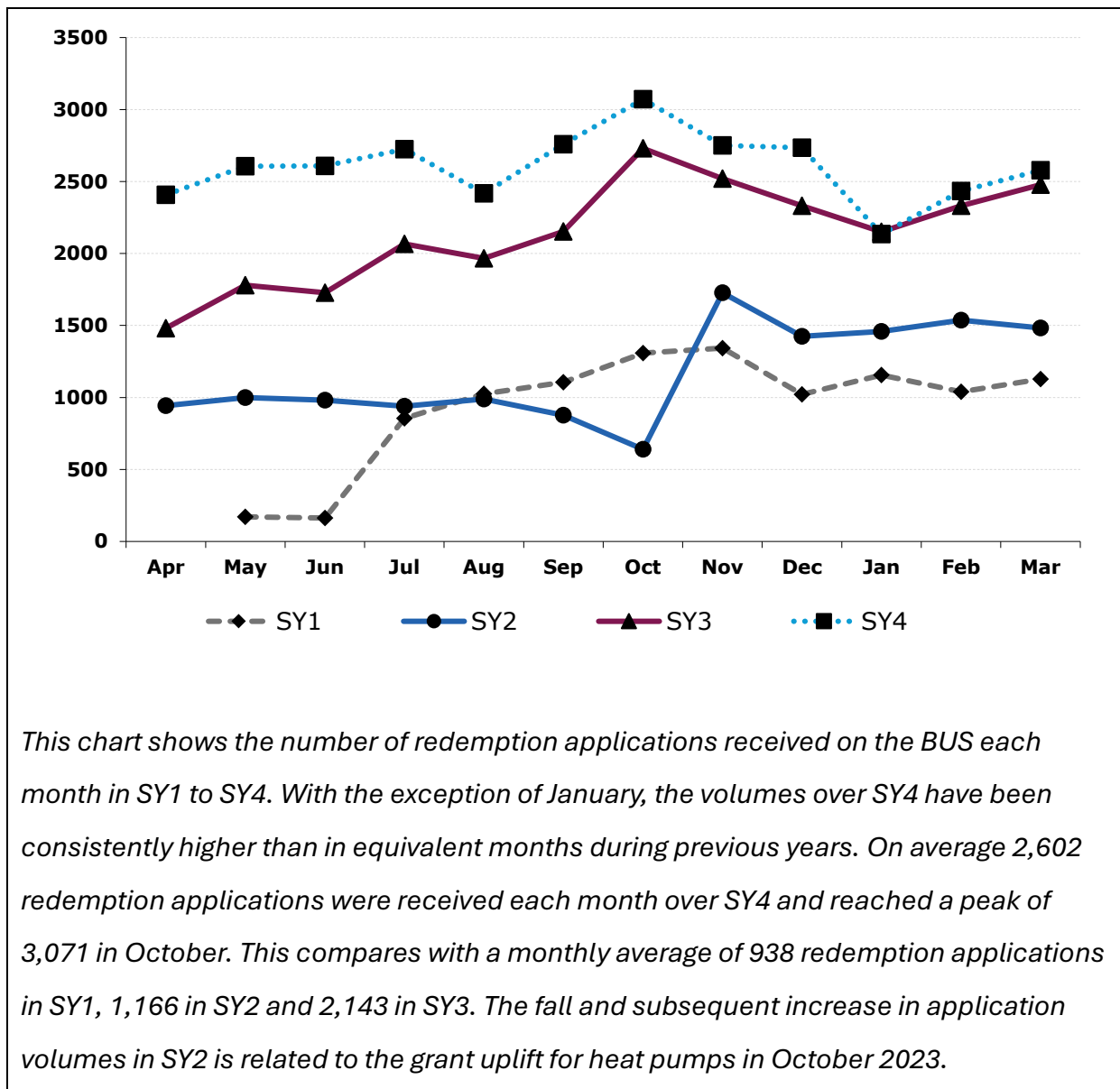
¹⁷ Due to the way this data was captured and then extracted the actual number of re-applications may be higher. We expect this number to rise as more grant re-applications are subsequently approved for payment.

Redemption applications (stage 2)

2.11 A total of 31,225 redemption applications were received during BUS SY4 and following our stage 2 eligibility checks, we paid grants towards 31,104 installations. Our stage 2 eligibility checks also resulted in 2 redemption applications being rejected in SY4 - protecting a further £15,000 of public funds.

2.12 **Figure 2.3** compares the monthly redemption applications received on BUS in each scheme year.

Figure 2.3: Comparison of monthly BUS redemption applications - SY1 to SY4



3. Analysis of grants paid

This chapter provides information on the characteristics of the low-carbon heat installations supported under the scheme. This includes information on the technology types installed, location and the heating technologies being replaced.

3.1 During BUS Scheme Year 4 (SY4) we paid grants worth £233,065,000, supporting the installation of 31,104 low-carbon heating systems. This brings the total value of grants paid since the start of the scheme to £560,254,500, supporting 80,098 low-carbon heating systems.

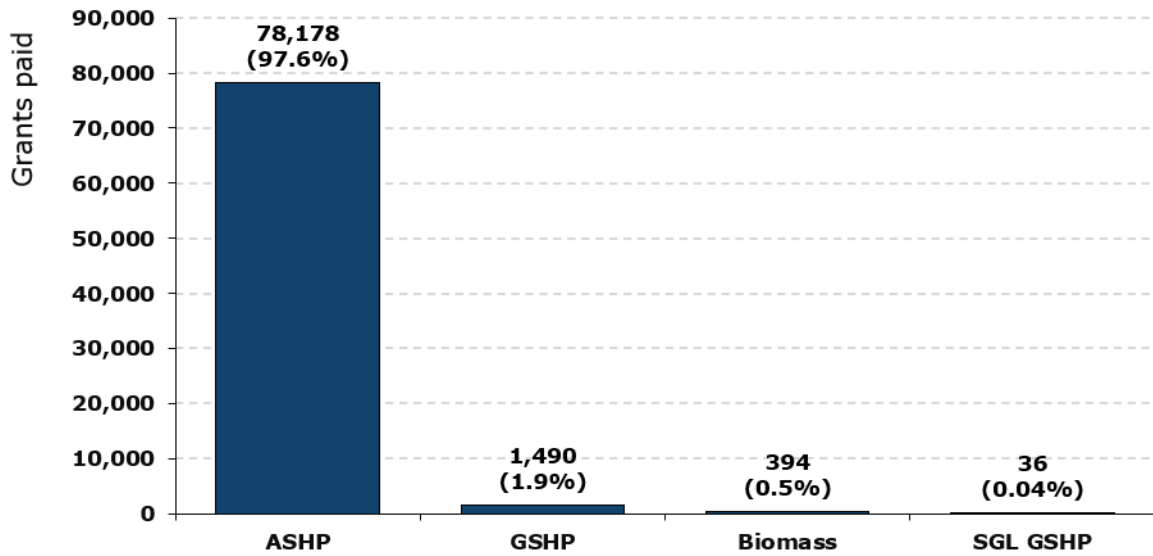
3.2 To provide insight into the characteristics of installations being supported through the BUS, we have provided information on:

- technology types
- the location of installations
- the heating technologies being replaced
- the split between domestic and non-domestic, and
- quoted installation costs.

BUS technology types

3.3 Air source heat pumps (ASHPs) make up the vast majority of BUS installations. This is a similar deployment pattern to that seen on the previous Domestic Renewable Heat Incentive (DRHI) scheme¹⁸. **Figure 3.1** shows the proportion of each technology type installed since the start of the BUS scheme.

¹⁸ [Information on the DRHI scheme](https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi>>

Figure 3.1: Grants paid by technology type on the BUS since scheme launch

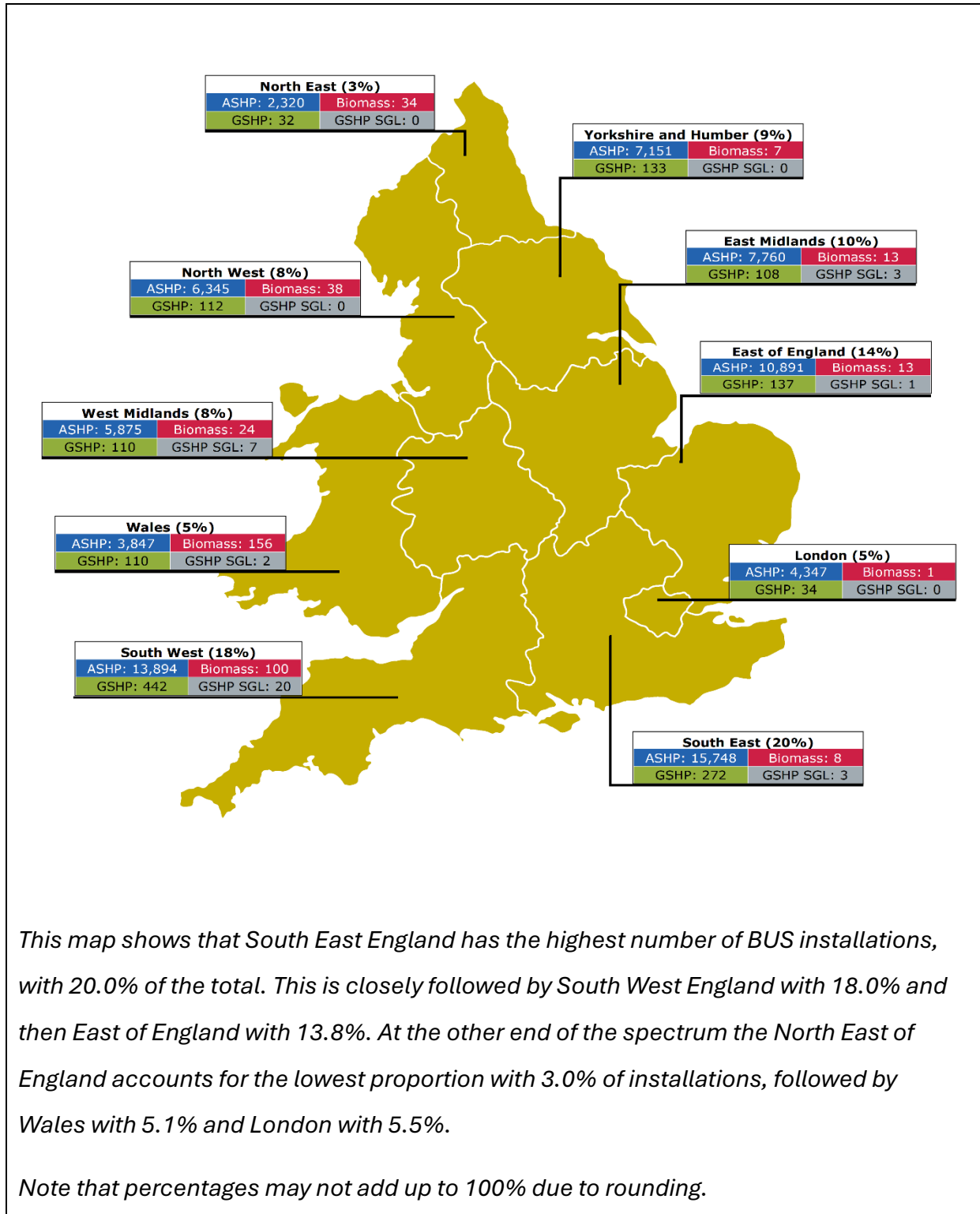
This chart shows a breakdown of the 80,098 grants paid by technology type. ASHPs make up 97.6%, ground source heat pumps (GSHPs) 1.9%, biomass 0.5%, and shared ground loop ground source heat pumps (SGL GSHPs) 0.04%.

Note that percentages may not add up to 100% due to rounding.

Regional distribution of BUS installations

3.4 **Figure 3.2** below shows the regional distribution of BUS installations across England and Wales, split by technology type, since scheme launch.

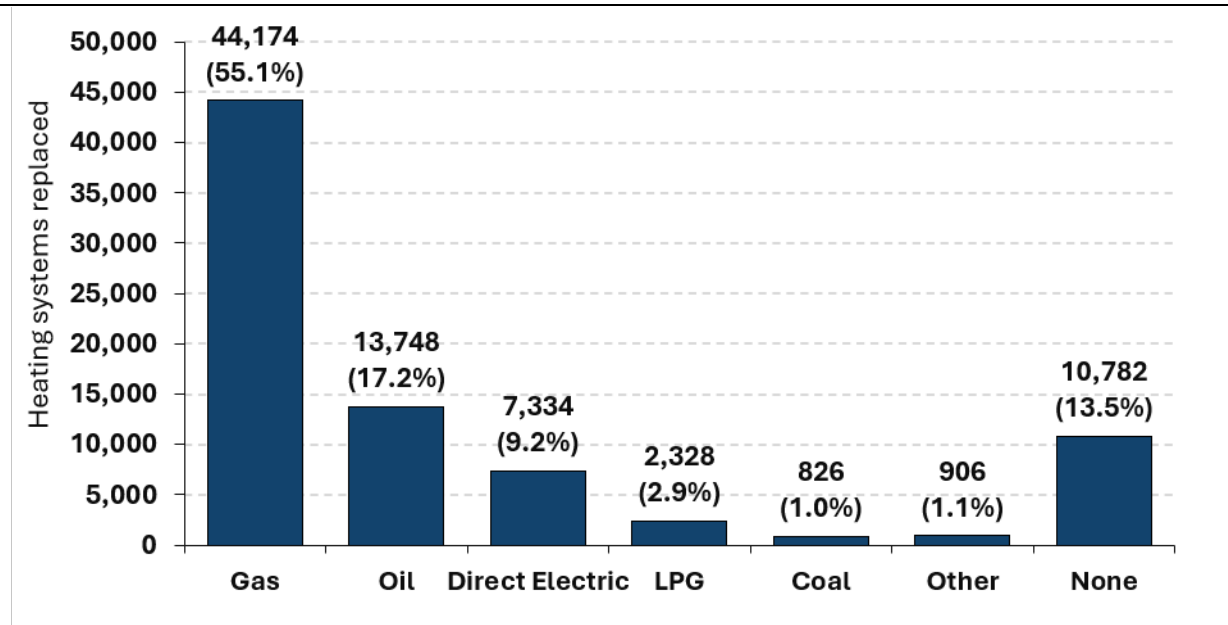
Figure 3.2: Regional distribution of grants paid by technology type



Replaced heating systems

- 3.5 A key policy aim of the BUS is to decarbonise homes in England and Wales by replacing fossil fuel and direct electric heating systems with lower carbon alternatives. **Figure 3.3** provides details of the heating systems replaced by BUS installations, as declared by installers on the BUS application form.
- 3.6 The BUS also supports the installation of low-carbon heating in eligible self-build properties¹⁹. In total, 11,010 eligible self-builds have received support since the start of the scheme, with 3,503 of these being within Scheme Year 4. Most were in newly constructed buildings or conversions of buildings without previous heating. However, a small proportion were conversions where a non-domestic heating system was replaced. Consequently, the number where no heating system has been replaced is lower than the number of eligible self-builds.

¹⁹ New build properties are not eligible for the scheme except for certain 'self-builds'. An eligible self-build must have been built mainly using the labour or resources of the first owner, and the new building has never been owned by a business or organisation.

Figure 3.3: Heating systems replaced since scheme launch

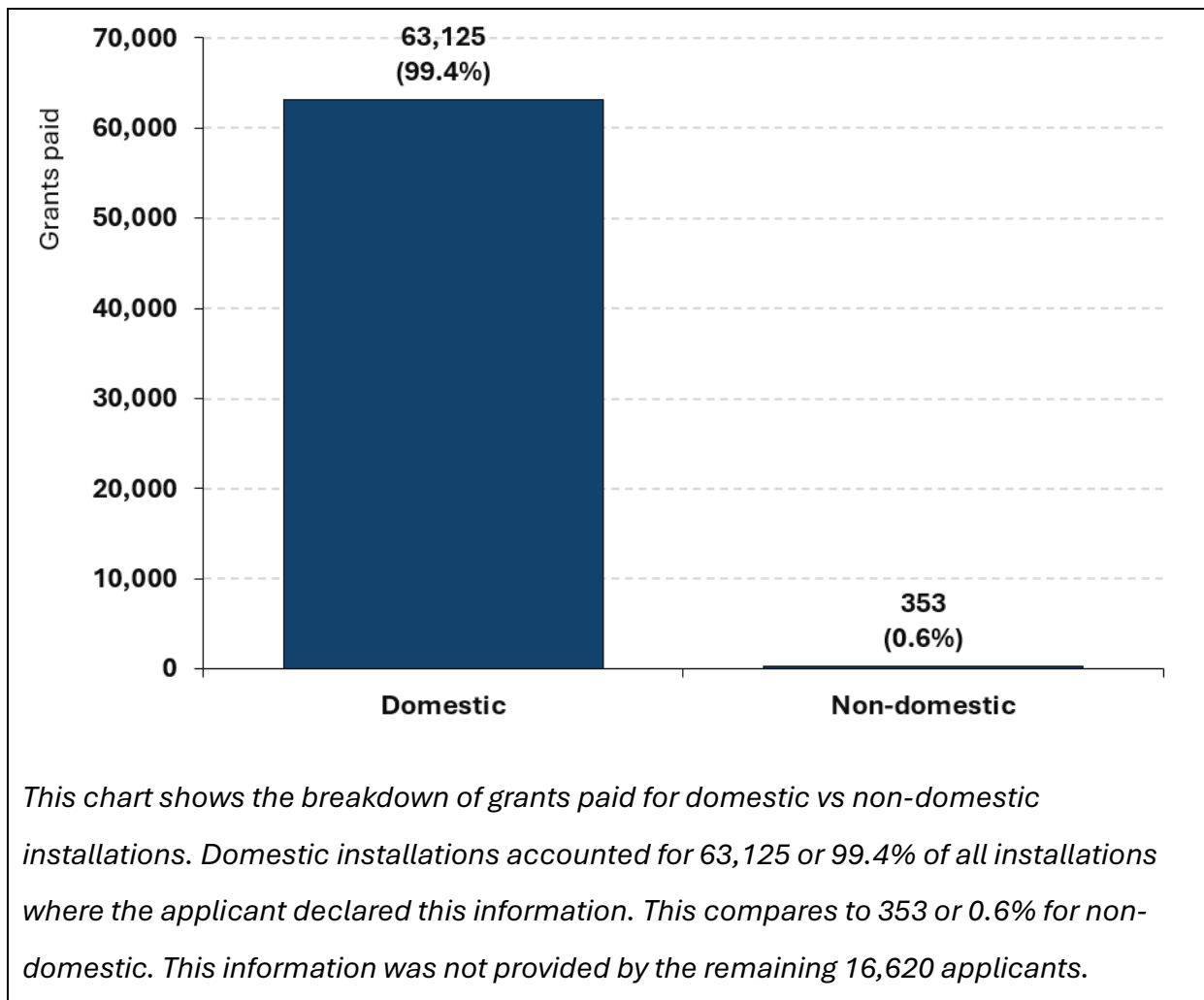
This chart shows the number and type of heating systems that have been replaced by BUS installations; as declared by installers on the BUS application form. Gas systems made up 55.1% of the total and oil was the second most common at 17.2%. Overall, replaced fossil fuelled systems (gas, oil, LPG and coal) account for 76.3% of grants paid. 13.5% of the grants paid were for properties where there was no previous heating system.

Domestic and non-domestic

3.7 The BUS supports low-carbon heating systems with a maximum capacity of 45 kWth for an individual heat pump and up to 70 kWth for multi-heat pump systems. In practice, this means the scheme is primarily targeted at homes and smaller non-domestic buildings.

3.8 **Figure 3.4** provides a breakdown of the declared building type for grants paid since scheme launch.

Figure 3.4: Proportion of grants paid for domestic vs non-domestic installations



Installation costs

3.9 BUS applicants are required to submit information on the price quoted²⁰ for installation of the new heating system. The property owner must confirm this information at customer declaration stage. The average total quote (which includes the value of the BUS grant) is listed in **Figure 3.5**, broken down by technology type.

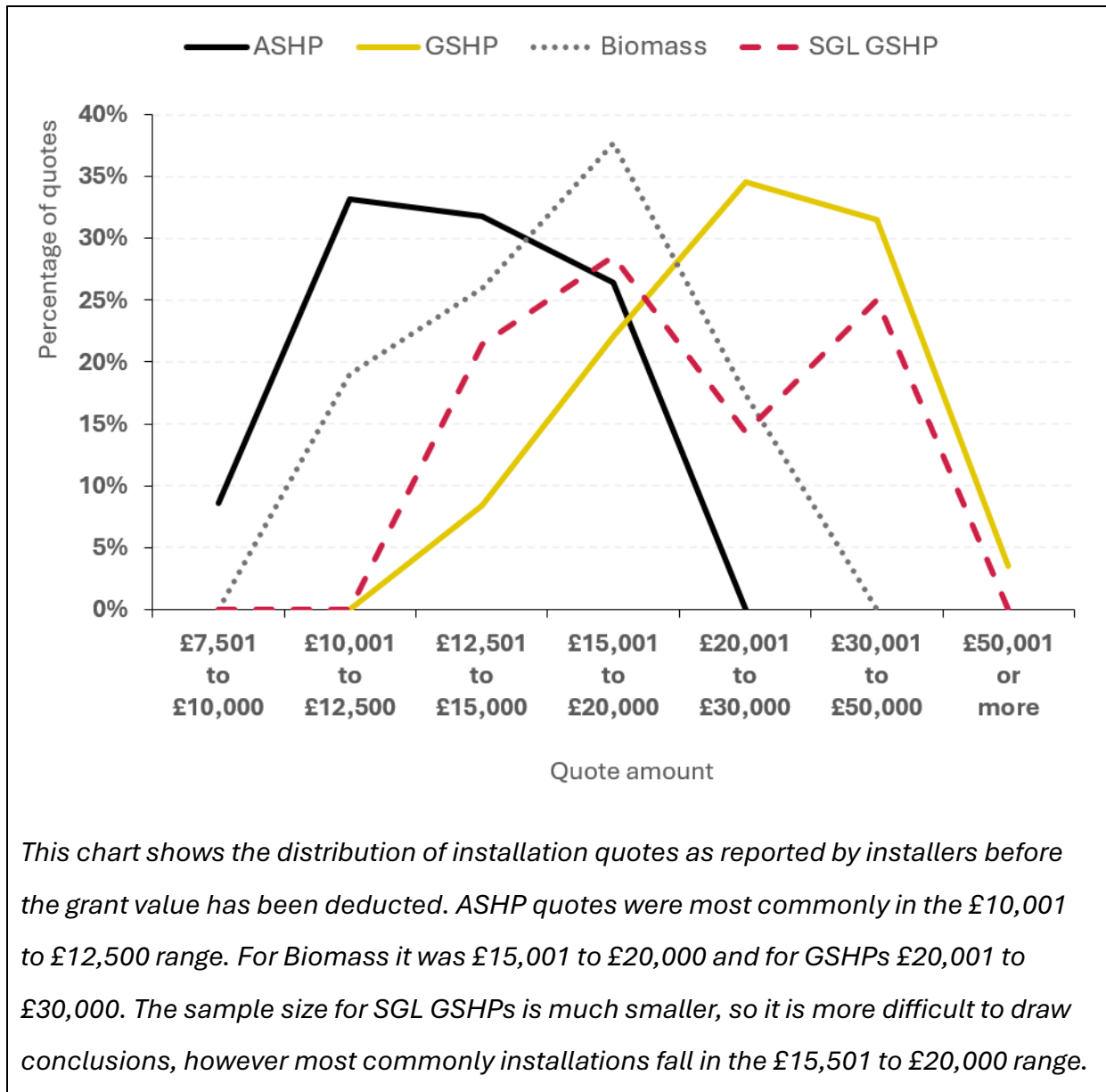
Figure 3.5: Average total quote amount for BUS grants paid (grant value included)

ASHP	GSHP	Biomass	SGL GSHP
£13,441	£27,505	£16,144	£29,222

Figure 3.6 shows the distribution of installation quotes by amount quoted for each technology type.

²⁰ The total quote amount reported by installers includes the system cost, labour and VAT (if applicable). It should be noted that we do not validate the information provided. As such to account for outliers we have excluded the highest and lowest 10% of values from the data in this section.

Figure 3.6: Distribution of installation quotes by technology type (grant value included)

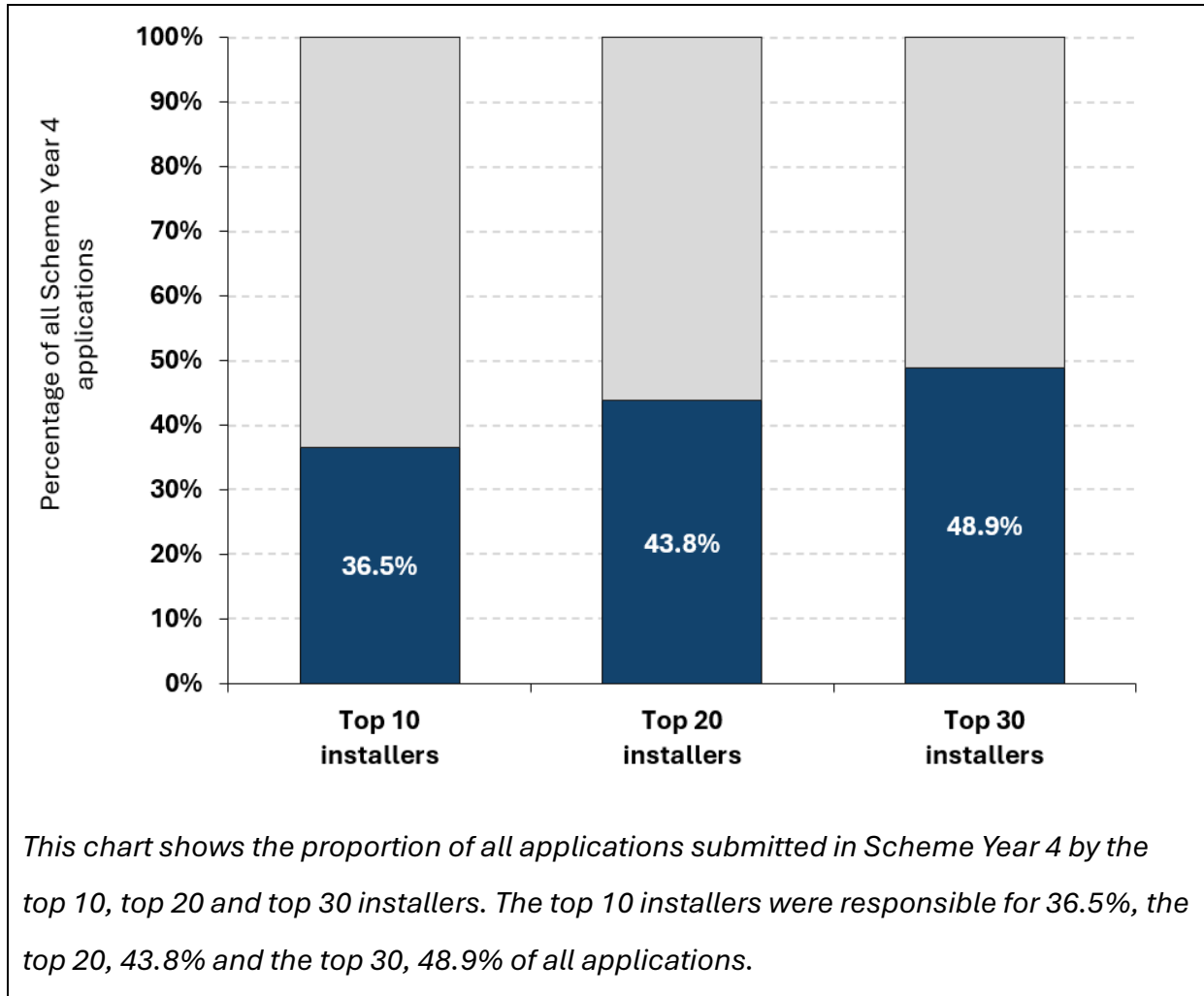


4. Profile of BUS installers

This chapter provides information on the installers who have created an account under the scheme.

- 4.1 Installers were able to create an installer account from 11 April 2022, in advance of the scheme opening for applications on 23 May 2022. As of 31 March 2026 there were 1,789 installers active under the scheme. This was an increase of 12.4% on the 1,591 active at the end of SY3, which suggests development of supply chains in line with the scheme's objectives.
- 4.2 By the end of March 2026, 1,645 (92.0%) had submitted applications, and of the 144 that had yet to apply, 38 are installers that created their accounts towards the end of the Scheme Year (between January and March 2026).
- 4.3 It is worth noting that since the start of the scheme, the top 30 installers, in terms of application volumes, were responsible for 53,839 (44.7%) of applications. Conversely, there were 215 installers with a single application each.²¹ As shown in **Figure 4.1**, in SY4 the top 10 installers were responsible for 36.5% of all applications, the top 20 43.8%, and the top 30 48.9%.

²¹ Note that the stated number of installers with a single application includes installer accounts that have been suspended.

Figure 4.1: Top 30 installers by proportion of applications submitted in SY4

5. Monitoring compliance

This chapter summarises our work monitoring compliance with the BUS rules. Included are details of our statistical and targeted audit programmes and our compliance activity.

- 5.1 Ofgem monitors compliance with BUS rules to help ensure grant funding is paid only where eligibility requirements are met. This protects public funds, supports fair access to the scheme and helps maintain confidence in scheme delivery. We take a proportionate and risk-based approach to compliance activity, using audits, investigations and engagement to identify issues and support scheme integrity
- 5.2 Audit checks are one way to do this whilst also:
- giving us an understanding of trends in non-compliance in the scheme
 - allowing us to identify and address the root causes of non-compliance, for example by strengthening our operational controls
 - allowing us to target our stakeholder engagement, and further monitoring and compliance activity
 - helping us identify and protect against errors, scheme abuse and fraud.
- 5.3 When we suspect an application/participant has not complied with the scheme rules, for instance after we complete an audit or during our application assessment, we may open a compliance investigation. During an investigation, we have the power to withhold payment for a single, or multiple vouchers, pending the outcome. If a non-compliance affecting eligibility has occurred, we will (if possible) work with the installer to bring the application into compliance. Otherwise, we will reject the ineligible application or revoke the voucher.

5.4 Examples of non-compliance may include, but are not limited to:

- There is no heating system present for which an MCS certificate has been issued
- The property owner has not consented to the installation or consent has been falsified
- The heating system does not meet the full space and water heating demands of the property
- The heating system has not been appropriately installed and is inoperable and/or the Microgeneration Certification Scheme (MCS) certificate was issued before the installation was complete
- The information provided to Ofgem appears to be incorrect, false or misleading
- A fossil fuel heating system is still in place
- There is no evidence that the property owner has benefitted from the value of the grant
- The property has previously received public funding for a renewable heating system
- Instances where installers were submitting a voucher on behalf of another installer with whom they don't have a sub-contractor agreement that complies with MCS standards.

Counter Fraud

5.5 Protecting public funds is an important part of Ofgem's role as scheme administrator. We apply a risk-based approach to counter fraud across the schemes we administer, using counter-fraud expertise, risk assessments, data analytics, intelligence gathering, referrals, audit findings and information-sharing arrangements to identify and assess potential fraud and scheme abuse. This helps us target assurance activity where it is most needed and respond to emerging risks.

- 5.6 Technology-enabled delivery plays an important role in supporting this approach. Data-led controls, automated checks and enhanced analytical capabilities help identify potential risks earlier and support more targeted compliance and counter fraud activity.
- 5.7 We continue to work closely with DESNZ, MCS, consumer organisations and relevant enforcement partners to identify and respond to emerging fraud and scheme abuse risks. This collaborative approach strengthens assurance activity and supports effective scheme delivery.
- 5.8 Where concerns are identified, they are assessed by our dedicated Counter Fraud function and, where appropriate, referred to the relevant authorities, including Report Fraud, the police and Trading Standards.
- 5.9 As 99.4% of BUS installations are in domestic properties, fraud and scheme abuse can affect consumers as well as public funds. Alongside our assurance activity, we work with DESNZ, MCS and consumer bodies to monitor installer behaviour and respond to concerns, including those relating to financial stability. Where installers cease trading, we take proactive steps to support consumers whose installations may be incomplete and who might otherwise be left without heating.
- 5.10 We would like to remind installers that they must ensure the system is fully installed and commissioned, in line with MCS standards, before raising their MCS certificate and redeeming their BUS voucher. Additionally, installers should only apply for vouchers when they or a subcontractor with whom they have a formal agreement (in line with MCS standards) have completed the installation. Where an MCS certificate is generated in breach of MCS standards and used to redeem a BUS voucher, this may be considered fraud.
- 5.11 If an installer, or an individual, suspects fraud may have occurred on the scheme, they can contact counterfraud@ofgem.gov.uk.

- 5.12 We also have a dedicated whistleblower email address where we welcome information about any potential wrongdoing or malpractice on the scheme: whistle@ofgem.gov.uk

Summary of audit activity

- 5.13 Our audit strategy and plans have been developed in line with best practice from the National Audit Office. They are reviewed annually and updated to account for emerging risks, changes to the scheme and new trends in non-compliance.
- 5.14 We carry out two types of audits. Statistical audits are selected at random and help us understand the overall level and types of non-compliance across the scheme and whether the levels of non-compliance remain within tolerance levels agreed with government. Targeted audits focus on applications identified as carrying a higher risk of non-compliance through data analysis, referrals or other intelligence. These audits help us investigate specific risks and emerging issues. Our audits can be desk-based (including phone or video) and site-based.
- 5.15 **Figure 5.1** below gives an overview of our audit programme and shows the initial compliance rating for the audits that have been closed. The audit statistics cover the 2025 to 2026 period, however, at the time of writing this report some of these investigations remain ongoing. The information presented here is accurate up to and including 31 March 2026.

Figure 5.1: Statistical and targeted audits – Scheme Year 4

Audit type	Total audits	Open audits	Closed audits	Compliant audits	Non-compliant audits	Compliance rate (%)
Statistical (site)	416	146	270	266	4	98.52%
Targeted (site)	553	213	340	303	37	89.12%
Targeted (desk)	71	26	45	41	4	91.11%
Targeted ²² (transfers)	2	1	1	1	0	100%
Totals	1,042	386	656	611	45	93.14%

5.16 We selected 416 installations that received grant payments in 2025 to 2026 for statistical audit, with an initial compliance rate for those closed of 98.52%. The statistical audit programme is used to determine the BUS ‘error rate’²³.

5.17 The estimated value of error reflects the combined impact of fraud and error identified through our compliance and assurance activities. This estimate is based on the results of our audit programme and represents our best assessment of payments that may not have met scheme requirements at the time of reporting.

5.18 The value of payments made in error during 2025 to 2026 under the BUS is estimated at £4.5 million (1.9% of total payments) within a confidence interval of £1.4 million to £7.6 million. These figures reflect the position at the time of writing and may change as investigations, reviews and audits conclude

²² These audits started as targeted desk audits but were changed to a site audit as the property owners required additional support.

²³ ‘Error rate’ is the estimated level of non-compliance with the scheme rules (expressed as a percentage of payments made) across the scheme population. An actual error rate is provided once all audits assigned in that scheme year have closed and the error rate restated.

5.19 Details of the non-compliances identified through our statistical audit programme are shown in **Figure 5.2** below. There were 7 non-compliances identified across the 4 non-compliant audits.

Figure 5.2: Statistical audit non-compliances – Scheme Year 4

Non-compliance	Number of non-compliances	Percentage of non-compliances	Inferred incidence in the scheme population
The plant was not fully installed and commissioned at the time of redemption	3	42.86%	1.20%
Plant cannot physically meet the total eligible property space heating demands	2	28.57%	0.72%
Plant cannot physically meet the total eligible property water heating demands	1	14.29%	0.48%
Property is New Build and is part of an Excluded Property Development	1	14.29%	0.48%

5.20 In addition to our statistical audits, we conducted 626 targeted audits on installations identified as having a potential increased risk of non-compliance. Of these, 386 were closed by the end of March 2026, with 345 found to be compliant. The initial compliance rate in this group was 89.38%, which as expected is lower than the statistical group as we are actively selecting installations where we have identified a greater potential risk of non-compliance.

5.21 It should be noted that the compliance rate shown in **Figure 5.1** includes all potential non-compliances identified through audit. Where an initial audit indicates a weak rating, a compliance investigation is conducted to confirm if a non-compliance has occurred. Therefore, the final compliance rate can only be confirmed following completion of the compliance investigation.

5.22 Through our audit and counter-fraud activities, we revoked vouchers with a value of £2,840,500 in Scheme Year 4. This enabled us to prevent some funds from being paid out, while amounts that had already been paid are being pursued through our debt recovery processes.

Compliance investigations

5.23 We closed 876 compliance investigations during Scheme Year 4 from which 367 (41.9%) applications were found to be non-compliant. From these cases £1,960,000 of public funds were either protected or identified for recovery.²⁴ Further details can be found in **Figure 5.3** below.

Figure 5.3: Summary of compliance cases – Scheme Year 4

Referral source	Cases closed	Non-compliant cases	Non-compliant (%)	Funds protected	Funds identified for recovery
Audit	37	15	40.5%	£22,500	£62,500
Operational	584	277	47.4%	£1,452,500	£152,500
MCS	238	62	26.1%	£187,500	£32,500
External referral	17	13	76.5%	£22,500	£27,500
Total	876	367	41.9%	£1,685,000	£275,000

5.24 To provide further insight on the nature of the non-compliances being identified, we have included information on the 5 most common in **Figure 5.4**. In total, the 5 most common non-compliances identified accounted for 80.8% of all non-compliances.

²⁴ These figures only account for cases revoked through our compliance processes and so does not include vouchers revoked or funds recovered through other channels such as audit or counter fraud work.

Figure 5.4: Five most common non-compliances – Scheme Year 4

Non-compliance	Number of non-compliances	Percentage of non-compliances
Property has had a previous grant from public funds - 5 (1)(c)(iii)	119	32.7%
Installer does not meet the definition of an installer (MCS Decertified) - Regulation 2	91	25.0%
Existing system was not a fossil fuel and/or electric heating system – Regulation 5 (1)(c)(ii)	38	10.4%
Grant not used solely to fund installation of plant - Regulation 14 (2)(d)	27	7.4%
Installer does not meet the definition of an installer (Ceased to trade) - Regulation 2	19	5.2%
Total	294	80.8%

5.25 Background information on the 5 most common non-compliances is provided below:

- Property has received previous public funding:** Properties that have previously received public funding for the installation of a heat pump or biomass boiler are not eligible for additional support under BUS. Ofgem conducts cross-referencing with other government schemes to identify instances of prior funding. Where such funding is confirmed, any associated voucher application will be deemed ineligible and subject to further investigation. It is the responsibility of the installer to verify the funding history of previous renewable heating systems of the property and to notify Ofgem of any relevant findings.
- Installer is no longer MCS Certified:** Installers must be MCS certified to participate in the BUS scheme. MCS certification ensures that both the installed heating system and the installer meet the required standards of quality and performance. Ofgem regularly checks with MCS to ensure all

installers on BUS continue to remain MCS accredited. Any installer who loses MCS accreditation will no longer be able to submit or redeem vouchers and any ongoing voucher applications will be investigated. Please note, it is an installer's obligation to inform Ofgem of any change in circumstance, including losing MCS accreditation.

- **Existing system was not fossil fuel or electric:** BUS is intended to support the decarbonisation of heating systems in buildings. To qualify for BUS funding, a property must be replacing an existing heating system that operates on either fossil fuels or electricity. All applications involving properties where a heat pump or biomass boiler has previously been installed will be subject to compliance investigation. This is to ensure full compliance with the applicable BUS eligibility criteria.
- **Grant not used solely to fund installation of plant/voucher did not benefit property owner:** The purpose of the grant is to reduce the financial burden on property owners, making the switch to low-carbon heating more affordable and encouraging wider adoption. The rules require that the financial support provided is spent directly on technologies that meet these objectives and are eligible within the scheme, and the benefit is received by the property owner. By investigating instances where this is not the case, we are ensuring we maximise the impact of each grant, and that the grant contributes toward the scheme's decarbonisation objectives.
- **Installer has ceased trading:** Ofgem actively monitors installer status via Companies House and MCS. Where an installer is identified as having ceased trading, an investigation will be undertaken to verify whether their BUS vouchers were eligible at the point of redemption. Installers are reminded that it is their responsibility to notify Ofgem of any changes in circumstances, including cessation of trading.

- 5.26 Our compliance activity is not solely focused on identifying instances of non-compliance. We also analyse their root causes and use this insight to strengthen controls, improve guidance and develop preventative measures that help participants understand and meet scheme requirements. By addressing the factors that contribute to non-compliance, we can reduce the likelihood of future issues and support the ongoing improvement of scheme delivery. Where appropriate, we share our findings with DESNZ, MCS (who carry out additional checks on the quality of the BUS funded installations) and relevant consumer codes²⁵ to help inform their activities and promote a coordinated approach to assurance across the scheme.

²⁵ Consumer codes are consumer organisations that set out the levels of customer service and consumer protection that MCS installers must provide.

6. Our administration

This chapter provides additional detail on our administration of the BUS during Scheme Year 4.

- 6.1 As administrators of the BUS, Ofgem performs a number of functions, including:
- Publishing scheme guidance for installers and property owners
 - Processing installer account creation requests and amendments
 - Processing voucher and redemption applications
 - Making payments to installers following a successful voucher redemption
 - Monitoring and enforcing compliance with the BUS regulations
 - Publishing reports on the operations and progress of BUS.
- 6.2 This chapter provides information on certain aspects of our administration not covered elsewhere in this report.

Voucher processing

- 6.3 A key part of our administration is to assess the eligibility of applications and reach a decision in a timely and efficient manner. The assessment includes a review of both the applicant and the property where the technology will be installed, including validating whether a fossil fuel or electric heating system is being replaced, or if the installation is in an eligible self-build.
- 6.4 As part of this process, the property owner must consent to the installer making the application on their behalf. This consent forms part of the information required for an application to be deemed 'properly made'. Within Scheme Year 4, we issued over 99% of ASHP property owner consent requests within 10 working days of receiving the initial application.

- 6.5 Following approval, we also processed and paid 97% of voucher redemption applications within 10 working days of submission across Scheme Year 4. This reflects the efficiency of our processing approach, supported by the quality and completeness of documentation submitted by BUS installers in line with scheme guidance.
- 6.6 Throughout 2025 to 2026, we successfully delivered the Boiler Upgrade Scheme against sustained high levels of demand, including particularly high application volumes in November 2025 and March 2026, while maintaining efficient processing and a consistently high standard of service.
- 6.7 Operational processes were subject to ongoing review and enhancement to ensure the scheme could be administered consistently and reliably at scale. This approach helped maintain consistent and efficient scheme administration as the scheme matured, while preserving service resilience during periods of fluctuating demand.
- 6.8 Our processes remained closely aligned with system capability, supporting efficient administration and a consistent experience for both scheme participants and internal users. Enhancements to Installer account management introduced at the start of the year further streamlined account administration, reducing administrative burden and supporting more timely processing.
- 6.9 In parallel with managing sustained scheme demand, we undertook significant operational planning and implementation readiness activity ahead of regulatory amendments laid in March 2026, ensuring the scheme was well prepared for the introduction of new requirements.

Digital delivery

- 6.10 Technology-enabled delivery remains central to our administration of the BUS. During 2025 to 2026, we continued to operate a reliable and highly effective digital service, maintaining 100% service availability. The service has supported the administration of the scheme through a growing base of 1,789 installers.

Digital self-service remained high, with 99.6% of transactions completed digitally and only 0.4% requiring manual intervention, helping to reduce operational effort and improve efficiency.

- 6.11 The BUS digital service has also continued to evolve to support scheme delivery under sustained demand, alongside preparing for upcoming regulatory changes. Significant changes were introduced to reflect policy developments, including enhancements to user journeys and application processes. These included updates to heating system eligibility questions, the introduction of an upfront grant deduction model within installer workflows, the development of a non-EPC application route, and changes to the cancel and reapply process. These improvements were delivered within challenging timelines, ensuring that the service remained aligned with policy requirements as they developed.
- 6.12 Alongside these changes, further automation of the voucher redemption and application journeys, as well as a wide range of smaller service improvements, were implemented to enhance efficiency and the user experience, achieving automation rates of 56% by year end. This improved processing times and enabled installers to receive decisions sooner, helping us meet our service targets during periods of increased demand. Additional improvements included enhanced compliance and audit controls, as well as expanded use of automated communications, helping to streamline administration and improve consistency.
- 6.13 User engagement remained a key focus throughout the year. Extensive testing with installers helped ensure that changes to the service were designed to reduce friction, improve usability, and support compliance with scheme requirements. This collaborative approach has supported a more accessible and effective service for both installers and property owners.
- 6.14 Looking ahead, further enhancements are planned to support the next phase of scheme delivery. These include additional automation and service improvements aligned to changes in scheme ambition and timelines, alongside

continued engagement with users to ensure the digital service evolves in line with their needs while supporting efficient administration.

Stakeholder engagement

- 6.15 Our stakeholder engagement activities have been vital to the effective and robust operation of the BUS and have continued to grow alongside the expansion of the scheme, supporting its effective administration.
- 6.16 We have focused on ensuring that scheme applicants, potential applicants, and installer representatives are well informed about scheme rules, our administrative approach, published guidance, and updates to digital services and processes. Our communications have provided timely clarity on regulatory and legislative requirements, as well as operational changes, helping to support compliance, improve understanding of installer obligations, and ensure continuity for stakeholders.
- 6.17 As the scheme administrator, we engage closely with installers and their representative organisations through a range of channels, including forums, roundtables, conferences, and other events, enabling regular and detailed dialogue. This allows us to maintain a strong understanding of the broader operational context, informed by a diverse range of stakeholder perspectives, and to continuously improve the user experience.
- 6.18 We work closely with DESNZ to support effective scheme delivery and ensure consistency of messaging. While responsibility for public promotion of the scheme sits with DESNZ, we recognise the public need for information and provide targeted content on our website, supported by a dedicated customer services team managing enquiries via email and phone. Throughout the year, we also engaged with MCS, certification bodies, installers and consumer organisations to gather feedback, support the implementation of scheme changes and identify opportunities for operational improvement. This collaborative approach has helped improve the overall user experience and ensure the scheme continues to operate effectively.

Enquiries

6.19 Our customer service team provides guidance to installers, property owners and other stakeholders throughout the application process. A summary of BUS enquiry performance over Scheme Year 4 can be found in **Figure 6.1**.

Figure 6.1: BUS enquiry performance - Scheme Year 4

	KPI target	Received	Actual performance	Status
Telephone enquiries	No more than 15% of calls abandoned	13,775	1.18%	KPI met
Email enquiries	90% of emails responded to in 10 working days or less	4,792	99.25%	KPI met

6.20 Enquiry volumes broadly reflect application demand - volumes were equivalent to approximately 40% of BUS grant application volumes during the year. The highest contact volumes were received in November 2025 and March 2026, which also saw the highest numbers of applications submitted.

6.21 During these peak periods, enquiry volumes increased by around 15% compared to the monthly average. Despite this increased demand, monthly call abandonment rates remained below 3% throughout the year and with an average call waiting time of just 34 seconds, performance consistently exceeded service targets.

6.22 Telephone remains the preferred contact channel, accounting for 74% of all enquiries, compared with 26% received by email. In relation to customer groups, 46% of enquiries were from property owners, 42% from installers and 12% from other stakeholders.

6.23 The most common reasons for contact relate to scheme eligibility and access to support. Many enquiries come from individuals seeking clarification on whether they qualify for the scheme, including those who mistakenly believe

the scheme will fund a replacement gas boiler. Other common enquiry types include requests for application updates, clarification of evidence requirements, and responses to information requests issued by Ofgem during application assessment.

- 6.24 Feedback from enquiries continued to inform guidance updates, digital improvements and operational processes.

Document publications

- 6.25 As administrator of the BUS, we publish guidance for both installers²⁶ and property owners²⁷ in addition to the information we publish on our website²⁸.
- 6.26 These guidance documents are regularly updated to reflect scheme developments and improved using feedback we receive from stakeholders. At the time of writing, the most recent update was published on 2nd July 2026; which was made in relation to the scheme changes for eligible off-gas grid properties, referenced in the Looking Ahead chapter. A full summary of changes document, which details all the changes made in the new edition of the guidance, is published alongside the installer guidance on our website.
- 6.27 If you have any suggestions for additions or clarifications to future versions of the guidance, please get in touch with us directly at:
future.heatpolicy@ofgem.gov.uk.

²⁶ [BUS guidance for installers](https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers): <<https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-installers>>

²⁷ [BUS guidance for property owners](https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-property-owners): <<https://www.ofgem.gov.uk/publications/boiler-upgrade-scheme-guidance-property-owners>>

²⁸ [BUS information on the Ofgem website](https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus>>

7. Looking ahead

This chapter provides information on changes due to take place on the scheme, alongside other information affecting the broader policy landscape.

- 7.1 Under the government's Warm Homes Plan, the Boiler Upgrade Scheme (BUS) has been extended to 2030, with funding set to increase each year from £400 million in 2026 to 2027 to £709 million in 2029 to 2030, totalling £2.7 billion over the period. This government policy and funding decision marks a significant step towards upgrading more homes and supporting the deployment of low-carbon heating technologies.
- 7.2 In April 2026, the government announced a targeted increase to the BUS grant for off gas grid properties heated by oil or Liquefied Petroleum Gas (LPG), where a heat pump²⁹ is installed. This £1,500 uplift increases the total grant available for these properties to £9,000. The uplift is intended to support households and small businesses in England and Wales most impacted by rising energy prices due to the ongoing conflict in the Middle East, to switch to low-carbon heating.
- 7.3 Ofgem's role is to administer the scheme and implement government policy changes in accordance with the regulations. This includes updating systems, processes and guidance, supporting participants through scheme changes and ensuring the scheme continues to operate efficiently as it grows. On 23 June, Ofgem co-hosted a forum with DESNZ to explain the grant uplift and answer questions from installers. Updated guidance for installers and property owners reflecting the scheme changes was published on 2 July,³⁰ ahead of applications opening on 21 July 2026.

²⁹ The £9,000 grant applies to air-to-water and ground-source heat pumps only. Biomass boilers and air-to-air heat pumps will not be eligible for the increased grant.

³⁰ [BUS Guidance for Installers](https://www.ofgem.gov.uk/guidance/boiler-upgrade-scheme-guidance-installers): <<https://www.ofgem.gov.uk/guidance/boiler-upgrade-scheme-guidance-installers>>

[BUS Guidance for Property Owners](https://www.ofgem.gov.uk/guidance/boiler-upgrade-scheme-guidance-property-owners): <<https://www.ofgem.gov.uk/guidance/boiler-upgrade-scheme-guidance-property-owners>>

- 7.4 Following the DESNZ BUS consultation in 2025, the government has also set out its intention to introduce BUS grants for heat batteries. The government has indicated that applications for heat batteries are expected to open during 2026 to 2027, subject to the development of appropriate product, design and installation standards. Ofgem will continue to work closely with DESNZ to understand the administrative considerations associated with introducing heat batteries to the scheme.
- 7.5 Looking ahead, Ofgem's focus will be on supporting the continued expansion of the scheme while maintaining high standards of administration, assurance and customer service. As application volumes increase and new policy changes are introduced, we will continue to develop our systems and processes to support efficient delivery at greater scale (see paragraphs 6.10 to 6.14). Guided by our PACT principles (Predictable, Agile, Collaborative and Technology-enabled), we will work collaboratively with government and industry to provide a predictable and accessible service for installers and property owners, while protecting consumers and public funds and maintaining confidence in scheme delivery.

Appendix 1 – Associated links

- Applications for the BUS are made online on the gov.uk website:

[Apply for the BUS:](#)

<<https://www.gov.uk/apply-boiler-upgrade-scheme>>

- Guidance documents on the BUS for installers can be viewed on the Ofgem website:

[Ofgem's BUS guidance for installers:](#)

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

- Guidance documents on the BUS for property owners can be viewed on the Ofgem website:

[Ofgem's BUS guidance for property owners:](#)

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

- More information on the BUS can be found on the Ofgem website:

[Information about the BUS scheme:](#)

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

- The Boiler Upgrade Scheme (BUS) Regulations can be viewed on the legislation.gov.uk website:

[Boiler Upgrade Scheme \(England and Wales\) Regulations:](#)

<<https://www.legislation.gov.uk/primary+secondary?title=The%20Boiler%20Upgrade%20Scheme>>

- The Department for Energy Security and Net Zero “Warm Homes Plan” including extension of BUS funding until 2030:

[Warm Homes Plan](#)

<<https://www.gov.uk/government/publications/warm-homes-plan>>

- The Department for Energy Security and Net Zero consultation outcome “Boiler Upgrade Scheme and certification requirements for clean heat schemes:

[Boiler Upgrade Scheme and certification requirements for clean heat schemes](https://www.gov.uk/government/consultations/boiler-upgrade-scheme-and-certification-requirements-for-clean-heat-schemes)

<<https://www.gov.uk/government/consultations/boiler-upgrade-scheme-and-certification-requirements-for-clean-heat-schemes>>

Appendix 2 – Scheme glossary³¹

A

Air source heat pump (ASHP) – A low carbon heating technology that transfers heat from the ambient air outside a property to a liquid heating system. This provides hot water via a water cylinder and heating via radiators.

B

Biomass boiler – A boiler designed to burn solid biomass (other than fossil fuel or peat) to deliver heat via a liquid heating system.

Boiler Upgrade Scheme (BUS) voucher – A BUS voucher is issued after a voucher application is properly made, has been assessed and we are satisfied that all the relevant eligibility requirements have been met. Vouchers can be redeemed within the validity period for the relevant grant amount once an installation is commissioned, and all evidence required for redemption is provided to us.

C

Custom-build – Custom build refers to properties created by a builder who is contracted by an individual. This type of building is considered to be a “self-build”. For further information, please refer to “self-build” below.

D

The Department for Energy Security & Net Zero (DESNZ) – Formerly known as the Department for Business, Energy and Industrial Strategy (BEIS), DESNZ are responsible for BUS policy in Great Britain, the scheme regulations, scheme budget and any promotion of the scheme.

³¹ Many of the terms included in this glossary are defined in the Regulations and those definitions should be consulted for their legal meaning for the purposes of the Regulations.

G

Ground source heat pump (GSHP) - A low carbon heating technology that absorbs heat from the ground around a property using a ground loop, to provide hot water via a water cylinder and heating via radiators.

M

Microgeneration Certification Scheme (MCS) – The MCS is a certification scheme for microgeneration installation companies, products and installations. It defines and maintains consistent standards, providing confidence to consumers who wish to invest in small-scale technologies that produce electricity or heat from low carbon sources.

S

Self-build – Eligible self-builds are new build properties which were built using either the resources or labour of an individual. This includes buildings where an individual contracts a builder to create a ‘custom-built’ property or where a private individual builds it as a DIY ‘self-build’ project. Both types of property are treated as self-builds. Eligible self-builds cannot have been owned wholly or partly by a person who is not an individual and must not be part of an “excluded property development”. The date the building was first occupied or used must be on or after the first commissioning date of the heat pump and the building cannot have an installed heating system before the date on which the heat pump is first commissioned.

Shared ground loop GSHP – A GSHP system where the ground loop is shared by two or more properties.