

Continuing the Warm Home Discount Scheme

Citizens Advice Scotland Response

November 2025

Key Points

- › High energy costs are trapping thousands of people in fuel poverty and entrenching energy debt in communities across Scotland. While CAS supports the continuation of the Warm Home Discount (WHD) scheme for the next scheme period, the support it provides is drastically insufficient to meaningfully address the scale of the problem in Scotland
- › Replacing the Broader Group with an expanded Core Group for the next scheme period in Scotland would remove the uncertainty created by variations in suppliers' eligibility criteria and application windows and remove the onus on individuals to seek the support
- › Funding for Industry Initiatives in Scotland should not be negatively impacted by any changes to the delivery of the WHD scheme. Citizens Advice Scotland has a unique insight into lived experiences of fuel poverty and its associated harms on a local level; this insight should be included in the design of future Industry Initiatives

Proposals for continuing the Warm Home Discount Scheme

Q1: Do you agree with our proposal to continue the Warm Home Discount scheme supporting households at risk of fuel poverty for the next scheme period from 2026/27? Please provide any reasoning/comments/evidence to support your view.

Yes. Evidence from across the Citizens Advice network in Scotland shows demand for support with energy costs is high, peaking over the winter months. In Q3 of 2024-25, the most common types of energy-related support delivered by the network of Citizens Advice Bureaux (CABs) were applications for fuel vouchers and energy trust funds (3,685 clients) and advice on the Warm Home Discount (3,203 clients). Nevertheless, demand for energy bill support remains high over the spring and summer, with 2,600 people in need of fuel voucher referrals in Q1 of this year and 1,419 people bringing concerns about affordability and energy debt to their local CAB. The average energy debt seen by CABs across 2024-25 was £2,500 and even higher in rural areas at £3,180. High energy costs are trapping people in fuel poverty and entrenching debt.

In the context of years of extortionately high costs, financial support for energy is desperately needed. Energy remains totally unaffordable for thousands of people across Scotland and financial support for energy bills is one way of addressing this. However, the value of the Warm Home Discount means that the assistance it provides is drastically insufficient. OHMS Renewables analysis of UK government figures shows that, in southern Scotland average domestic electricity bill increased from £436 in 2008 to £1115 in 2023. Their figures show an even steeper increase in northern Scotland, from £423 in 2008 to £1140 in 2023. In real terms, the £150 rebate does little to pay such high bills or alleviate fuel poverty for most.

Tackling fuel poverty requires robust, long-term solutions. We have long called for the introduction of a social tariff for those on the lowest incomes and with unavoidably high energy usage, such as disabled people and those with long-term health conditions. A debt relief scheme that is comprehensive and compassionate, focussed on debt write offs rather than repayment plans, is also desperately needed. Ultimately, a piecemeal approach to fuel poverty and energy debt is not an appropriate solution for the scale of the issue; bolder action must be taken to make energy more affordable and to ensure everyone can afford safe, warm homes.

Proposals for England and Wales from 2026/27

Q2: Do you agree with our proposal to rename the current 'Core Group 1' and 'Core Group 2' in England and Wales, bringing the existing groups together under one 'Core Group'? Do you have any views on whether this approach could bring any potential advantages or disadvantages, including practical considerations in delivering the scheme?

No answer.

Q3: Under these proposals the eligibility criteria established for 2025/26 would be continued for the next scheme period in England and Wales. Do you have any concerns about the impact of this proposal on households, in particular on those with protected characteristics? What concerns do you have? Do you have any suggestions for mitigating your concerns, including through use of Industry Initiatives? Please provide any evidence you may have to support your answer.

No answer.

Proposals for Scotland from 2026/27

Q4: Which of the three options listed above is your preferred option for the next scheme period in Scotland?

Option 3. Replacing the Broader Group with an expanded Core Group would remove the uncertainty created by variations in suppliers' eligibility criteria and application windows and remove the onus on individuals to seek the support themselves. Many people need help from their local CAB with applying for the rebate – between Q1 and Q2 2025-26, there was an increase of 111% in the number of clients seeking advice on the WHD. In addition to confusion about eligibility, digital exclusion is a key factor where online application is a supplier's preferred method.

***June's experience:** June was eligible for the Warm Home Discount as part of the Broader Group but her supplier only accepted online applications. As she did not have internet access or a smartphone, she was unable to apply herself and came to her local CAB as she was worried about missing out on the financial support to which she was entitled.*

Making the WHD more accessible through automatic data matching would reduce the risk of people missing out on support due to missing their supplier's application window, which can be hard to keep track of due to lack of consistency both year to year and between different suppliers.

Jaafar's experience: *Jaafar visited his local CAB as he needed assistance with energy debt. As part of the package of support, the adviser attempted to apply for the Warm Home Discount. Despite meeting the eligibility criteria for the Broader Group, Jaafar was unable to access the rebate to which he was entitled as his supplier's application window had already closed. An already stressful situation for Jaafar was worsened by missing out on assistance which could have helped alleviate his issues.*

The obligation on people in the Broader Group to apply to their energy supplier also means they are dependent on customer service staff being abreast of eligibility criteria and application processes. Where energy supplier staff have incorrect information, this leads to people missing out on the rebate.

Catriona's experience: *Catriona came to her local CAB as her supplier had informed her that she was not eligible for the Warm Home Discount, despite having successfully applied as part of the Broader Group for the previous few years. She had been told by her supplier that only those in receipt of Pension Credit were eligible, which was incorrect. After being referred to the WHD helpline, she was informed that she should have been eligible but as the scheme had closed for that year, there was nothing that could be done. As a result, Catriona was distressed, having missed out on financial support she should have received.*

We would agree that receipt of one of the qualifying benefits should be enough to demonstrate eligibility without the need for additional vulnerability criteria. Removing the requirement to fulfil additional vulnerability criteria would mean that receipt of the WHD rebate would not be dependent on the accuracy of suppliers' records of household circumstances. While energy suppliers are required to proactively maintain up-to-date and accurate details for the people they supply, this does not always happen in practice. This in turn would mean the onus was not placed on individuals to liaise with their supplier to ensure details on their household circumstances were correct. Making the scheme more accessible would mean that more people could receive the rebate without having to rely on external support to apply.

However, the data on the effects of these proposed changes is lacking. It is estimated that 96% of recipients would receive the rebate without having to take any action, based on data matching rates for the Core Group 2 in England and Wales in 2024/2025. However, there are no projected figures or estimates of people who would potentially no longer be eligible for the rebate if the Broader Group were to be removed. Similarly, there are no estimates or projections of people receiving the rebate through data matching in the context of Option 2 compared with Option 3. **Without this modelling, we are expressing a preference for the option which ostensibly places the least onus on individuals.**

We would also like to highlight that while DESNZ offered a webinar focussed on proposed changes for England and Wales, there was no such equivalent offered for Scotland. Given that a significant part of proposed changes to the scheme is specifically relevant to delivery in Scotland, this is deeply disappointing. Organisations that serve people in Scotland should have been given the opportunity to seek clarification on elements of the consultation and contribute views on proposals. We strongly recommend that, going forward, the same opportunities are provided in all three nations.

Q5: Do you have any views on the advantages, disadvantages or concerns of any of the options presented?

In the introduction of the consultation document, it is stated that the WHD scheme has been a key policy in tackling fuel poverty and reducing the energy costs of low income and vulnerable households. While the focus of the rebate element of the scheme is targeting those on low incomes by using means-tested benefits as eligibility criteria, it fails to consider that low income is not the only indicator of vulnerability and the need for support with energy costs.

In Scotland, a household is determined as fuel poor where more than 10% of net income is required to pay for their reasonable fuel needs after housing costs have been deducted, and the remaining household income is not enough to maintain an acceptable standard of living. This means that that fuel poverty isn't exclusively experienced by people on low incomes or in receipt of means-tested benefits. For instance, Adult Disability Payment (ADP) is not linked to income, yet in Q1 2025-26, support with energy was the most common type of cross-advice for ADP claimants after other social security advice and council tax. Our most recent data from Q2 of this year shows that 72% of people who needed energy advice, and 70% of the people who needed support specifically with energy debt, were living with a long-term health condition or disability

***Mary's experience:** Mary came to her local CAB as her energy bills were unavoidably high. She has cancer and due to her treatment, she is a lot more sensitive to the cold than before and needs to keep the heating on for longer periods. Mary had accrued £4,500 of energy debt and despite paying £200 a month towards ongoing usage and debt repayment, she was unable to keep up with the costs, and her debt kept spiralling, having a profound impact on her health.*

From maintaining equipment and transport for medical appointments, to additional energy, hygiene and specific dietary requirements, living with ill health and disability in Scotland today comes at a significant cost. These costs present a structural barrier to disabled people attaining a quality of life equal to that of nondisabled people, helping to keep people trapped in a cycle of falling income and deteriorating health. Energy is one of the most significant of these costs; being unable to meet energy needs can have a deep and profound impact on the capacity of people to manage and improve their health. Where measures are designed to tackle fuel poverty, consideration must be given to fuel poverty drivers beyond just low income.

A social tariff that factors in the energy costs of those with unavoidably high usage due to illness or disability would be a more impactful measure to reduce harm in the long term.

Q6: Do you have any views about the use of a centralised Warm Home Discount helpline for auto matched Scottish consumers in options 2 and 3? Currently only the Core Group receives helpline support.

We would support a centralised WHD helpline for auto matched people in Scotland. If criteria for receiving the rebate is removed from the responsibility of suppliers in Scotland, and brought into line with rest of Great Britain, it makes sense that people in Scotland should have support equal to and consistent with that provided for people in England and Wales. However, it is essential that this change for people in Scotland is properly advertised and promoted, and alternative methods of communication for people unable to access a telephone helpline is provided. Notifications sent to those unmatched in the new Core Group should also include clear signposting to advice services for support.

Q7: Do you foresee any practical challenges or have any delivery concerns with replacing the Broader Group and its application process in options 2 and 3 with a data matched broader Core Group?

As above, it's essential that changes to the scheme delivery and application process are properly advertised and communicated in a clear and accessible manner ahead of winter 2026/2027. An awareness campaign aimed at people in Scotland to explain the changes and what it may mean for them would need to be implemented, with clear signposting to advice services and support. Advice services must also be supported with secure and sustainable funding to assist people in navigating new mechanisms of the scheme. While the expansion of data matching to deliver the rebate in Scotland should reduce the onus on individuals and therefore demand for support with accessing the Warm Home Discount, people who have lost eligibility or are unsure of how the changes affect them will still need tailored advice.

Q8: Do you have a preferred option for the next scheme period in Scotland that is not presented above? If so, please provide details.

No answer.

Q9: Do you have any concerns about the impact of these proposals, including the three options as presented, on households, in particular on those with protected characteristics in Scotland? What concerns do you have? Do you have any suggestions for mitigating your concerns, including through use of Industry Initiatives? Please provide any evidence you may have to support your answer.

In addition to previously stated concerns regarding illness and disability, the myopic focus on low income as an indicator of fuel poverty alone fails to consider other drivers of fuel poverty, which particularly affect people in Scotland. For people living off the gas grid in northern Scotland who are reliant on electric heating, high electricity prices mean that keeping homes warm is more costly, an issue that is compounded by the significantly colder weather. In 2024/2025, average energy debt presented at CABs in rural areas was £3,180 compared with £2,500 across Scotland; any measure designed to alleviate fuel poverty should be implemented with consideration of specific circumstantial factors such as these, rather than using a 'one size fits all' approach. Again, the long-term solution lies in robust, lasting measures to ensure energy is affordable for everyone, such as a social tariff and a comprehensive debt relief scheme, rather than inadequate, piecemeal support.

Q10: Do you think there are advantages or disadvantages in setting out eligibility separately in Scotland?

We would be supportive of introducing an eligibility statement so that criteria can be adjusted more flexibly according to need. However, this should be paired with a commitment from DESNZ that the eligibility statement would be assessed regularly, on a 12-18 month basis, to avoid the change in mechanism being tokenistic rather than reactive to actual circumstance. It is also essential that DESNZ meaningfully engage with the Scottish Government and with frontline advice services to ensure the specific needs of people in Scotland are considered when developing the eligibility statement.

Review of Industry Initiatives across England, Wales, and Scotland

Q11: Do you agree that Industry Initiatives should be continued into the next scheme period?

Yes. Industry Initiatives support people across our CAB network to achieve considerable positive outcomes. In 2024/2025, of the 9,655 people assisted by CABs, and funded through Industry Initiatives, 91% said that the support received had improved their peace of mind, 93% said they felt more able to manage their bills, and 93% said they would now find it easier to support themselves with future issues. The support also provided resulted in significant financial gain for people, including:

- > £518,871 in refunds, payments or savings from energy suppliers
- > £42, 905 in successful applications to Home Energy Scotland
- > £115, 881 in debt write offs

Industry Initiatives funding allows CABs across our network to provide a wide range of support to clients in or at risk of fuel poverty and is a key measure in reducing harm. These are two examples where people have been supported through projects funded by Industry Initiatives.

James' experience: *James spoke to his local CAB as he was struggling with high energy costs. Living alone on a low income, he had stopped using his gas as he couldn't afford both gas and electricity. James was spending about £40 on top ups for his electricity pre-payment meter, a proportion of which was deducted each time towards existing debts. The CAB adviser referred him for a fuel voucher and for support through the local food bank. They also provided information on extra support for energy costs, encouraged him to sign up to the Priority Services Register and explained how to monitor for his supplier's Warm Home Discount application window. The bureau's intervention provided critical, immediate relief to meet his urgent needs as well as longer-term support, with further appointments arranged to help with managing his debts.*

Monika's experience: *Monika is in her 90s and came to her local CAB after receiving a bill for £1,900 from her energy supplier. Due to her age and declining health, she felt unable to resolve the situation on her own and the situation had caused considerable distress. The CAB adviser contacted Monika's supplier and it was found that her meter had not been sending accurate readings for several years. After back billing was applied, the outstanding amount was reduced to £183.50. The support from the CAB resulted not only in a positive financial outcome but restored a sense of security and wellbeing for someone in a vulnerable situation.*

Additionally, people who do not have a direct relationship with their energy supplier, such as Park Homes residents, are unable to receive the £150 rebate through data matching or application, a situation which would be unaffected by Option 2 or Option 3 proposals. For these people, support

through the Industry Initiatives is, and would continue to be under current proposals, the only way of receiving support through the Warm Homes Discount scheme.

Q12: Do you agree that Industry Initiatives should continue to be designed by individual energy suppliers and third-party partners? What are the benefits and drawbacks of this approach?

It is essential that third-party partners such as Citizens Advice Scotland are involved in the design of Industry Initiatives, given the depth and scale of our expert insight into experiences of fuel poverty on a frontline, local level. Including the voices of those with lived experience of the issues that the scheme is designed to address is important; Citizens Advice Scotland could facilitate this if provided with the resources to do so, given our presence and network of local partnerships in 200 communities across Scotland. However, given the nature of the current framework for design of Industry Initiatives, further data gathering is required to fully understand the way in which suppliers design and execute their schemes, and their impact on alleviating fuel poverty.

Q13: Do you have any proposals to improve the design and/or delivery of Industry Initiatives in the future? Do you have any proposals for additional activities that would be of benefit to include as permissible Industry Initiatives in the future?

No answer.

Q14: Do you have any views on eligibility for Industry Initiatives, or the extent to which energy suppliers should have discretion and flexibility to who they are awarded to within fuel poverty risk groups?

No answer

Specified activities

Q15: Do you have any views on whether specified activities should be included in the new regulations for the next scheme period from 2026/27? Are there any advantages or drawbacks to their inclusion in your view?

No answer

Scheme information and communicating with eligible customers

Q16: Do you agree with the proposals to expand the role of suppliers in the communications around Warm Home Discount? Does this approach raise any advantages, or concerns in your view?

We would not be in support of these proposals. A key benefit of removing the Broader Group in Scotland as per proposals in Options 2 and 3 is that it would remove the uncertainty that comes with relying on different suppliers to deliver the rebate element of the scheme. Introducing a mechanism in which receipt of the rebate would be dependent on the efficiency of individual

suppliers' consumer engagement practices would serve only to reintroduce that uncertainty. The responsibility for communication around the Warm Home Discount should sit with the UK Government. People are facing serious detriment due to high energy costs; their access to support cannot be subject to suppliers' failures of communication or inconsistencies in approach.

Q17: Do you have any views on appropriate governance arrangements or oversight to monitor the effectiveness of this approach?

No answer.

Changes to the levy – removal of spending target

Q18: Do you have any views on the proposed change to how the Warm Home Discount cost is estimated for reflecting in retail gas and electricity prices, moving from an annual spending target set out in regulations to the introduction of estimates of total spend for that coming winter? Do you have any views on how this may work on a practical level for suppliers? If your response is specifically relevant to England and Wales, or Scotland only please make this clear in your reply.

As non-core obligation would no longer need to be adjusted to consider variations in core spend, moving from an annual spending target to the introduction of estimates of total spend would be reasonable. If data matching were to replace the Broader Group in Scotland, and therefore core spend could be determined by the number of households in receipt of eligible benefits, it would make sense that the value of non-core obligations were set out for each scheme year and would ostensibly provide more certainty for suppliers in the delivery of Industry Initiatives. Greater certainty for suppliers would aid determination of the obligation for Scottish Industry Initiatives, which in turn would support positive outcomes for people across Scotland – please see response to Q11.

Q19: Do you have any views on how to determine spending for Industry Initiatives in Scotland if data matching is adopted in place of the Broader Group?

If data matching is adopted in Scotland to replace the Broader Group, it is essential that there is no significant reduction to average yearly levels of spending for Industry Initiatives, given the evidence of the outcomes for people obtained through this funding outlined in our response to Question 11.

Q20: Do you agree, in the absence of data matching, Scottish spending should continue to be determined as a proportion of expected spending in England and Wales?

No. For the previous scheme period, Scottish spending has been determined as a proportion of overall expected spending, based on the number of electricity meter points in Scotland. While the definition of fuel poverty varies across the UK nations, meaning that determining spending in accordance with fuel poverty rates is not straightforward, the colder weather and higher number of people off the gas grid in Scotland are factors that mean it is more costly to maintain safe and warm homes. In the absence of data matching in Scotland, there needs to be further consideration of the

efficacy of using the number of electricity meters as the only measure for determining spending in Scotland, as it is not an accurate reflection of need for support.

Q21: Do you agree that Industry Initiatives should be funded to a similar level as currently? Do you have any views on whether their value should be adjusted for inflation during the scheme period?

As per our answer to Question 19, we agree that Industry Initiatives should be funded to a similar level as currently. We also agree that their value should be adjusted for inflation so that the actual value of the support is maintained.

Q22: Do suppliers have any views on whether the reconciliation process works as currently organised? Do you consider whether any changes could improve the process?

No answer.

Q23: Do you have any other comments, views or evidence on the proposals for the changes to the levy?

No answer.

Q25: During the scheme period between 2026/27 and 2030/31, do you have any suggestions on what further improvements or additions to the scheme we could be exploring?

Please see responses to Questions 1, 5 & 9.

Q26: Are there in your view households with particular characteristics that are or will be particularly impacted by changes to the energy sector and how costs feature in bills?

Please see responses to Questions 5 & 9.

About Citizens Advice Scotland

The Citizens Advice network in Scotland is Scotland's largest independent advice provider. Advisers across all corners of the country work in Citizens Advice Bureaux (CAB) to provide free, impartial and confidential advice. Our Extra Help Unit (EHU), based in Glasgow, helps people resolve complex and time-sensitive energy problems. Each year our network supports hundreds of thousands of people, unlocking millions of pounds worth of financial gains. By looking at a person's complete circumstances, CAS gains an unparalleled insight into the scale and complexity of what's happening in communities throughout Scotland.

For further information, please contact Molly Shevlin, Senior Policy Officer (Energy)

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