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trading standards law explained

Part 3. Incentive schemes

In this section

On the horizon

Schemes to encourage homeowners – and, in some cases, tenants – to make their homes more energy-efficient have been created with the intention of reducing carbon emissions and cutting energy bills in the long term. They vary across the UK – with certain schemes only being accessible to people in certain parts of the country – and offer either grants or loans to pay towards purchasing and installing energy-efficient technologies.

The sums of money available, what that money can be used for, and the eligibility criteria, vary from scheme to scheme and are applied on a case-by-case basis. For traders, familiarising yourself with each scheme will help you gain a better picture of where opportunities lie and enable you to help your customers find the option that works best for them.

In order to gain access to funds, the majority of these schemes stipulate that consumers must use a trader that belongs to an MCS-approved Certification Body and a Consumer Code to carry out the work. This is, in part, due to the somewhat troubled history of such schemes, which in the past have proved vulnerable to exploitation by rogue traders seeking to cash in on the funding available. Most of the schemes require the homeowner to have their property assessed by, and submit at least one quote from, a certified trader.

As the home renewables sector comes of age, more stringent measures have been introduced to ensure that money is only spent with legitimate traders who treat customers fairly and conduct work to the high standards required.

At present, the only UK-wide incentive scheme is the Energy Company Obligation (ECO), a Government-backed project designed to help reduce carbon emissions and tackle fuel poverty. It is available to low-income households and requires suppliers to promote actions that result in heating savings, such as replacing broken heating systems or upgrading inefficient systems.

For Great Britain (i.e. England, Scotland and Wales), The Smart Export Guarantee (SEG) is for homeowners with renewable energy systems such as wind turbines or solar PV that export electricity back into the grid, enabling them to claim money for the energy they produce, as long as certain conditions are met.

In England, the Green Homes Grant Local Authority Delivery Scheme (LADS) is a £500m fund administered by local authorities, which can bid to access money to install energy-efficiency measures and renewable energy heating systems in low-income households.

Scotland currently has three incentive schemes in operation.

In Wales, the Nest scheme provides a range of grants to eligible homeowners, renters and private

landlords seeking to make their homes more energy efficient.

Northern Ireland's Government currently offers three incentive schemes.

On the horizon

The Boiler Upgrade Scheme will come into operation in Spring 2022. It will offer up to £5,000 grants to property owners to install air source heat pumps and biomass boilers. Up to £6,000 will be available for Ground Source Heat Pumps.

The government has a target for all new heating systems installed in UK homes by 2035 to be either using low-carbon technologies, such as electric heat pumps, or supporting new technologies like hydrogen-ready boilers.

The Government however made It clear that: "No-one will be forced to remove their existing fossil fuel boilers, with this transition of the next 14 years seeing the UK's households gradually move away from fossil fuel boilers in an affordable, practical and fair way, enabling homeowners to easily make these green choices when the time comes to replace their old boiler."

It is likely that new incentive schemes will be introduced in the coming years as we move towards 2050. Details of these schemes, and links to their websites, will be added as they emerge.

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