



Stepping up

Reforming protections in the retrofit market



September 2025

Executive summary

Poor outcomes are negatively impacting consumer confidence in retrofit and low carbon home energy technologies. To increase confidence, an overhaul of consumer protections is needed.

This paper presents our vision for how the government can reform the system of consumer protections and quality assurance, as called for by the National Audit Office.¹

We propose an end to end protections and quality assurance framework that cuts complexity and increases positive outcomes by embedding the key principles of:



Independent advice before, during, and after installation and throughout any redress process, building on existing statutory advice services



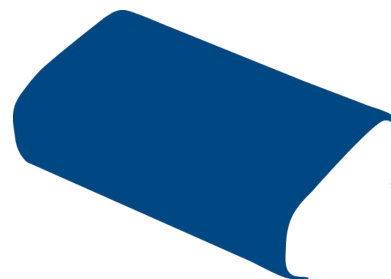
A **single quality scheme** for the low carbon home improvements market to provide high standards for consumers



Regulation to ensure that consumers can access a **simple redress scheme** if things go wrong, underpinned by robust **legal enforcement**

We understand that change of this scale is complex, and takes time, but this shouldn't limit the scale of ambition. We lay out an approach that would result in all retrofit works having greater levels of quality assurance and consumer protection by the end of this parliament.

We welcome the government's commitment to reform in this area and look forward to working together to ensure that announcements in the Warm Homes Plan take an evidence led approach. It's critical that government plans build on what's already working well, to simplify the retrofit customer journey rather than add additional layers of complexity and confusion.



Introduction

Homes should be places of comfort, but too many homes around the UK are anything but. Poorly performing buildings can cause significant harm to people's health and wellbeing, yet many are hesitant or lack the funds to invest in the low carbon improvements that would improve the quality and comfort of their homes and bring down running costs.

A lack of consumer protections and fears of things going wrong are putting many people off making much needed improvements to their homes. This is exacerbated by issues with poor quality work carried out through government schemes,² risking engagement from those who could most benefit from the works.

Citizens Advice has been at the forefront of the call for a strengthened consumer protections regime to help build consumer confidence in the home energy upgrade market. We welcome the government's commitment to overhaul the existing system.

To support our ongoing research in this area we commissioned Baringa to work with us, and key stakeholders from across the sector, to identify the key principles that an updated consumer protections framework should be built around.

Taking this work a step further we have developed a proposal to deliver a reformed protections landscape that has quality built in from start to finish, building confidence for both consumers and industry.

As the government begins to deliver the Warm Homes Plan it's critical that any new services take advantage of, and work alongside, existing infrastructure to deliver positive outcomes for consumers in a timely and cost-effective manner.



Low confidence is stalling uptake

To meet decarbonisation targets, as well as improve the health and wellbeing of residents, our homes need to change significantly, but many are hesitant to make big changes to their homes.

Retrofit measures aren't well understood,³ with many consumers sceptical about the benefits or worried about suitability. This hasn't been helped by reports of poorly installed measures,^{4,5} and delays and changes in policy direction by previous governments.^{6,7}

This lack of consumers awareness, coupled with confusing or negative messaging on retrofit measures,⁸ and Net Zero more widely,⁹ is likely to have had a negative impact on consumer attitudes towards low-carbon home upgrades.

Alongside this the high-friction customer journey and lack of robust routes to redress has left consumers having to try and pick up the pieces on their own if something goes wrong.

Given this level of instability, uncertainty, and risk, it's no wonder that consumers don't have the confidence to engage in the market and that the uptake of home retrofit measures is stalled.¹⁰

This lack of confidence is also shared by industry, with low demand from installers in training and skills development while there is only a limited business case to do so.¹¹

A robust protections regime that weaves quality throughout the customer journey can help not only to reassure consumers but also send signals to industry to invest in the skills and accreditation that the new system requires.

Concerns about reliability, effectiveness, and bad experiences of friends and neighbours are damaging consumers' willingness to consider new technologies:¹²

"It's completely alien to what we've all got at the moment and I think, until it's up and running, and tried and tested, you've really got no idea. I'm always of a believer that if something new comes out, let somebody else try it first."

- John, 65, Hertfordshire

"[I'm] a little bit fearful that if I power my whole home with that stuff [...] it doesn't take a lot to go wrong but it's weeks to fix it. So, reliability is really important to me."

- Rachel, 30-39, Leeds

"Friends of mine have got a heat pump and the one thing I would say is that it sent their electricity bill through the roof like big time, treble their electricity bill."

- Alun, 40-59, Cardiff

Building confidence

Growing confidence in unfamiliar and expensive technologies takes time, especially when left to market forces. And while demand is driven by more than consumer protections, a robust framework with quality embedded throughout will derisk the retrofit process, build confidence, and ultimately help more people invest in upgrading their homes.

Increasing the levels of confidence in the market is vital to investment, not only from consumers, but from industry. Ongoing roll-out of government schemes has led to rising uptake of training and accreditation,¹³ and clear signals that consumer protection reform will require a higher level of skill should increase this further.

Citizens Advice has repeatedly flagged the impact of the current lack of protections on consumers in the sector and has called for the introduction of a consumer protection framework which provides advice, quality, and redress.^{14, 15}

This more holistic approach would not only protect consumers when something goes wrong but embed quality throughout, ultimately reducing the number of problems people experience.

An end to end system can also support installers who can find the current system of overlapping standards and inefficient accreditation processes difficult to navigate.



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Advice

The home upgrade journey can be complex and many consumers are likely to need support navigating all the decisions they need to make both before and after the installation process. This could look like signposting to accredited installers, help choosing the right finance options, identifying the best tariff or operating unfamiliar technologies.

While pockets of good practice exist, the non-statutory advice landscape is highly fragmented, making it difficult for consumers to access the advice they need, when they need it, especially when it comes to complex issues like accessing redress.

High quality advice provision plays a critical role in the redress process by triaging complaints, giving consumers information on their rights and laying out their next steps. Advice provision outside of a statutory role may not be able to deliver quick, accurate, or comprehensive advice in relation to consumer protections or be able to make direct referrals to enforcement organisations.

A personalised, statutory advice service must therefore be a key part of any consumer protection framework. This service, accessible to consumers wherever they live, should also be able to signpost to regional advice tailored to local delivery contexts.

Building on statutory advice functions that already exist can provide a more seamless and cost-effective advice journey for all consumers, as well as providing escalated referrals to protections bodies and taking a more 'hands on' case management approach for vulnerable consumers.

Different sources of advice can be difficult to navigate for consumers:



Inconsistent advice pathways can lead to poor outcomes if consumers unknowingly take the wrong path



Lack of accessibility. Too many sources of information in different formats make advice confusing and hard to digest



Confusing quotes and financial information can be inconsistent and not verifiable.



Siloed advice from manufacturers or service providers can fail to recognise the wider context or respond to consumer priorities

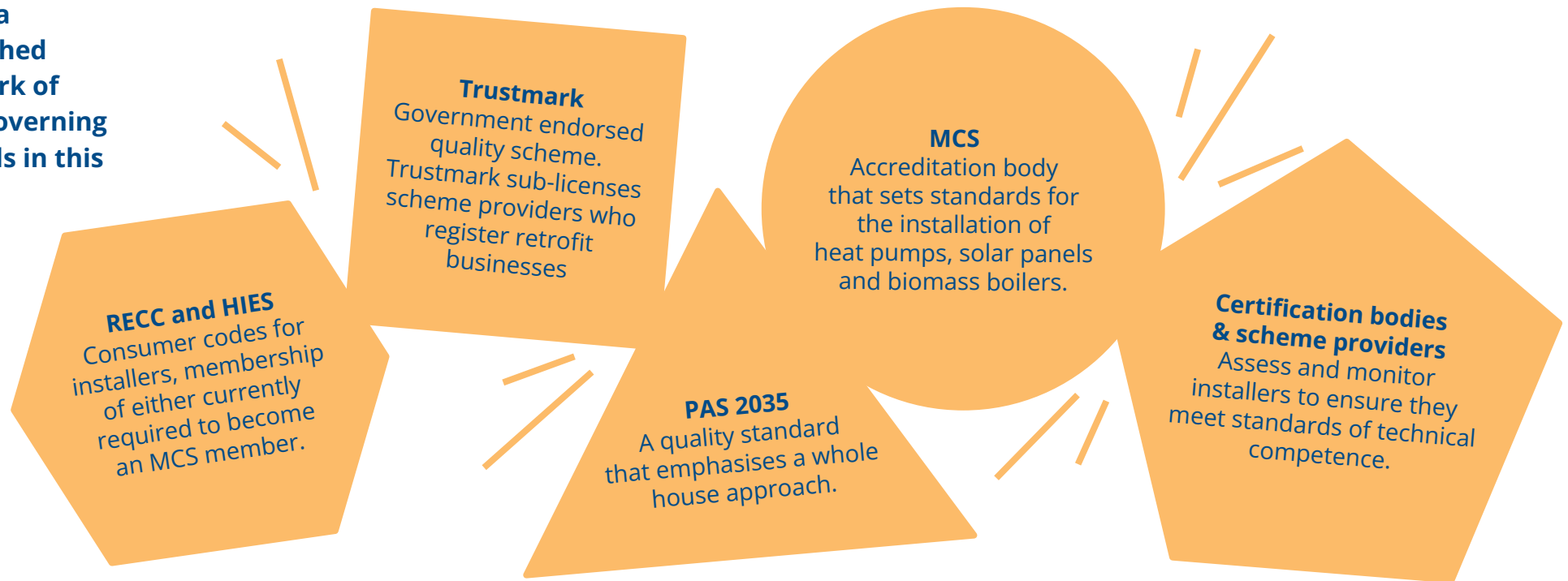


Single quality scheme

The number of players involved in governing quality and standards has led to a lack of consistency across the market. Added to this the fact that there is no requirement on installers to be accredited at all has left many consumers with no assurances that work has been done to an appropriate quality standard.

Our Consumer Service has seen a 25% increase in calls about low carbon home technologies since 2023.¹⁶ This indicates the need for a more effective system of quality and standards across the sector to ensure work is done to an appropriate standard and that consumers can be confident in their choice of tradesperson.

There is a mismatched patchwork of bodies governing standards in this market:



The existing patchwork system is overly complex and has failed to deliver quality outcomes for consumers.¹⁷ A mandatory, single quality standard that applies across all relevant measures would help both consumers and installers by:

- Making it easier for installers to train and become accredited to a single standard
- Increasing consumer confidence in choosing the right installer
- Prevent bad faith actors moving from scheme to scheme to avoid providing redress

Simple redress scheme supported by legal enforcement

Even with pre-installation advice and appropriate quality standards in place there will still be a minority of cases where things go wrong. At the moment the fragmented system can not only be difficult to navigate but also often leaves some consumers without access to redress entirely.

To increase consumer confidence in the system accessible and easy to follow processes must be in place so that even when things go wrong people can still feel positive about their overall experience.

A mandatory, single redress scheme would help prevent people falling through the cracks or hitting brick walls when they have a problem. A scheme of this kind would provide consistency across the sector as well as ensure consumer familiarity with the brand.

Even with effective dispute resolution and redress processes in place it's currently too easy for persistently poorly performing installers to cause significant consumer detriment. To prevent this the redress scheme must be supported by a body, such as a regulator, with the power to take robust enforcement action where necessary.

To be effective an enforcement body must have a range of powers, from removing installers' accredited status to referral for prosecution where appropriate. Central funding should be available to avoid enforcement decisions being hampered by resource constraints.

There is no clear pathway for redress because the landscape is too complex:

Ombudsman

The Energy Ombudsman has limited scope to provide Alternative Dispute Resolution (ADR). Consumers with credit related issues may be able to access ADR via the Financial Ombudsman.

Utilities ADR

Can provide ADR for non-regulated complaints but only accessible to consumers who have used an installer signed up to their scheme.

Consumer Codes

HIES and RECC provide their own ADR services. MCS reform will bring complaints handling in house from 2026, working with installers to resolve issues and escalating to certification bodies where necessary.

National Trading Standards




Responsible for enforcement and prosecution of breaches to consumer protections. Expensive court processes means consumers without access to ADR are discouraged from using this pathway.

The role of insurance

The role of insurance is currently being explored in this sector as a way to ensure consumers receive redress even when companies are unable or unwilling to fix problems with low carbon home technologies.

Insurance Backed Guarantees (IBGs) are the most common form of financial protection in the home improvement sector.¹⁸ While they are an accessible and well recognised form of cover there is currently a significant amount of diversity in the IBG market with our research indicating that many are not providing adequate cover.¹⁹ This means consumers can have a false sense of security about their level of protection but then struggle to make a successful claim in practice.

We have identified the following issues with IBGs:

-  Unrealistic timescales of as little as 30 days for consumers to report issues
-  A need to exhaust all other avenues before lodging a claim
-  Payouts covering either damage to the property or the cost to replace the installation, whichever is less

For an insurance-based approach to be suitable there must be clear guidance and governance from an appropriate body to ensure products provide an appropriate level of cover and that consumers can access that cover when it's needed.

We welcome the steps made by MCS to strengthen financial protections for consumers.²⁰ It's important that any changes are monitored effectively to ensure that they lead to improved outcomes for consumers.



The future framework

Pre-install



Advice

Advice is available through a centralised source to support people to navigate the retrofit journey from selecting competent local tradespeople, to identifying routes for finance and selecting the most appropriate tariffs.

Advice is personalised according to where people live, their budget, their home and family situation as well as the outcomes they want to achieve.

There is a seamless transition to existing, independent, statutory advice services who offer advanced case management services for vulnerable consumers or those struggling to access redress.

Install



Quality standards

A mandatory quality standard is required to ensure tradespeople are competent and to reduce the risk of measures causing harm to residents. The standard should be delivered with clear oversight from a regulatory body or government department to ensure standards are maintained and that action is taken to remove problematic tradespeople from the market.



Performance verification

Performance of measures is verified at installation and logged in a building logbook so changes to homes can be tracked over time. Where possible monitoring equipment is installed to act as an early warning system if something goes wrong to reduce the impact and cost of remediations for both installers and consumers.

Post-install



Routes to redress

Installers should be the first port of call for consumers when attempting to rectify issues. When this isn't possible, however, consumers should have access to a single ombudsman who is empowered to arbitrate cases and assign responsibility for remediation. Financial protections must be available to insulate consumers from the costs of remediation works where traders have gone out of business. This could look like a reformed system of Insurance Backed Guarantees (IBGs) or warranties with the Consumer Credit Act as a backstop for consumers who have no other routes to redress.

The future customer journey

1

A **consumer wants to make changes to their home** to improve energy efficiency, decarbonise heating, and lower bills

2

They **seek advice** on how best to achieve their desired outcome

3

They employ a competent person who **works to agreed standards**

6

If a **problem occurs** and the installer is unable to fix it consumers are able to get independent advice on next steps

5

Changes to the home are recorded in a **building logbook and an IBG is taken out** to cover the works

4

Performance of measures is tested at handover and monitoring devices are installed

7

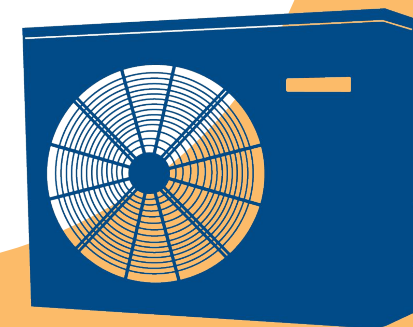
If problems can't be solved through existing frameworks consumers are referred to an **ombudsman to investigate and arbitrate**

8

The problem is **fixed by the installer** or the consumer achieves **financial redress via the IBG**

9

An **enforcement body tracks all issues** and takes robust action against tradespeople where necessary



Implementation

While we recognise that reform of this nature is complex, and will take time to fully implement, it's vital this does not limit the level of ambition, and that government acts at pace to reform the consumer protections landscape.

To achieve a fully reformed system of consumer protections by the end of this parliament government must act swiftly to set the direction of travel. By immediately addressing areas over which government and regulators already have significant control momentum can be built and consumer confidence can begin to be restored.

Stage 1 should be completed as soon as possible and extend protections in all government funded schemes in both the pre and post-installation phases. To increase the number of consumers who are protected in the short term government should consider tapering the eligibility of schemes to cover as many as possible. Building on the outcomes of MHCLG's consultation on buying and selling homes,²¹ routes to introduce building logbooks into the retrofit market should be identified.

Stage 2 should introduce a statutory advice service to support consumers both pre and post installation of low carbon home technologies. Government should also review the scope and capabilities of existing standards, regulations, and enforcement bodies to identify and implement necessary improvements.

Stage 3 would bring all protection functions under a sector-specific enforcement body who would administer a single quality standard and licensing scheme. This would apply to all installers, meaning that all work, whether carried out within government schemes or not, would meet the same standards and offer the same levels of protection. To ensure effective delivery, sponsorship by a single government department can provide oversight without adding additional bureaucracy.



Implementation timeline



Stage 1 - By the end of 2026

- Introduce rigorous **pre and post-installation protections** into government funded schemes.
- **Widen eligibility** for government schemes by tapering grants to ensure more consumers have access to consumer protection.
- Develop an implementation timetable for introducing **building logbooks** in the retrofit market.

Stage 2 - By the end of 2027

- **Build capacity and increase funding** for enforcement bodies.
- Where necessary, **reform existing regulations and standards** such as PAS and building regulations to ensure consistency.
- Introduce an **end to end advice service** to help consumers navigate the system

Stage 3 - By the end of 2029

- Enforce a single quality standard through a **compulsory licensing scheme** for all installers active in the market.
- Introduce a **market-wide redress scheme** with clear reporting routes to bodies able to take appropriate **enforcement action**.
- **Outcomes overseen** by a single government department to monitor delivery and consumer outcomes.



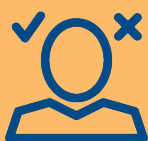
Next steps

We are pleased that the government has committed to tackling the issues in this market and will be inputting our views for reform. And we understand that change of this ambition will be complex, requiring input from voices across the industry.

With this in mind we are keen to use this paper as a jumping off point to engage industry and discuss how the functionality of our proposed framework can be introduced.

Over the next few months we'll be working with stakeholders to develop these ideas into concrete proposals for reform.

Features of a future framework:



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