



Owned and Operated

Building consumer confidence in third
party ownership models for home energy

**citizens
advice**

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Executive Summary

One of the main barriers to the large-scale retrofit of UK homes is the high upfront cost of energy efficiency measures and low carbon home upgrades. Third Party Ownership models (TPOs) are new and innovative products, for financing clean heating and domestic microgeneration, which could help to overcome the high upfront cost and support consumers beyond the installation of technology.

Done right TPOs could represent a way to utilise private finance to help more consumers to access these technologies and meet net zero goals. It is vital that their reputation at this early stage is not damaged by consumer detriment, especially if this happens at scale, or consumers won't have the confidence to use them. For this reason we commissioned research to better understand consumer attitudes towards TPOs, how these products can deliver value and the protections needed to give them the confidence to engage.

Our research has uncovered the following key consumer concerns about TPOs:

- The complexity of TPO agreements
- The language used is not always clear
- The impact of long-term contracts
- Having something so integral to their warmth and comfort in their homes removed or disconnected

For these models to play a role in addressing the barriers to retrofit in the long term they need to work for consumers. We therefore recommend:

- Consumers have clarity with access to clear information and advice
- Product and service standards are maintained throughout lengthy contract terms
- Products remain affordable throughout the contract, with protections for consumers if their circumstances change

In the process of designing, running and analysing our research we also met with stakeholders, including market participants, environmental NGOs and consumer groups. We would like to thank these stakeholders for their time and insights.





Methodology

This year we commissioned research to explore consumers' attitudes towards third party ownership models (TPOs) for home retrofit. The research method combined qualitative concept testing with deliberative research and co-creation approaches:

- Concept testing two TPO product offers currently on the market as well as one market trial
- Deliberative research explaining TPOs, detailed exploration of the different types of models and the protections that would give consumers the confidence to engage
- Co-creation with participants developing their own proposals and approaches to consumer protection and redress.

The sample included the following main cohorts:

- Consumers who had recently (in the past 2 years) bought low-carbon heating/energy system for their home
- Domestic consumers who were considering upgrading or changing their home heating/energy system (either to a low-carbon or standard system)
- Landlords who were considering upgrading or changing their heating/energy system for one or more of their rental properties (either to a low-carbon or standard system).

Audience	Considering changing/upgrading home heating or energy, positive about low-carbon solutions in future	Have bought low-carbon heating/energy solutions for their home in past 2 years
Domestic sample = 40	3 x 2.5hr workshops in 3 different locations (Wales, South East/North England) with 7-8 people 5 x 75 min depth interviews with vulnerable consumers	2 x 2hr online workshops with 5-6 participants (distributed across England and Wales)
Landlords sample = 18	3 x 2hr online workshops with 4 people (distributed across England and Wales) 6 x depth interviews	

The sample represented:

- A mix of gender, age and ethnicities
- Different housing types and people with/without mortgage
- Some who are vulnerable (digitally, EAL, disability/LTC)

A total of **58 participants** took part in May-June 2025

The findings from this research are supplemented by our analysis of cases relating to low carbon home technology from the Citizens Advice Consumer Service. The consumer service provides free, confidential and impartial advice on problems with faulty goods, poor services, energy, and other consumer issues in England and Wales.

What is a TPO for home energy and heating?

In our research we explored consumer attitudes to TPOs, broken down into four categories.

- Conditional sale / hire purchase with maintenance and optimisation support included
- Consumer hire agreements with maintenance and optimisation support included
- TPO+tariff models where a tariff is integrated, but consumers are billed in Kwh
- HaaS models which offer an outcomes led approach, e.g. paying for warmth / comfort.

There is a significant degree of variation within these broad categories, but all involve financing for an energy asset and varying degrees of ongoing service, including maintenance and optimisation support. The continued involvement of the provider in the effective running of the system post install separates these products from traditional purchasing methods like credit cards or personal loans.

Some TPOs access the Boiler Upgrade Scheme (BUS) to help finance the technology offered. Under the BUS in its current iteration, consumers accessing the scheme must own their heating system from day one. TPO providers use a BUS grant to pay for the technology itself, while other costs are financed. Depending on the results of the May 2025 Boiler Upgrade Scheme and Microgeneration Certification scheme consultation, there could be changes to the condition of day one ownership. This would allow TPO providers to finance against the technology itself, which could bring down the cost of borrowing, which could then be passed onto consumers.

It is also important to note that the legislation which governs these arrangements, the Consumer Credit Act 1974, is subject to reform. Though this is likely to be an extended process, there is a risk that some protections could be removed or diluted. Especially relevant is Section 56, which governs arrangements where there is a prior relationship between the installer and the lender. Under current legislation this holds the lender to account for possible poor practice on the part of the installer (in CCA language termed 'the supplier' of goods). This means that lenders are incentivised to partner with reputable suppliers / installers which we think is a good way to mitigate possible consumer detriment. This provision, along with Section 75 also gives the consumer recourse to the original lender, which is particularly useful if there is insolvency on the part of the installer / supplier.



Hire purchase and conditional sale

Hire purchase is a regulated credit agreement, under which consumers do not own the goods until they have paid in full. Under a hire purchase agreement consumers hire the goods and then pay an agreed amount in installments. Conditional sale agreements are similar, they usually include a condition that the goods do not belong to the consumer until the final installment has been paid. Under both agreements lenders may be able to repossess the goods if consumers fall behind with payments.⁽¹⁾

Consumer hire

Consumer hire agreements are similar to hire purchase agreements, though without a transfer of ownership to the consumer. They come with reduced consumer rights to terminate voluntarily and reduced obligations on the provider to perform creditworthiness assessments.

TPO+tariff

Currently only seen in limited trials in the UK, and sometimes known as Energy as a Service (EaaS), TPO+tariff involves combining the financing of low carbon home technology with billing for energy supply.⁽²⁾ This represents a future path for TPOs for energy assets, where the financing of equipment is bundled with usage costs into one monthly payment. To protect consumers' right to switch these are governed by two separate contracts, with the consumer able to switch to a tariff with another provider.

Heat as a Service

Under this model consumers pay for the financing of the asset or assets, and their energy supply. But unlike TPO+tariff this operates under a new billing model where consumers 'pay for comfort,' or for an agreed internal temperature over a given period of time. This model would allow suppliers to take advantage of cheaper periods and operate flexible demand management at scale without input from individual consumers. By taking a whole system approach providers are incentivised to ensure the full running of the system. Consumers by paying for measured outputs can, in theory, be protected from the impact of inefficient or under-performing technology.



The role that TPOs could play in the market for low carbon home upgrades

UK homes are some of the least energy efficient in Europe⁽³⁾ and UK housing stock accounts for around 20% of national greenhouse gas emissions.⁽⁴⁾ The inefficiency of UK homes has left consumers less able to cope with bill shocks, and has contributed to an increase in fuel poverty.⁽⁵⁾ At least 80% of the buildings that will be occupied in 2050 have already been built,⁽⁶⁾ so the scale of the challenge facing the Government, consumers and the retrofit industry is significant.

There is enthusiasm amongst consumers to make these changes. In our report Home Stretch, we shared research that showed that 69% homeowners⁽⁷⁾ are interested in making at least one energy efficiency improvement, this equates to more than 19 million homeowners.⁽⁸⁾ Despite the widespread interest in energy efficiency improvements, the high upfront cost of measures is a clear barrier. Of the 19 million interested homeowners 66% are concerned about the cost, making it the top concern.⁽⁹⁾

Given the typical cost of installing an air source heat pump is around £11,000,⁽¹⁰⁾ even when factoring in the £7500 Boiler Upgrade Scheme grant, this leaves homeowners paying an average of £3500. A sense of the financial unattainability of having measures installed in their homes was a key theme in our research on consumer attitudes towards using TPOs to finance home retrofit.

We know that financial motivations are central to homeowners when thinking about upgrading their homes.⁽¹¹⁾ Participants across the sample gave cost as a higher priority than environmental factors.⁽¹²⁾ This is unsurprising, as of June 2025 the average annual bill for typical gas and electricity consumption for consumers paying with direct debit is still 42% higher than in Winter 2021/22.⁽¹³⁾

“The cost has gone up that much recently. It's just like everyone for themselves. There's no time to focus on anything else but trying to reduce the impact to your own household.” (Homeowner considering upgrading their heating / energy system, 25-39, Leeds)

Upfront cost is not the only barrier. Research participants were concerned about possible poor practice of providers in the market. We know that information from friends, family and colleagues is one of the most common ways that consumers get information about retrofit measures, with 45%⁽¹⁴⁾ citing it as a trusted source. This shows how important word of mouth is, and the risks of potential reputational damage if this is negative.

“This is all new territory and it's a bit like the Wild West out there with plenty of cowboys jumping in on the bandwagon to fit heat pumps and to fit solar panels. So that's the first problem. It's not a matter of not being able to find people, it's finding the right people.”

(Homeowner who recently upgraded their heating / energy system, online workshop)

Consumer attitudes towards TPOs

Although views differed across the models presented, there were some common positives. Participants viewed the ability of TPOs to make low-carbon technology accessible to those who are unable to afford the high upfront cost favourably. For many consumers, clean heating and microgeneration technologies are unfamiliar so the inclusion of ongoing maintenance and optimisation support was also appealing.

"What I'm looking for is an all-in package so that it covers absolutely everything. If something should go wrong, and I'm on my own, it can be at the end of a phone and somebody helps."

(Homeowner considering upgrading their heating / energy system 60+, London)



Hire purchase and conditional sale

Overall participants responded most favourably to hire purchase and conditional sale agreements. This could be because consumers are familiar with these products, which are often seen in the vehicle market, but a key positive was the route to ownership offered.

Despite these positives, some did question the value for money when compared to securing the financing and servicing contracts separately. With standalone heat-pump warranty and servicing contracts becoming available, these represent an obvious alternative to a bundled product. That said, for consumers valuing convenience the 'all inclusive' aspect of these agreements was appealing.

Consumer hire (leasing)

Participants in our qualitative research found consumer hire models less appealing than conditional sale or hire purchase TPOs, as they felt unwilling to lease something as important as home heating or energy. However they were not viewed entirely unfavourably. Participants liked the obligation on the provider to maintain the product. Consumers may respond well to this element of the offer but it is vital that the right safeguards are in place to ensure that this happens in practice.

Participants also expected leased equipment to be updated with the latest versions of the technology. Although based on the misconception that leasing automatically means flexibility, this suggests that upgrading equipment as technology develops could be attractive to consumers. This could represent a clear positive for consumers that sets not just consumer hire but TPOs more generally aside from other means of financing retrofit.

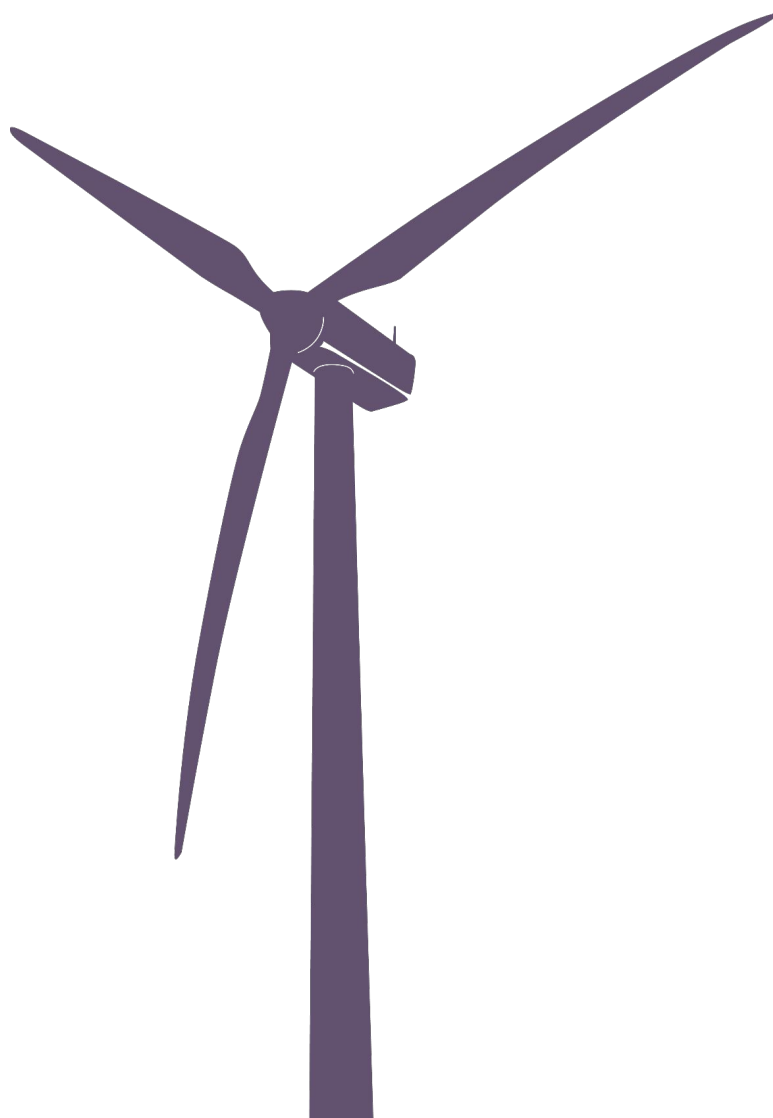
TPO plus tariff, also termed Energy as a service (EaaS)

The reactions to TPO+tariff models from participants in our qualitative research were mainly negative as they were perceived to increase complexity and risk to consumers.⁽¹⁵⁾ However some participants felt that this model could unlock a discounted tariff, and that the bundling could result in savings.

Although it may be technically possible to switch providers, consumers may find themselves incentivised not to. Our research findings echo this concern, with some participants saying that bundling in this way might make it less likely for them to engage in the market.⁽¹⁶⁾ Some consumers also felt that it could be difficult to compare offers. Although we may expect this to be the case with any new product with limited examples to choose from, it is possible that bundling of this kind could make it difficult for consumers to compare between offers clearly.

Heat as a Service (HaaS)

Participants in our research reacted negatively to HaaS models, citing concerns relating to flexibility and control with some feeling that this is too much of a departure from how energy works at present. HaaS is a new and as yet untested model in the UK. As such consumers may be naturally wary of engaging. It is possible that with increased consumer awareness, and a developing market that offers more scope for cross product comparison this model could be attractive to consumers.



Key consumer concerns and how Government and Industry should mitigate them

To mobilise TPOs effectively in support of the Government's clean heating installation targets, these models must be shown to be viable and attractive to consumers. We know that consumers gather information about low-carbon home improvements from friends and family members.⁽¹⁷⁾ This means that some bad experiences could have a significant impact on the reputation of these products, and low carbon home improvements more broadly.

Without strong consumer confidence rooted in robust consumer protections, these models are not likely to see significant uptake. In the context of TPOs, protections must be underpinned by:

- **Access to clear information and advice**
- **Product and service standards that are maintained throughout lengthy contract terms**
- **Ensuring that consumers can afford the products offered and that they are protected in case their circumstances change**

Consumers are concerned about the complexity of TPOs

TPOs are complex products dealing with technology that is new to many consumers. They require evaluation of a number of considerations including type of model, length of contract, interest rates, and other terms and conditions of the agreement.⁽¹⁸⁾ This sense of complexity was raised by participants in our qualitative research.

"To get a boiler I can put it on an interest free credit card or I can pay cash up front. That's all so much easier. It's so much more accessible than this. It feels like there's not just that conversation to be had about how much money I'm going to save but what does my credit agreement look like? How long does that last me? It feels like a complex area."

(Homeowner considering upgrading their heating / energy system, 30-39, Leeds)

The extended terms of TPO products means that any misselling, deliberate or inadvertent, could have long term consequences. Previous schemes such as 'rent-a-roof' arrangements have been associated with unclear contract terms and confusion over ownership.⁽¹⁹⁾ We see the long-term consequences in the cases that clients seek help with through the Citizens Advice Consumer Service, in which issues relating to rent a roof arrangements are still evident.⁽²⁰⁾



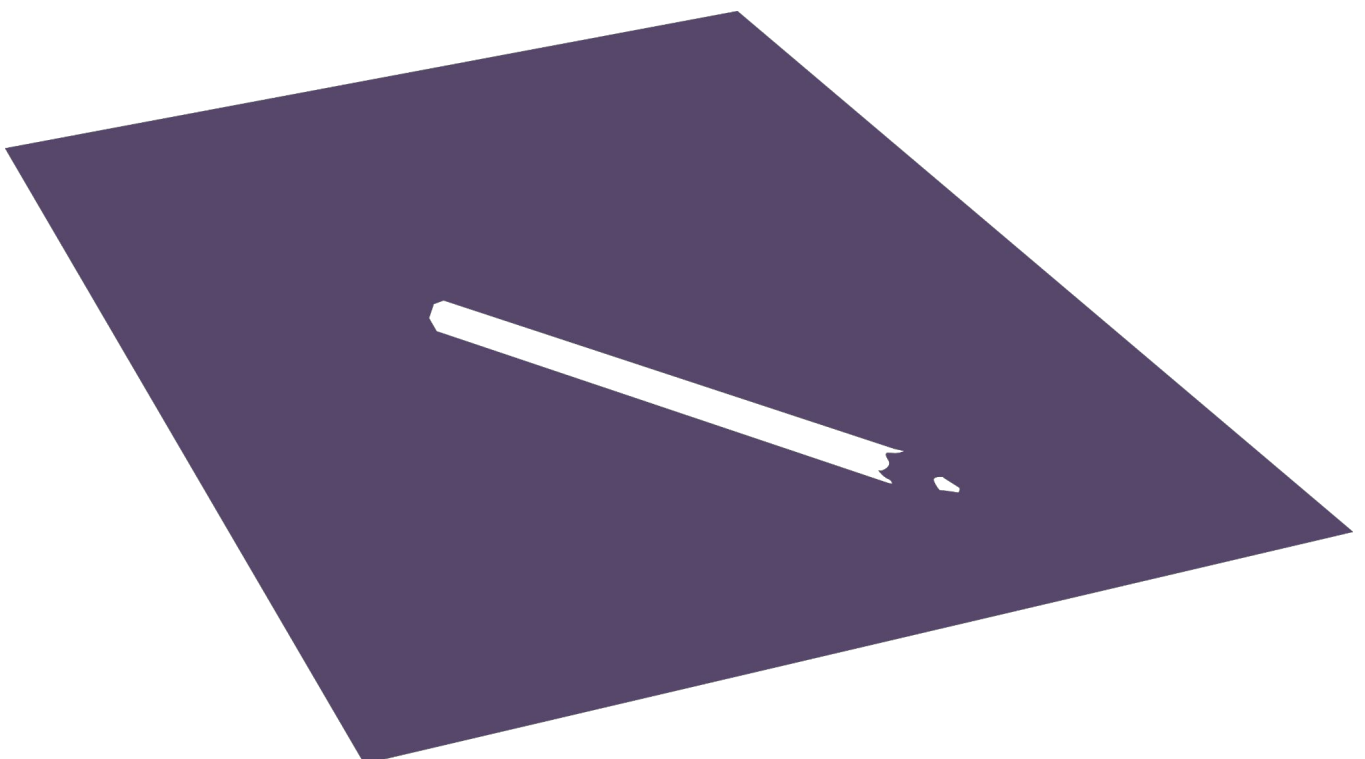
Consumers feel that the language used is not always clear

The MCS Foundation, in their report Homeowner Attitudes to Retrofit Finance, found that consumers responded better to products marketed as subscriptions or as ongoing services.⁽²¹⁾ Several TPO providers have taken this approach in their marketing material. The term 'subscription' may be more appealing to consumers, as it avoids the negative connotations of consumer debt. But these products lack the flexibility associated with subscription products as there are costs attached to contract exit and they deal with technology that is often impractical to remove.

"It's slightly misleading to start with because it says it's a subscription programme but I've got to apply for a loan to be accepted for it. So that put off a little bit. I think of subscription fee like Netflix, I can walk away."

(Homeowner considering upgrading their heating / energy system, 30-39, Leeds)

Falling under sections 99 and 100 of the CCA 1974, consumers using hire purchase or conditional sale are able to voluntarily terminate their agreements, for instance if they become unable to make payments due to a change in their circumstances. In these cases the consumer would then only be liable for 50% of the total sum if they return the goods to the provider, but these assets are integral to the structural integrity of homes so the return of goods would be impractical. We are concerned that labelling these products as 'subscriptions' suggests a degree of flexibility that cannot be delivered in reality.





Recommendation: Consumers need clarity with access to clear information and advice

To avoid longer-term issues it is vital that consumers have the information needed to make an informed choice about whether an energy system, and any attached financing agreement is right for them. We are at the early stages of the development of the TPO market and consumers can be expected to vote with their feet, but they must do so on sound footing. Providers must take an outcomes led approach to consumer understanding, as required under the FCA's consumer duty.

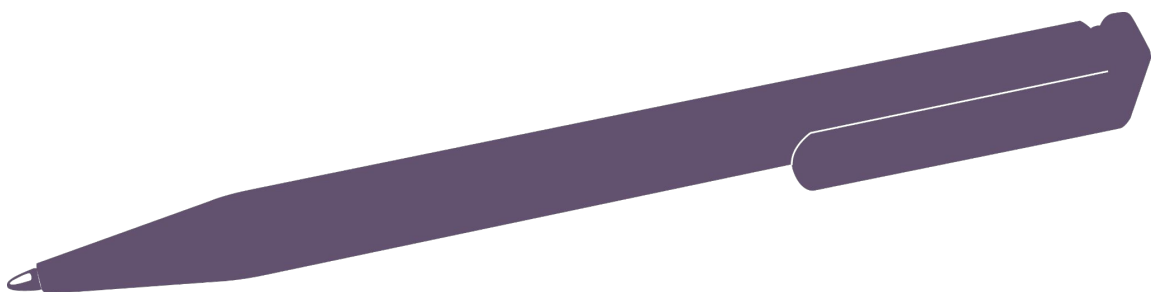
As seen in previous comparable schemes, the consequences of opaque terms and conditions can take time to emerge and can have serious consequences, for consumers, providers and the reputation of the technologies offered. Access to high quality independent advice is a good way to mitigate this. Across the sample it was regarded by participants as the most important element of the themes that we presented. Advice is essential to the effective performance of the TPO market, from the exploration stage to supporting consumers to access redress in case things go wrong.

Recommendations for TPO providers

- Prior to contract signing consumers must have a robust understanding of the TPO structure. This should include a breakdown of monthly fees covering maintenance, interest payments and administration.
- Consumers should also have clarity about what happens if they sell their property within the term of the agreement, especially if the new owner refuses to take on the TPO contract.
- Consumers should receive personalised advice on suitable low-carbon technologies for their home and their impact on energy bills before installation.
- They should also be able to access aftercare and ongoing support post-installation to ensure they are able to operate their new system properly.
- Providers must signpost consumers to free independent advice.

Recommendations for Government

- The Government should ensure that any TPO model's access to Government funding is conditional on consumers having clarity through access to information and advice.
- The Government should ensure that consumers can access high quality, independent advice that can support them throughout the home upgrade journey - including identifying suitable changes for their home, financial support and redress options.



Consumers are concerned about the impact of long-term contracts

One of the key features of TPOs, across the spectrum of models, are the long term contracts offered. Terms available on the market range from 6 to 12 years, with some limited trials offering terms up to 20 years in length.

"Even my mortgage, I only do five years at a time...20 years is not for me, I just go, wow, 20 years, that's a really long time to commit to something, that's like a marriage."

(Homeowner considering upgrading their heating / energy system, 40-59, Cardiff)

A common reputational hurdle for these new TPO models are rent-a-roof schemes. In these setups, ownership and control of the solar panel system remains with the installer or leasing company. There were concerns about the consequences of lengthy contracts under 'rent-a-roof' from the scheme's inception. These issues were initially highlighted in a Consumer Focus report on attitudes towards renewable technology published in 2011.⁽²²⁾

To keep monthly fees affordable for consumers, providers must offer long term repayment plans. However as repayment periods increase, so do the risks of provider insolvency and changes in consumer circumstances. Some limited trials of TPO 'plus' models have offered contract terms that last up to 20 years, which is over the average lifespan of a heat pump.⁽²³⁾ There is also a risk that consumers could be left paying for broken or obsolete tech if repayment periods last longer than the average lifespan of the technology.

Consumers are especially concerned about long term contracts given the track record of market volatility. We know that the UK energy market is volatile. Changing grant landscapes has caused market instability in the past. The closure of the domestic FiT scheme in 2019 led to the collapse of many opportunistic startups that had entered the market during the subsidy boom. This left many consumers stranded in contracts with companies that had either ceased trading or passed the agreements to other firms.⁽²⁴⁾ This was also a side-effect of the Green Deal.

Our research found that the most common concern amongst participants regarding ongoing standards of care and service delivery was the risk of provider insolvency, which they saw as presenting a risk to the ongoing maintenance of their system.



Recommendation: product and service standards need to be maintained throughout lengthy contract terms

Many TPO arrangements for home energy and heating systems offer ongoing maintenance and support, which was valued by our research participants. Done right this could represent a real positive for consumers, who in many cases will be operating new technology for the first time.

Our research suggests that for ongoing services offered under a TPO contract to deliver value consumers must receive adequate service throughout the term of their agreement, with clear expectations set for maintenance and optimisation support. Crucially, providers should also take steps to mitigate the impact of insolvency on these maintenance commitments.

Recommendations for TPO providers

- All ongoing maintenance and servicing should be carried out by accredited installers and providers should ensure that any limits to warranties or guarantees should be clearly communicated with consumers.
- Any subcontractors used by TPO providers for installation and/or maintenance should also be accredited. It is important that where subcontracting occurs, that the TPO provider should be responsible for resolving any issues. For instance, consumers must be able to approach the TPO provider directly to resolve any issues with the installation, maintenance or operation of the technology. The provider may then be able to seek redress from the subcontractor at a later date.
- One offer which is available on the market sends a portion of the monthly fee to a separate holding company, that should the operating company go bust, would subcontract out ongoing maintenance. Providers should consider innovative solutions like this and the Government should explore the possibility to mandate standards in this area.
- In offers that have gone to market there are encouraging guarantees to upgrade technology. As this was a priority for consumers, providers should take steps to build in these guarantees into their models as they develop.

Recommendations for Government

- The Government should ensure that any TPO model's access to Government funding is conditional on its delivery of the key positive, the commitment to ongoing maintenance and optimisation support, through the suggestions we have outlined above.
- Providers who fail to do so should have their access to Government funding restricted, especially if coming through flagship retrofit schemes like the Boiler Upgrade Scheme.
- During the bidding process for pilot funding through schemes like the Green Homes Finance Accelerator, the ability of providers to ensure ongoing service throughout the period and mitigate the impact of any insolvency should be evaluated.
- The Government should ensure that the grant and subsidy landscape remains stable, to prevent cliff edges in demand that have caused instability in the past.

Consumers are concerned about having something so integral to their warmth and comfort in their homes removed or disconnected

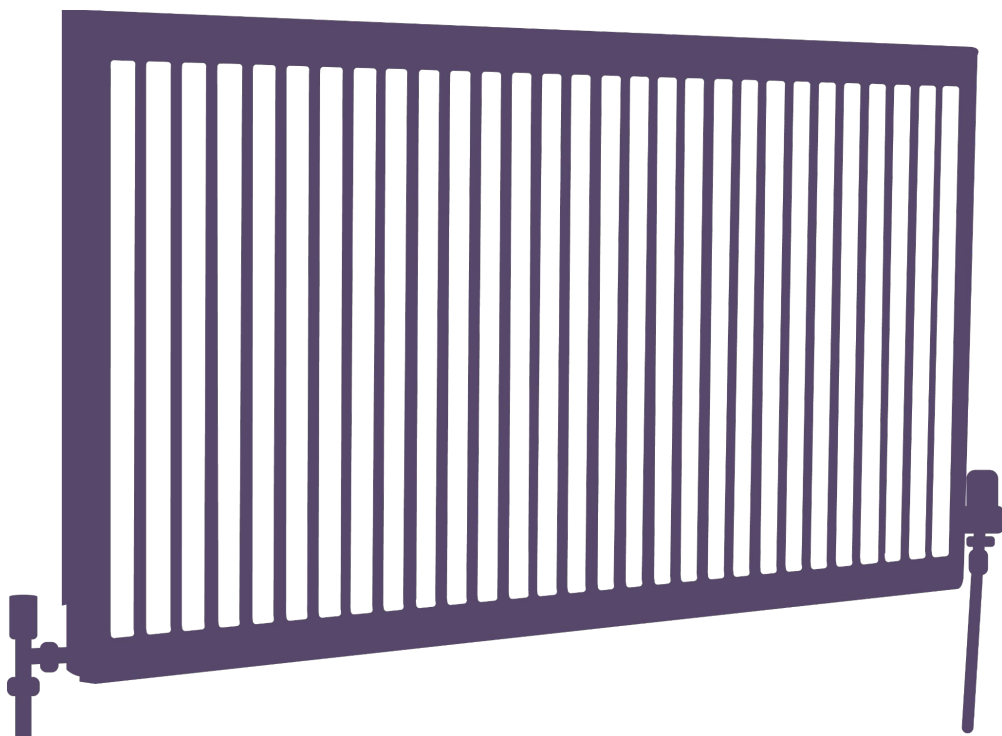
Under hire purchase and conditional sale agreements, a provider is able to terminate an agreement in the event of default. In these cases providers may be able to repossess goods under certain circumstances, though will need a court order if a third or more of the total sum has been paid. This means that a consumer paying for their system via a hire purchase or conditional sale agreement could be threatened with technology removal under current regulations. Given the length of contracts involved (in some limited trials ranging up to 20 years) consumers who see a change in circumstances within the first 6 years and 4 months could be threatened with the removal of technology integral to their property and essential to their ability to stay warm in their home without a court order.

"Heating is a human right. Disconnection would be morally wrong for people in poverty."

(Homeowner considering upgrading their heating / energy system, 25-39, Leeds)

Research we conducted during winter 2024/25 found that 39% of people would see an impact on their ability to afford essentials such as food, rent and bills if energy prices remained at current levels. This equates to more than 10.9 million households who would need to sacrifice on other essentials if forced to pay even current market rates for energy.⁽²⁶⁾ This shows that some consumers prioritise energy over other essentials. Therefore the threat of technology removal by a TPO provider may cause them to sacrifice on other essentials, even if in practice removal does not occur.

Consumers in our qualitative research saw this as a major concern when considering whether to use TPOs for low carbon home improvements, especially home heating.⁽²⁷⁾ **Protection from disconnection was a significant priority for participants and could be a key factor in giving them the confidence to choose a hire-purchase or leasing agreement.**⁽²⁸⁾





Recommendation: products must remain affordable throughout the contract, with protections for consumers if their circumstances change

As financial products TPOs are FCA-regulated and firms should follow the principles set out in the Consumer Duty. This includes offering forbearance to those in financial difficulty, and access to the Financial Ombudsman Service to resolve issues. Because of the clear link between these finance agreements and consumers being able to stay warm and comfortable at home, these TPOs carry additional risks over TPO arrangements in other sectors. Crucially, any remote disconnection or removal of a system after a consumer has defaulted on their payments could cause serious adverse effects, and if they took place at scale could lead to significant reputational damage to TPOs, any Government scheme that support them and the wider transition to net-zero.

Existing regulations include provisions relating to affordability assessments and creditworthiness assessment. The Consumer Duty's price and value outcome, combined with responsible lending requirements under the Consumer Credit sourcebook, already mandate affordability assessments and ongoing affordability monitoring. TPO models that are not required under current regulation to offer affordability assessments, such as leasing agreements, should be regarded with caution. However even when strict affordability assessments are carried out, there is a risk especially over a long contract period that consumers could experience changes in their circumstances.

The following recommendations are essential to safeguard consumers from possible detriment and to give them the confidence to entrust something so crucial to their warmth and comfort in their homes to a third-party.



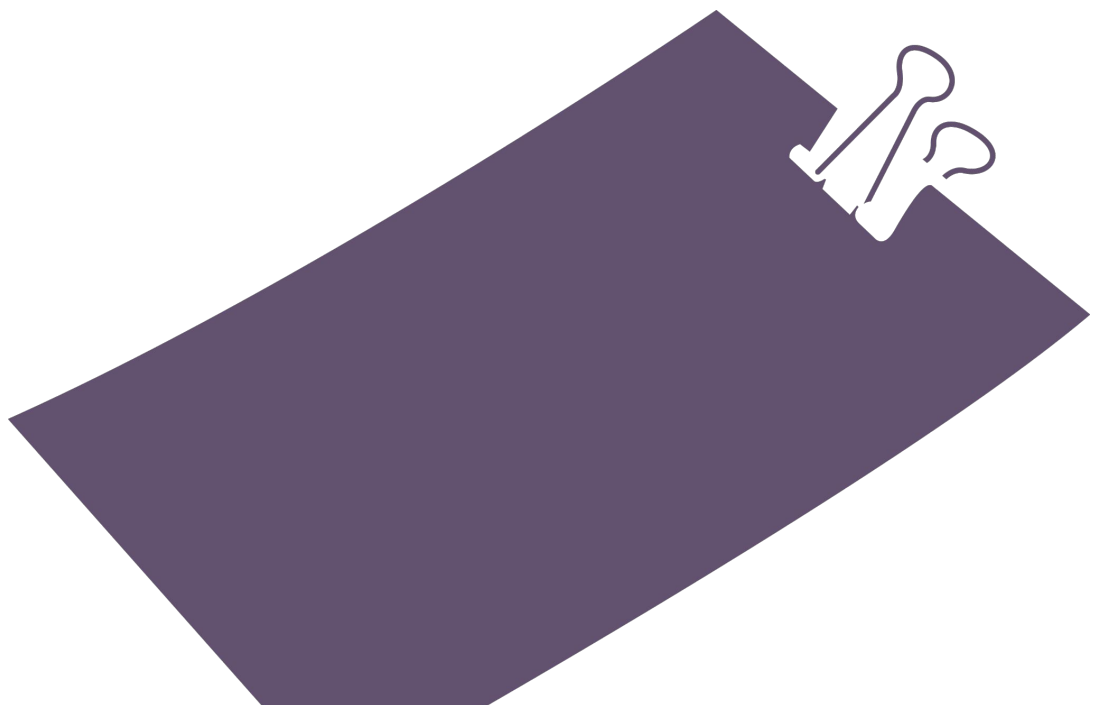


Recommendations for TPO providers

- TPO providers must comply with existing FCA rules, particularly the Consumer Duty requirements for clear communication, fair treatment and good consumer outcomes.
- TPO agreements should only be offered following affordability and creditworthiness assessments.
- Repayments must remain affordable throughout the contract term, with options to adjust payments when circumstances change.
- Any planned price rises must be disclosed upfront, and consumers informed of potential energy bill impacts.
- Consumers must be protected from the remote disconnection or removal of technology that is essential to their warmth and comfort in their home. It is clear that this registers as a significant concern amongst consumers and could lead to some in financial difficulty to sacrifice on other essentials out of fear of disconnection or removal. We recommend guaranteeing consumers protection from disconnection as a priority to limit possible long term detriment and to give consumers the confidence to engage with these products.

Recommendations for Government

- The Government should ensure that any TPO providers accessing government funding follow these principles, especially safeguarding consumers from forced removal or disconnection of technology.
- Government support should be available to those who fail to meet TPO affordability or creditworthiness assessments, ensuring access to home upgrades for ineligible consumers through grants and low-interest loans.
- The FCA should ensure that existing Consumer Duty obligations are clearly applied to TPO arrangements, requiring providers to give consumers clear information about redress options and ensuring fair treatment throughout.
- Routes to redress must be clear. This means that the ombudsman and quality assurance schemes involved should be clear and simple to navigate, underpinned by high quality independent advice throughout the process.





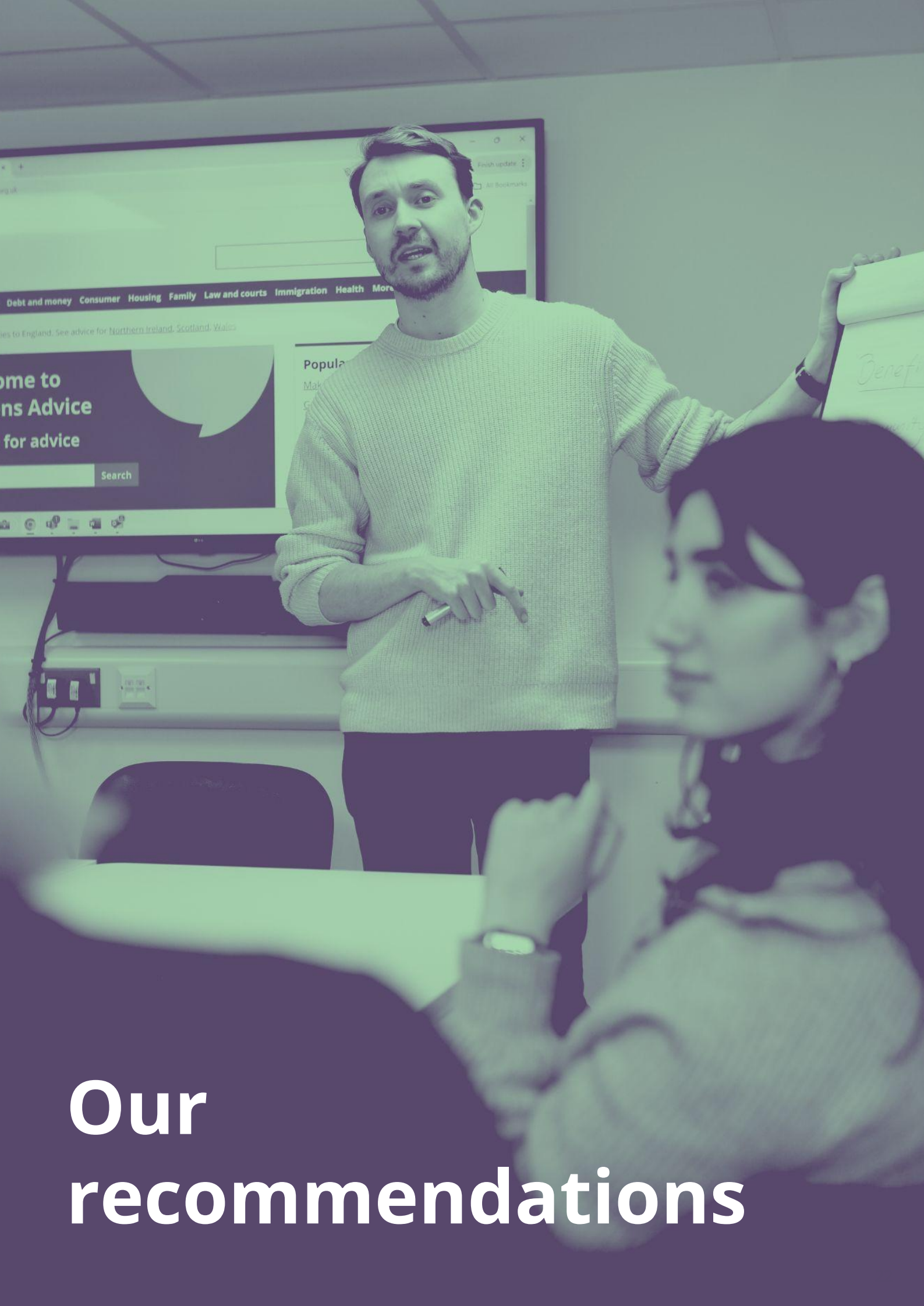
Conclusion

Third party ownership models for home heating and energy could play a meaningful role in helping the UK meet its net zero targets. By spreading the high upfront costs of low carbon upgrades over manageable monthly payments and providing ongoing maintenance and optimisation support, TPOs address two of the biggest barriers to uptake: the high upfront cost, and consumer confidence that the measures they install will work effectively. For the 19 million homeowners already interested in energy efficiency improvements TPOs could represent a way to access technologies that would otherwise remain out of reach to deliver a warm and comfortable home.

The potential of these models hinges on consumers having the confidence to engage. Word of mouth is one of the most trusted sources of information for consumers considering home upgrades. This means that people's early experiences with TPOs will have a significant impact on their long-term viability. Poor practice or consumer detriment at this early stage could not only damage the reputation of TPOs themselves but could undermine confidence in low carbon technologies more broadly. The Government is right to explore these models while their impact on uptake remains limited but only if robust consumer protections are in place from the outset.

If delivered well, these models could become a significant tool for unlocking private finance for home retrofit, helping consumers access technologies that deliver homes with a lower environmental impact that are warm, comfortable and affordable to heat. If risk is shifted onto consumers or if bad actors are allowed to operate without sufficient regulatory oversight this opportunity could be lost. While the market is still developing, now is the window of opportunity to establish TPOs as a trusted option for consumers.





Our recommendations



Consumers need clarity with access to clear information and advice

TPO providers should:

- Ensure consumers understand the product they are signing up for and its full cost implications, including a breakdown of monthly fees covering maintenance, interest payments and administration.
- Ensure consumer understanding and provide clarity on moving home, switching providers, and contract transfers to new property owners.
- Give consumers personalised advice on suitable low-carbon technologies for their home and their impact on energy bills before installation. They should also be able to access aftercare and ongoing support post-installation to ensure they are able to operate their new system properly.
- Signpost consumers to free, independent advice that can support them throughout the home upgrade journey - including identifying suitable changes for their home, financial support and redress options.

The Government should:

- Ensure that any TPO model's access to Government funding is conditional on consumers having clarity through access to information and advice.
- Ensure that consumers can access high quality, independent advice that can support them throughout the home upgrade journey - including identifying suitable changes for their home, financial support and redress options.

Product and service standards need to be maintained throughout lengthy contract terms

TPO providers should:

- Use accredited installers for all installation and maintenance work
- Maintain direct responsibility for resolving issues, even when using subcontractors
- Consider innovative insolvency mitigations, such as ring-fenced maintenance funds.
- Consider the viability of upgrading to the latest versions of technologies installed during the contract period.

The Government should:

- Make Government funding conditional on providers delivering on maintenance and optimisation support, through the steps outlined above.
- Evaluate the ability of providers to ensure ongoing service throughout the period and mitigate the impact of any insolvency, during any application for pilot funding
- Ensure that the grant and subsidy landscape remains stable, to prevent cliff edges in demand that have caused instability in the past.



Products remain affordable throughout the contract, with protections for consumers if their circumstances change

TPO providers should:

- Comply with existing FCA rules, particularly the Consumer Duty requirements for clear communication, fair treatment and good consumer outcomes
- Only offer TPO agreements following affordability and creditworthiness assessments
- Ensure that repayments remain affordable throughout the contract term, with options to adjust payments when circumstances change
- Disclose any potential price rises upfront
- Planned price rises must be disclosed upfront, and consumers informed of potential energy bill impacts
- Providers must not have the ability to remove, or remotely decommission systems

The Government should:

- Ensure that any TPO providers accessing government funding follow these principles, especially safeguarding consumers from forced removal or disconnection of technology
- Ensure that support is available to those who fail to meet TPO affordability or creditworthiness assessments
- Ensure that existing FCA rules including Consumer Duty obligations are clearly applied to TPO arrangements, requiring providers to give consumers clear information about redress options and ensuring fair treatment throughout.
- Ensure that the routes to redress are clear and simple to navigate.



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