

Department for Energy Security and Net Zero – Boiler Upgrade Scheme and Certification requirements for clean heat schemes consultation (England, Wales and Scotland)

Response from Propertymark

June 2025

Background

1. Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

Consultation – overview

2. The Boiler Upgrade Scheme (BUS) is open to people in England and Wales to cover part of the cost of replacing carbon dioxide emitting heating systems, such as gas boilers, with heat pumps or biomass boilers. In July 2022, the Lords Environment and Climate Change Committee launched an inquiry into the Boiler Upgrade Scheme which Propertymark responded to. The inquiry concluded in February 2023, with the Committee stating that the scheme was failing to meet its objectives. The following consultation seeks views on how the Boiler Upgrade Scheme could be extended to support the UK Government's progress to achieving Net Zero.
3. The consultation on the BUS is part 1 of a joint consultation where part 2 is the consultation on certification requirements for clean heat schemes. In this instance, Propertymark will not be responding to part 2. While Propertymark supports methods to improve the quality of clean heat schemes, we do not have the experience required to confirm the quality of the range of certification schemes that exist. As such we cannot make judgements as to whether or not a particular scheme should remain, and part 2 of this consultation has been omitted from our response.

Propertymark response – summary

4. Propertymark welcomes the opportunity to respond to the Department for Energy Security and Net Zero (DESNZ) consultation on the Boiler Upgrade Scheme (BUS). Propertymark is particularly

interested in responding to this consultation as property agents across the UK are concerned that landlords are struggling to afford energy efficiency improving measures. It is estimated that 48% of homes in England are lower than EPC C, with an even higher percentage in Wales¹. A larger percentage of these properties are located within the private rented sector (PRS). In England there are an estimated 2,530,000 homes in the PRS that fall below an EPC C that will require retrofitting, with an addition 109,000 homes in Wales². If many of the landlords who own these properties cannot afford to retrofit them, then they will likely be sold. It is not likely that these homes will return to the PRS 33% of landlords are looking to reduce the number of rental properties that they own over the next five years³. Additionally, the average house price in England current sits at 7.7 times the average salary⁴, meaning that even if these homes are put on the market, they could remain empty for a considerable time as purchasing a house remains out of reach for many. Without sufficient financial support, we risk reducing the supply of the PRS, which will raise rents and reduce choice for renters.

5. Despite the scale of the need to retrofit homes, and the consequences for the PRS if landlords are not supported, the Scheme has only supported the installation of 49,000 heat pumps and biomass boilers since 2022, 2% of the number of homes in the PRS with an EPC D or lower. Considering DESNZ is seeking to introduce minimum energy efficiency standards (MEES) for the PRS, EPC C for new tenants in England and Wales by 2028, the Scheme would need to support over 50 times the number of homes it already has in order to install heat pumps or biomass boilers in every home within the PRS in England and Wales that needs to reach an EPC C. Considering this, on top expanding the reach of the Boiler Upgrade Scheme, DESNZ must consider alternative grants and support for landlords to meet their MEES requirements.
6. Considering this, our response to the consultation can be summarised by the following points:
 - **Expand what can be covered by the Boiler Upgrade Scheme** – propose this for four reasons. Firstly, there are very few grant schemes, especially in England, for people to improve the energy efficiency of their homes. Secondly, certain properties cannot install air source heat pumps due to the environment the property is in or due to the type of property (e.g. the property is an individual unit within a block of flats). Thirdly, the benefits to an EPC and cost

¹ [Energy efficiency of UK homes - House of Commons Library](#)

² [Improving the energy performance of privately rented homes: consultation document \(HTML\) - GOV.UK](#)

³ [Executive summary: Landlords research - GOV.UK](#)

⁴ [Housing affordability in England and Wales - Office for National Statistics](#)

of energy bills are largely dependent on the cost of electricity. Since electricity is more expensive than gas, installing a heat pump may actually increase bills and reduce the EPC rating. Fourthly, there may be more cost-effective measures that can be installed to improve the EPC rating that do not require a grant of that size or are less disruptive to tenants.

- **Increase the amount of funding provided by the UK Government grant** – when surveyed in 2022, Propertymark agents reported that a considerable number of landlords did not access the Scheme because the grant did not cover a sufficient portion of installation costs. Increasing the amount of funding that the Scheme provides will lead to an increased number of landlords installing greener heating systems.
- **Accessing the Boiler Upgrade Scheme should count as an exemption for landlords from investing further in improving EPC ratings** – by including “accessed the Boiler Upgrade Scheme” as an exemption for meeting MEES, more landlords will seek to access the Scheme.

7. While our response largely focuses on landlords, it is important that homeowners have the opportunity to improve the energy efficiency of their homes as well. In that case, we will refer to both landlords and homeowners where appropriate.

Consultation Questions

Question 1: Do you agree with the proposal to amend scheme eligibility criteria to allow more installations of heat pumps in combination with other electric heating appliances? Yes / No. Please provide evidence to support your response.

8. Yes, we support the proposal to amend the scheme eligibility criteria to allow more installations of heat pumps in combination with other electric heating appliances. This opens opportunities for landlords and homeowners to access the scheme even when their property or current energy set up would not be suitable for a heat pump without additional appliances. However, we are concerned that this would not have the impact that DESNZ is looking for as typically where a property would not benefit from installing a heat pump, it wouldn't benefit from a heat pump in combination with another electric heating appliance.

Question 2: Do you have any views on the proposed eligibility criteria that should apply to multi-technology systems? Yes/No. Please provide evidence to support your response.

9. We would encourage opening up the proposed eligibility criteria to more heating sources or methods that would improve the energy efficiency rating of a building. A move towards a more flexible green homes grant would ensure that more homes can be retrofitted with a wider range of technology that would improve its energy efficiency and EPC rating. This would encourage greater uptake of the grant but also potentially reduce the potential cost to the UK Government as a whole. This would be due to the ability for landlords and homeowners to access funding for more smaller improvements that are better suited to their individual circumstances than a single larger grant for a heat pump.

Question 3: Should the BUS provide grants to support the installation of air-to-air heat pumps? Yes/No. Please provide evidence to support your response.

10. We agree that that Boiler Upgrade Scheme should provide grants to support the installation of air-to-air heat pumps. While ideally the BUS should be replaced with a wider green homes grant that includes a much great range of options for landlords and homeowners, expanding the BUS to include air-to-air heat pumps would also increase the number of homes that could be retrofitted, just to a lesser extent than a more flexible, all encompassing, grant scheme could.

Question 4: Do you have any views on the eligibility criteria that should apply to air-to-air heat pumps if supported by the scheme? Please provide evidence to support your response.

11. We have no strong views regarding the eligibility criteria that should apply to air-to-air heat pumps, only that the criteria should be flexible enough to maximise the uptake of the scheme, leading to more energy efficient homes.

Question 5: Do you have any views on the advantages of certain types of AAHPs that could be supported by the scheme, such as products that provide both space heat and hot water? Please provide evidence to support your response.

12. We are not familiar with the technical details of different types of air-to-air heat pumps and would recommend seeking advice from more qualified sources.

Question 6: Do you have views on the appropriate grant level to support the installation of air-to-air heat pumps? Yes/No. Please provide evidence to support your response.

13. The grant level to support the installation of all alternative heat sources within the BUS should match as close as possible to the installation costs as possible. This is a considerable barrier to the uptake of the Scheme, demonstrating how only 2% of homes that require retrofitting have accessed the Scheme. We would recommend that the Scheme cover at least 80% of the cost of installing the heat pump, with a means tested approach to cover 100% of the cost depending on the income and property value of the applicant. This is supported by a recent survey Propertymark conducted regarding EPC ratings and potential Minimum Energy Efficiency Standards for the PRS in England and Wales. When asked if the agent of any landlord they worked with had accessed a government grant scheme, 62% of over 280 respondents said no. For the 180 who said they hadn't accessed a grant scheme, 19% stated that the financial support was not enough. This was the highest reason for not accessing the scheme for those who were aware of its existence.

14. Question 7: Should the cost of an integrated or separate electric hot water heating appliance be included in determining an appropriate grant level? Yes/No. Please provide evidence to support your response.

15. Yes, the cost of an integrated or separate electric hot water heating appliance should be included. Not including this within the Scheme would discourage landlords and homeowners from accessing the Scheme when having an integrated or separate hot water heating appliance would be the best option for their property.

Question 8: Do you have views on a reasonable level of AAHP deployment on the BUS if a £1,000 or £2,000 grant was offered? Please provide evidence to support your response.

16. It is difficult to fully quantify the level of uptake for air-to-air heat pumps (AAHP) if a £1,000 or £2,000 grant was offered. There are still challenges for the Scheme to overcome. These include raising awareness, that heat pumps (including AAHP) are not suitable for every property, and that even £2000 does not adequately cover the installation costs as installed an AAHP can cost up to £8,800⁵. This is why we encourage the development of additional green homes grant schemes or a larger single scheme that allows applicants to choose from a range of energy efficiency improving

⁵ [The Complete Guide to Air-to-Air Heat Pumps | Eco Experts](#)

measures that best suit their individual needs, including the nature of their property and their financial situation.

Question 9: Do you have views on other barriers (i.e. non-cost related) to installing air-to-air heat pumps? Please provide evidence to support your response.

17. There are three main barriers to installing air-to-air and other heat pumps that are not related to cost. The first is for properties located in coastal areas. Since air-to-air heat pumps are vulnerable to corrosion from the salty air, people living within coastal areas will have to regularly replace or clean components of the heat pump. Aside from the additional cost, the additional time and maintenance would not be viewed favourably by those seeking to replace their heating system. Secondly, there are considerable barriers to installing heat pumps of all kinds within flats. Not only would owners have to seek permission from the freeholder of the flat, but there are additional space requirements that would make installing the heat pump more difficult. Thirdly, the changing of heating systems would be disruptive for any tenants living in the private rented sector. Time between uninstalling a carbon emitting heating system and installing an air-to-air heat pump may potentially have to be carried out while the tenant has vacated the property, which may require the tenant to be evicted or that the landlord would have to delay installing energy efficiency measures until the tenant has ended the tenancy agreement.

Question 10: Do you have any views on whether government should provide grants to support the installation of electric heating technologies that are not heat pumps (e.g. heat batteries)? Yes/No. Please provide evidence to support your response.

18. Yes, in general, we support the expansion of grant funding for additional heating technologies that are not heat pumps. Due to being installed inside the property and do not directly replace boilers, they avoid the non-cost related barriers explained in our response to question 9. This is on top of providing an additional option for landlords and homeowners who cannot afford to, are unwilling to or cannot install an air-to-air or other kind of heat pump.

Question 11: What eligibility criteria should apply to other electric heating technologies? Please provide evidence to support your response.

19. We would recommend supporting as broad of a criteria as possible. This would account for the wide range of property types, environments and individual circumstances of homeowners and landlords as possible. This is consistent with the goals of any scheme that aims to support the UK's transition to Net Zero, that being to support as many people as possible to take steps to reduce their impact on the environment and reduce their carbon emissions. Considering this, the eligibility criteria for any technology that a homeowner or landlord could receive a grant to install should meet at least two of the following criteria:

- Reduces the property's carbon emissions
- Improves the energy efficiency of the property
- Reduces the cost of energy bills

Question 12: Do you have views on the appropriate grant levels to support the installation of other electric heating technologies (e.g. heat batteries) if supported by the scheme? Please provide evidence to support your response.

20. As stated earlier, a significant portion of landlords who are aware of the Boiler Upgrade Scheme or similar schemes do not access them due to the grant being too low. If DESNZ wishes to increase the number of landlords and homeowners accessing the Scheme, they need to increase the size of the grant offered. This must be proportionate to the actual costs of installing the new heating system or other energy efficiency improving measures, otherwise take up of any scheme will be limited.

Question 13: Do you agree that hire-purchase and conditional sale agreements should be permitted alongside the BUS? Yes/No. Please provide evidence to support your Response.

21. We would welcome the introduction of hire-purchase and conditional sale agreements to be permitted alongside the BUS. As with before, any additional methods that consumers can access to reduce the costs of installing energy efficiency measures is welcome as consumers with different financial circumstances will be able to access support. We would envision that hire-purchase and conditional sale agreements can help homeowners and landlords who are unsure if installing a

heat pump would have a large impact on their bills or the energy efficiency of their home. By not committing to the full cost of installation, landlords and homeowners could test the impact of new technologies to see if they would have a positive impact on their homes, allowing those who are not certain of the benefits to install new heating systems. The only barrier to this would be the cost of uninstalling and reinstalling their existing heating systems which may be a barrier to hire-purchase and conditional sale agreements.

Question 14: Do you agree that hire-purchase / conditional sale 'plus' agreements combined with an energy tariff billed in kWh should be permitted alongside the BUS? Yes/No. Please provide evidence to support your response.

22. We would welcome a hire-purchase / conditional sale 'plus' agreement that is combined with an energy tariff billed in kWh. This would enable those unsure of the impact of installing a heat pump, i.e. those more likely to opt for a hire-purchase or conditional sale agreement, to see and measure the impact. This would be essential for supporting those consumers to permanently install heat pumps or alternative heating systems after a trial period when they previously would not have under the BUS.

Question 15: Should consumer hire agreements be permitted alongside the BUS? Yes/No. Please provide evidence to support your response.

23. We agree that consumer hire agreements should be permitted alongside the BUS. As stated before, a range of funding options is essential to maximise the number of landlords and homeowners who access the grant or alternative means of improving the energy efficiency of their homes. A hire agreement in particular could be beneficial for landlords who envision they will sell their property in the near future. By allowing them to hire out the heat pump, they can install the new heating system for the duration of their ownership of the property. This would prevent situations where landlords would sell their homes immediately, leaving tenants without a home especially if they live in a property that is EPC D or E, if they would be unable to afford potential minimum EPC requirements. This could be further mitigated by reducing the spending cap for landlords to meet EPC C in cases where they have hired a new non-polluting heating system.

Question 16: Do you have any views on the level of demand for i) hire-purchase and conditional sale agreements and ii) consumer hire agreements alongside the BUS among different consumer groups? Please provide evidence to support your response.

24. We have no specific data relating to hire-purchase and conditional sale agreements nor consumer hire agreements. However, given that the high upfront cost is a challenge for many landlords, when you consider that these arrangements reduce upfront costs, the introduction of these arrangements is likely going to increase the number of landlords accessing the BUS. Additionally, our survey also reported that 24% of landlords who had negative experiences with the BUS stated that the improvements did not have the expected impact on the energy efficiency or EPC rating of the home. As such, there may be caution from homeowners and landlords as to the impact of heat pumps. The ability to trial the heat pump rather than potentially spending a significant amount of money upfront for a new heating system that may not have the desired impact would also help more landlords and homeowners consider testing if heat pumps work for their property.

Question 17: Do you have any views on what industry and government would need to do to enable 'heat as a service' models to be offered alongside the BUS in the future? Please provide evidence to support your response.

25. We would recommend against heat as a service models. We see no benefit from landlords or homeowners not being able to own their heating systems at any point. Ownership after a trial period will be essential in order for landlords and homeowners to make permanent improvements to their property if the heat pump provides clear benefits.

Question 18: Do you agree that third-party ownership providers wishing to access the BUS should be restricted to MCS certified companies? Yes/No. Please provide evidence to support your response.

26. Yes, we agree that third-party ownership providers wishing to access the BUS should be restricted to Microgeneration Certification Scheme (MCS) certified companies. Through PropertyMark's recent survey mentioned earlier, 17% of landlords did not access the BUS due to the application process being too complicated. Additionally, 35% of those who a negative experience with the BUS stated that it was due to the time consuming process to access the grant. Therefore, we envision that many landlords may seek to access the BUS through third-party providers to save time on the

application process. However, providing access to the BUS for third-party providers to sell on heat pumps is potentially open to abuse, with organisations potentially selling older or malfunctioning heat pumps while pocketing the grant funding. Ensuring that the company and installer are MCS certified would provide consumers with peace of mind that the heat pump is in good working order. It would also ensure that consumers could check the status of any rogue trader, which would help to prevent fraud from the industry.

Question 19: Do you agree that third-party ownership providers wishing to access the BUS must be carrying out an activity regulated by the FCA and therefore be FCA authorised? Yes/No. Please provide evidence to support your response.

27. We agree that third-party ownership providers wishing to access the BUS must be carrying out an activity regulated by the FCA and therefore be FCA authorised. As with our answer to question 18, there is potential for consumers to be taken advantage of by third-party providers, making the requirement to be FCA authorised essential if the third-party providers are going to be given access to BUS.

Question 20: Do you agree that third-party ownership providers wishing to access the BUS must register with Ofgem and provide proof of FCA authorisation? Yes/No. Please provide evidence to support your response.

28. Yes, for the same reasons to those written for questions 18 and 19.

Question 21: Are third-party providers wishing to access the BUS likely to operate as FCA authorised brokers or lenders, or both? Please provide evidence to support your response.

29. We cannot provide reasonable certainty for how third-party providers will operate.

Question 22: Are there any additional conditions beyond FCA authorisation and MCS certification that should be required for a third-party ownership provider wishing to access the BUS? Yes/No. Please provide evidence to support your response.

30. We have no further comments to make at this time.

Question 23: Do you agree that the minimum requirements outlined above should apply where a third-party ownership agreement is delivered alongside the BUS? Yes/No. Please provide evidence to support your response including whether there are any additional requirements that should apply, or any proposed requirements that are not appropriate.

31. The following minimum requirements apply where a third-party ownership agreement is delivered alongside the BUS:

- The provider must offer a FCA regulated product, be FCA authorised and hold the relevant permission for the product they are offering. Firms offering regulated products need to be FCA authorised for the relevant activity in any case, but we think that making this a condition of the scheme will provide extra certainty and reassurance.
- The provider must also be MCS certified. They will be required to provide evidence of both to Ofgem.
- The provider is prohibited from repossessing or remotely decommissioning the system in the event that the property owner defaults on their payments. Providers should instead send certain notices to consumers and offer forbearance to those in financial difficulty.
- The provider must provide a clear, simple and easy-to-understand summary of the contract which summarises key information including:
 - The costed options of purchasing the system outright versus costs under third-party ownership.
 - The duration of the contract and any potential changes to the price over the lifetime of the contract.
 - That the provider is responsible for maintenance of the system and keeping it in good working order and must be clear what is included under the maintenance contract.
 - Procedures to be followed should either parties' situation change or should they wish to vary the agreement or exit early. For example, if the property owner wishes to carry out building work or sell their property during the term of their contract. Customers must have the right to terminate the agreement if they do not agree to changes introduced by the provider.
- Communications about third-party ownership agreements including marketing promotions must be clear, fair and not misleading to ensure consumers can make an informed decision about whether to enter into an agreement.

- Providers must undertake a reasonable assessment of the creditworthiness of a customer before lending, where they are currently required to do so under FCA rules.
- As is the case for any regulated agreement, the FCA will be able to take supervisory and/or enforcement action against authorised providers where there is evidence of wrongdoing and can issue fines or require them to provide redress.

32. In light of the MCS Customer Commitment and Alternative Dispute Provider detailed in question 29, we would recommend that the following additional requirement be included: *“The third-party ownership agreement must clearly include, either within the agreement or separately provided to the customer, details of any dispute/resolution service with clear contact details.”*

Question 24: Do you agree that third-party ownership providers operating under the BUS should not be able to repossess or remotely decommission a heating system? Yes/No. Please provide evidence to support your response including any potential unintended consequences for the provider and consumer.

33. We disagree that a third-party ownership provider should not be able to repossess or remotely decommission a heating system, but they should only be able to do so in a very few specific circumstances. In the event that a customer has not paid for the services provided by the provider, for example over 6 months, then it would be reasonable for the heating system to be decommissioned, as long as effective safeguards have been put in place to ensure that alternative measures have been explored first, such as amending any contract with the consumer or exploring different payment options. It should never be done without considerable prior warning and for the customer to have the ability to rectify the situation. However, given the impact to the consumer, especially for tenants of a landlord, if the heating was turned off, third-party ownership providers should not be able to repossess or remotely decommission the heating system without effective safeguards in place.

Question 25: Should there be a maximum term for eligible third-party ownership agreements delivered alongside the BUS? For example, restricting contract length to the average life span of a heat pump. Yes/No. Please provide evidence to support your response.

34. We agree there should be a maximum term for eligible third-party ownership agreements. We would propose that the maximum length should be the specific life span of the heat pump rather

than the average life span. This would prevent situations where a heat pump has expired before the term comes to an end or that a single heat pump that remains operational requires multiple agreements over its lifetime.

Question 26: Should third-party ownership agreements delivered alongside the BUS adhere to standard clauses or a model contract setting out the minimum requirements to ensure that consumers are not subject to unfair clauses? Yes/No. Please provide evidence to support your response.

35. We would recommend setting out a model contract to prevent consumers from being subject to unfair clauses. However, to prevent current arrangements from having to be rewritten, we would recommend that the model contract should not be mandated but set out what a model contract would look like in order to meet the minimum requirements set out in question 23.

Question 27: Would the utilisation of standard clauses or a model contract delivered alongside the BUS cause any difficulties for integrated contracts that include packages of technologies e.g. heat pump and solar panels. Yes/No. Please provide evidence to support your response.

36. We are unaware of any potential difficulties that a model contract would lead to.

Question 28: Are there additional ways in which we can simplify the heat pump installation process to further improve access to the scheme? Please provide evidence to support your response

37. We do not consider the process of connecting heat pumps to the electricity network as a major factor in the lack of applications to the BUS. Our main concern is the over emphasis on heat pumps at the expense of alternative methods of improving the energy efficiency of homes. The focus of the one-size-fits all approach to Net Zero and how heat pumps are not suitable for every property is one of the main factors in the lack of take up alongside the grant funding being insufficient to cover the costs of installing heat pumps. We therefore urge DESNZ to seek alternative methods of improving access to energy efficiency grant funding as a whole rather than trying to increase access to a single scheme that is not feasible for many landlords and homeowners. Without broadening the amount of grant funding available for a wider range of energy efficiency improvements, the UK's housing stock will continue to be a major contributor to the UK's total carbon emissions.

Question 29: Do you agree with the approval of the MCS Customer Commitment as a code of practice for the purpose of consumer protection on the BUS? Yes/No. Please provide evidence to support your response.

38. We are supportive of the MCS Customer Commitment as a code of practice. We welcome the ability for consumers to escalate complaints with the MCS, as well as the Alternative Dispute Provider. This will help to prevent potential fraud and misuse of third-party arrangements within the industry. In order for this Commitment to be effective, any dispute service must be well funded and well-advertised. To reaffirm our response to question 23, details of any dispute service and the Customer Commitment must be included within any third-party agreement or be provided separately.

39. **Question 30: Are there additional measures the Department and Ofgem could implement to enhance consumer protection under the BUS? Yes/No. Please provide evidence to support your response.**

40. We have no further comments to make at this time.

Question 31: Do you agree with the proposal to require installers to deduct the grant amount from the upfront costs of the eligible plant? Yes/No. Please provide evidence to support your response.

41. Yes, we highly support proposals to require installers to deduct the grant amount from the upfront costs of the installation. As highlighted by our member survey, the main two barriers to access the grant (aside from it not being applicable for all homes or financially viable for all consumers) are the size of the grant and complicity of the application. Therefore, landlords and homeowners are likely going to be attracted by the possibility of another company applying for the grant themselves and passing the savings onto the consumer. Since covering upfront costs is a major barrier, consumers are less likely going to install heat pumps for two reasons. Firstly, many will not have the immediate disposable income or be prepared to invest that much in their property's heating system. Secondly, many consumers will likely be put off by the idea of being reimbursed after the installation.