# Warm Homes Loan Scheme

A quick guide to Government supported finance for home energy upgrades

UK Government

**For owner-occupiers and private landlords considering an eligible installation**

## Overview

The scheme helps homeowners with the upfront cost of home energy improvements by reducing the interest rate of eligible loans by up to 5 percentage points. You apply to and borrow from a participating lender, must pass its checks and remain responsible for repayments.

## At a glance

**What the scheme does.** Supports discounted loans for eligible low-carbon technologies. It is not a grant and there is no single government loan product or single interest rate.

**Who can apply.** Owner-occupiers and private-rented-sector landlords of existing domestic properties, subject to scheme eligibility and the lender's usual checks.

**How much rates may reduce.** Participating lenders set their own rates, criteria and customer journeys. For products with terms of up to 10 years, the scheme is going to reduce the market rate by up to 5 percentage points. The reduction may be lower for longer terms. Compare both the finance and the installation offers to find what best suits your needs.

**Eligible Measures.** Participating lenders may offer loans for heat pumps, solar panels, battery storage, domestic wind and micro-hydro systems, heat network connections together with associated installation and ancillary costs. Insulation, structural repairs and standalone EV chargepoints are not eligible.

## Your route through the scheme

1. **Consider what measures you would like to install.** You may wish to use government home energy advice, services o ered by your council or speak to a specialist energy advice provider to understand which improvements may be suitable for your home and their likely impact on your energy use and bills. Actual savings will depend on factors such as your property, energy use and energy prices.

2. **Check if you are eligible for any grant.** Check whether another grant or support scheme may be available before taking on borrowing. Your local council may offer fully funded installation depending on your household income or postcode. The Boiler Upgrade Scheme and Home Energy Scotland grants may be used alongside a Warm Homes Loan.

3. **Compare quotes and choose the finance that best suits your needs.** Compare installation quotes and finance from participating lenders. Look at the total amount repayable, APR, term, monthly repayment, fees, repayment flexibility and any security over your home. Some lenders will partner with specific installers only; others will allow you to choose any that has MCS certification.

4. **Submit your application to a participating lender or installer.** For a typical personal loan, you will need an eligible quote from an MCS-certified installer. The lender will carry out its normal affordability, credit and eligibility checks.

5. **Make the most of your new technology.** Consider how you will use the technology to maximise energy savings, such as choosing a suitable smart tariff and ensuring your heat pump is operated efficiently.

## What can the loan support?

Participating lenders may support one, some or all eligible measures. Check the particular lender's offer before applying.

**Low-carbon heating**
Air-to-water and ground source heat pumps; eligible biomass boilers; eligible heat-network connections.

**Solar power**
Roof-mounted solar photovoltaic (PV) systems.

**Energy storage**
Electrical batteries, either standalone or paired with solar PV.

**Micro-renewables**
Domestic wind turbines and micro-hydroelectric systems.

**Related costs**
Necessary installation, labour and eligible ancillary costs within the relevant measure's cap.

**Not generally covered**
Insulation, replacement roofing or structural work. An EV chargepoint is not eligible on its own.

## Choose the right type of finance

**Unsecured personal loan**
You normally apply to the lender, choose the installer and arrange payment. The loan is not secured against your home.

**Unsecured installer or retailer finance**
You apply through an installer, retailer or intermediary. The lender usually pays the installer directly after the installation.

**Secured loan**
Borrowing is secured against your home to reduce the risk to the lender and therefore the interest rate of your loan. Your home may be at risk if you do not keep up repayments.

## Compare before you commit

**Finance**
- APR or interest rate
- Monthly payment and total repayable
- Loan term, fees and early repayment terms
- Whether the loan is secured on your home
- Unique product features

**Installation**
- More than one quotation where practical
- What is included and excluded
- Installer certification and warranties
- Expected performance and aftercare
- Verified consumer reviews

**Before borrowing**
- A low interest rate does not automatically make a loan right for you. Make sure you can afford the repayments if your circumstances change.
- Stay alert - scammers may falsely claim to be connected with the scheme. To ensure that your loan is a genuine Warm Homes Loan check your contractual lender is on the list of approved lenders on the scheme's Gov.uk guidance.

**Need help?**
Contact your lender about the loan, your installer about the work, and use the guidance for escalation, complaints and scheme contacts.

**Next step**
Read the full guidance for eligibility rules, consumer protections, complaints and current contact details.