

National Energy Action (NEA) response to the inquiry into faulty energy efficiency installations.

1. About National Energy Action (NEA)

- 1.1 NEA¹ works across England, Wales and Northern Ireland to ensure that everyone in the UK² can afford to live in a warm, dry home. To achieve this, we champion and deliver energy efficiency programmes, aim to improve access to energy and debt advice, provide training and co-ordinate other related services which can help change lives³.

2. Background and summary of our evidence

- 2.1 Our work at NEA is focused on the ethos that all homes should provide affordable heating and hot water, healthy living spaces, and improvements that make homes ready for a net zero future.
- 2.2 Our path to net zero is strongly linked to efforts to reduce fuel poverty. We cannot reach net zero without changing how each fuel poor home uses energy. We firmly believe that the best, lasting way to alleviate fuel poverty is to insulate homes, a crucial element of our path to net zero. Unfortunately, many low-income families struggle to access suitable financial help to improve their homes and, when funding is available for retrofit works, the outcomes of that work on homes aren't always optimal for the people living in them, as seen by the failures of ECO4 and GBIS.
- 2.3 As the UK's leading fuel poverty charity, and through our Homes Directorate which focuses on improving energy efficiency and supporting fuel-poor households, we are uniquely positioned to demonstrate the impact of failed retrofit initiatives on vulnerable communities. This perspective enables us to identify the solutions needed to overcome barriers, advancing both net zero and fuel poverty reduction goals.
- 2.4 The evidence we provide in this response focuses on three main areas:
- We evidence the failures in Fishwick, Preston which arose as part of the Community Energy Savings Programme in 2013, and our efforts in rectifying affected homes.
 - We evidence the learnings and impact of our community retrofit hubs, in fostering trust with vulnerable communities and delivering comprehensive in-person support.
 - We evidence the impact of retrofit failures in slowing down progress towards Net Zero 2050.

Annex 1 – Call for evidence

3. The failed retrofit measures in Fishwick

- 3.1 The current scandal surrounding installations under ECO4 and GBIS is not the first instance of retrofit failure and is part of a history of systemic problems within the domestic energy efficiency sector.
- 3.2 Our direct involvement in repairing the failed external wall insulation in Fishwick since 2020, has given us insight into the extent of problems in the sector and the significant physical and mental toll that retrofitting failures can have on residents.
- 3.3 In 2013, an estimated 387 households in Fishwick had wall insulation put on their homes as part of a national energy efficiency scheme called the Community Energy Savings Programme (CESP). The Fishwick area is one of the poorer areas of the city of Preston and the success of this project was meant to bring much needed energy efficient improvements to vulnerable fuel poor households. However, much of the insulation was poorly installed, leaving gaps in many homes that have since led to serious issues with damp, mould, water ingress and in some cases fungus growth. The nature of the damp penetration problems mean that affected properties continue to get worse, and the longer that failed insulation is left in situ, the higher the costs will be to remove and repair the building fabric⁴.
- 3.4 The installation failures were primarily due to substandard workmanship, particularly because the original external wall insulation was carried out hastily to fulfil the obligations of the CESP scheme. To avoid penalties, companies had little choice but to accelerate the installation process, despite facing a shortage of skilled labour⁵.
- 3.5 The physical and mental effects of failed retrofit was substantial on affected residents. Of 96 residents that we surveyed, over half of the residents (52%) said that their inability to keep their homes warm negatively affected their physical health, while 46% said it impacted their mental health⁶. Our qualitative research with affected Fishwick residents, uncovered a troubling rise in respiratory health issues among occupants, some of which were severe enough to require hospitalisation. Parents reported that their children's asthma had worsened or new conditions like sleep apnoea had developed. Many also described their homes as uncomfortably cold and their home had become a place of increased stress and anxiety, with residents feeling too ashamed of the smell and state of their homes to invite friends and family over, resulting in increased social isolation. Additionally, parents reported feeling guilty and anxious about the effects cold homes were having on their children⁷.
- 3.6 The scheme was aimed to make homes in Fishwick easier and cheaper to keep warm. However, it had the opposite effect with two thirds (67%) of 96 Fishwick residents who experienced the failed retrofit, reported being unable to keep their home warm or finding it difficult to do so. Additionally, as a coping mechanism for the damp that had developed, over half of residents (54.6%) would leave windows open when they'd rather they were closed, increasing energy costs.
- 3.7 Many affected households suffered significantly due to limited access to redress, as residents lacked the protection of guarantees or warranties. An initial 62 households who experienced failed retrofit, complained to Ofgem and, because of enforcement action, were provided with remedial work that was completed in 2018. However, problems took time to manifest themselves in houses, so this was only the tip of the iceberg. Further complaints were made but, with the initial contractor going into liquidation, the householders had no satisfactory recourse to get the work put right⁸.
- 3.8 Since 2020, NEA, in collaboration with Seddon Construction Limited and Aldrock Surveyors Limited have worked with residents to design a project to put these failed retrofit projects in Fishwick right and has been able to repair 45 homes, significantly improving the quality of life for their occupants.
- 3.9 Rebuilding trust and actively engaging households were central to the success of the rectification efforts. The shortcomings of the initial scheme had left many residents sceptical of retrofitting initiatives. To overcome this, the approach focused on early, proactive relationship-building within

communities, providing tailored support to vulnerable households, and maintaining clear, transparent communication throughout the process. These steps ensured that residents felt informed, supported, and empowered.

- 3.10 The impact on Fishwick residents, following this rectification work, emphasises how beneficial insulation works can be if quality is ensured, and residents trust the process. Following the rectification process, residents reported improved home conditions, improved physical and mental effects and reduced energy costs. Within three-to-six months of the rectification works being completed, residents reported noticeable improvements in their homes' ability to retain heat. Over half (11 out of 18 surveyed) stated they could now keep their homes warm in colder months. Additionally, improvements in ventilation meant that residents no longer had to leave windows open to help with the damp at the expense of keeping the homes warm⁹.

4. The impact of our community retrofit hubs

- 4.1 NEA's Community Retrofit Hub model places dedicated teams within communities. These teams act as advocates, educators, and navigators through building awareness of retrofitting and helping residents understand retrofit options in a way that is tailored to their needs and circumstances. These teams also apply for grants, liaise with installers and provide aftercare following the installation, ensuring quality outcomes and safeguarding consumer protections. Building on earlier work in Fishwick, the hubs are designed to not just be service points but are trust-building institutions that offer continuity, visibility, and reassurance, with the ethos that community retrofit isn't something that is done to people but rather something that we deliver with them.
- 4.2 A lack of trust presents a major obstacle to home retrofitting among UK households. Research from Citizen's Advice revealed that six in ten (60%) households are concerned about the contractor's reliability and trustworthiness, whilst 19% are worried about communication during the project¹⁰. Additionally, many households don't know where to turn for trusted, impartial advice on energy efficiency, with some homeowners being wary of advice from energy companies or contractors questioning their motives or worrying about poor quality work¹¹. The aftermath of the public scandal surrounding ECO4 and GBIS is likely to heighten already high levels of distrust.
- 4.3 Insights from our Sheffield Community Hub underscore the importance of a community-led retrofit model in building trust. Establishing a physical presence in a familiar and accessible location, a former school building now used by the council and community groups, enabled face-to-face engagement and fostered familiarity. Maintaining a consistent presence allowed residents to return for ongoing support and build relationships with the team. Trust was further strengthened by partnering with established local organisations and actively participating in community events, embedding the hub within existing networks of credibility. By building trust, the energy action teams earned the role of impartial advocates for residents in their interactions with installers. Their presence added a layer of credibility and security to the engagement process, helping to overcome distrust and ultimately improve outcomes for households.
- 4.4 Community retrofit hubs are also vital in providing support to households, who need more tailored support to engage with the retrofit process. Many residents are unaware of available grant schemes, energy efficiency measures, or consumer protections like Trustmark, making a trusted in-person team essential for raising awareness and empowering households to engage with retrofit. Support is often needed to navigate complex application processes, especially for those facing language barriers, digital exclusion, or difficulty understanding technical jargon. Tailored assistance, including translators and face-to-face guidance, is crucial to ensure equitable access and prevent vulnerable residents from being excluded. Importantly, having a team member present throughout each stage helps residents understand what's happening, uphold their consumer rights, and avoid poor decisions.
- 4.5 Our experience with our community retrofit hubs has also evidenced that the presence of an energy advice team can significantly improve outcomes for residents during the retrofit process. In Sheffield, the team has observed that the information and options presented to residents by

installers vary depending on whether a team member is present, underscoring the value of informed oversight. The role of community retrofit hubs is especially important in upholding consumers protections and representing the resident, as our energy action teams have reported that they were unable to engage with retrofit coordinators, who under PAS 2035 should be representing and engaging with clients. As a result of this, community retrofit hubs should be seen as and upheld as pivotal as advocating for consumer protections, in rectifying PAS2035's deficiencies.

- 4.6 NEA was also able to improve outcomes for residents by funding 'one-off improvements' in homes that could then allow the installer to maximise energy efficiency instalments in residents' homes. Funding for small but essential preparatory tasks such as house clearances, moving kitchen units, minor repairs, or removal of damp are often excluded from retrofit grant schemes, despite being critical for some instalments to go ahead. These enabling works typically involve low costs but have high impact, as they can enable retrofitting work going ahead.
- 4.7 In conclusion, most of the retrofits the hub teams have enabled would not have happened without them. Had they gone ahead, the residents would not have received the same level of advice and support, would not have received the additional measures the teams enabled, or would have been at greater risk of poor quality installs. However, the hubs are a specific project funded by one of NEA's business partners and this level of support is not catered for in central government retrofit schemes.

5. The impact the ECO4 and GBIS crisis will have on Net Zero

- 5.1 ECO4 required energy suppliers to fund energy efficiency improvements, such as insulation, in low-income, fuel poor homes. The widespread failure of ECO4 to adequately install these measures in fuel poor homes will negatively impact the UK's journey to net zero by 2025, as fuel poverty goals and net zero goals are deeply entwined. Successful rollout of some key objectives of net zero, entails energy efficient improvements (e.g. fabric, solar) of fuel poor homes, whilst decarbonising homes is the best, lasting, route out of fuel poverty.
- 5.2 A key objective of net zero is the reduction of carbon emissions through a reduction of energy usage. Upgrading fuel poor homes who have an EPC rating of D or below and have low income, is a lasting way to reduce the energy demand of some of the most inefficient homes. Our 2022 – 23 Fuel Poverty Monitor found that meeting the fuel poverty target (all fuel poor homes by EPC C by 2030) would save 43TWh of energy per year, and result in 8.2 MtCO_{2e} of reduced carbon emissions¹². ECO4 and GBIS failures to adequately install insulation and increase the energy efficiency of fuel poor homes, jeopardises estimated carbon reduction.
- 5.3 Additionally, Net Zero 2050 sees heat pumps being the dominant low carbon heating system. However, the attainment of this goal must be coupled with energy efficient improvements made for households, especially fuel poor households. This is because affordability is a major concern for consumers. Amongst all homeowners without a heat pump, the motivating factor that would most likely encourage them to install a heat pump is saving money on their energy bills (34%)¹³, and our polling suggests most GB adults (63%) are worried about energy bills this upcoming winter¹⁴. This is acutely the case for fuel poor households, who need on average of a who need on average of a £407 reduction in in fuel costs to be moved out of fuel poverty¹⁵ and are disproportionately affected by rising costs of energy. Given this, affordability must be central to heat pumps for consumer buy-in, and energy efficiency through fabric measures or solar panels is crucial to this. Heat pumps can work in uninsulated buildings; however, it is harder to get heat pumps' running costs to match or better that of gas heating in these such buildings, due to electricity being comparatively more expensive than gas. Investing in fabric efficiency measures (e.g. insulation) or solar panels is a proven way to enable heat pumps to be affordable and lower costs and will be a crucial element in making heat pumps attractive, especially for fuel poor households. ECO4's and GBIS's failures to actualise effective energy efficient measures may have a knock-on effect on the financial attractiveness of heat pumps.
- 5.4 Research has shown that low-income households are more likely to be worried about what will happen if something goes wrong with an energy efficient upgrade than their higher income counterparts¹⁶. Additionally, our experience with community retrofit hubs suggests there are

significant barriers to trust for fuel poor homes towards retrofitting. The public scandal following ECO4 and GBIS is likely to heighten this concern, discouraging further interest in adopting energy-efficient improvements and consequently stalling progress to net zero targets.

- 5.5 The achievement of Net Zero targets is particularly at risk if fuel-poor households lack trust in government-led retrofitting schemes. These households often depend on such initiatives to access energy-efficient upgrades, given the high upfront costs associated with retrofitting. When distrust prevents their engagement with government schemes, they may be excluded from low-carbon heating improvements. This poses a serious challenge to decarbonisation efforts, which require action from all households as carbon emissions cannot be effectively reduced unless low-carbon solutions reach every home.

References

¹ For more information visit: www.nea.org.uk.

² NEA also work alongside our sister charity Energy Action Scotland (EAS) to ensure we collectively have a UK wider reach.

³ A major recent focus for the charity has been NEA's Health and Innovation Programme (HIP) which was a £26.2 million programme to improve energy efficiency within fuel poor and vulnerable households in England, Scotland and Wales. Launched in April 2015 by NEA as part of an agreement with Ofgem and energy companies to make redress for non-compliance of licence conditions, it remains the biggest GB-wide energy efficiency programme implemented by a charity which puts fuel poverty alleviation at its heart. For more information on HiP visit: <https://www.nea.org.uk/hip/>

⁴ National Energy Action (2025) Warm and Safe Homes in Fishwick: Rebuilding Trust, June 2025.

⁵ National Energy Action (2025) Warm and Safe Homes in Fishwick: Rebuilding Trust, June 2025.

⁶ National Energy Action (2025) Warm and Safe Homes in Fishwick: Social Impact report, September 2025.

⁷ National Energy Action (2025) Warm and Safe Homes in Fishwick: Social Impact report, September 2025.

⁸ National Energy Action (2025) Warm and Safe Homes in Fishwick: Rebuilding Trust, June 2025

⁹ National Energy Action (2025) Warm and Safe Homes in Fishwick: Social Impact report, September 2025.

¹⁰ Citizens Advice (2025) Consumer attitudes to retrofit: Examining the barriers and motivators for consumers when making energy efficiency or low-carbon home upgrades. 3 June 2025.

¹¹ Citizens Advice (2025) Beyond cost: Making energy efficiency measures accessible to low-income homeowners.

¹² National Energy Action (2024) UK Fuel Poverty Monitor 2022-2023.

¹³ Which? (2024) Which's Annual Sustainability Report Series 2024: Home insulation and Heating, November 2024.

¹⁴ National Energy Action (2025) YouGov/NEA survey results. Samples size 2443 GB adults.

¹⁵ Department for Energy Security & Net Zero (2025) Annual Fuel Poverty Statistics in England, 2025 (2024 data.)

¹⁶ Citizens Advice (2025) Beyond cost: Making energy efficiency measures accessible to low-income homeowners.