

Saving energy, saving money

- Halifax offers up to £1,000 cashback on borrowing for energy efficiency improvements
- Government Boiler Upgrade Scheme – offers grants up to £6000 for ground source heat pumps fitted from 1st April
- Less than 1% of homes use a heat pump
- Improving EPC rating could save £300 per year on energy bills for each band improvement

Homeowners looking to upgrade their heating could save a total of £7,000 on the cost of fitting a heat pump to replace an old gas boiler, says Halifax.

With the cost of heating our homes set to rise from tomorrow, as the energy price cap goes up from £1,277 to £1,971 for an average household*, many homeowners will be looking at ways to reduce their energy use.

With just 40% of British homes having an Energy Performance Certificate rating of C or better, improving the energy efficiency of our homes is essential to mitigate rising fuel costs. Halifax estimates that improving your home's EPC rating could save over £300 on bills each year for each band it moves up – helping offset the cost of the work needed.

For many, the immediate action will be addressing the areas where heat is lost. Draft prevention, double or triple glazing, and loft or wall insulation can all help reduce the amount of energy it takes to keep a home warm.

For those that have already addressed their homes' insulation, how it is heated will be one of the next things they can look at changing. Across the country, most homes rely on mains gas for their heating, with fewer than 1% choosing a heat pump.

Primary heating fuel source: England & Wales

Country or region name	Community heating scheme	Electricity	Heat pump	Mains gas	Oil	Other and unknown
England	4.21	11.89	0.80	78.58	3.04	1.47
Wales	1.35	8.57	0.71	77.75	7.75	3.87
North East	2.64	6.70	0.28	87.35	1.55	1.48
North West	2.47	11.56	0.33	83.27	1.26	1.10
Yorkshire and The Humber	2.17	10.28	0.47	83.38	2.17	1.53
East Midlands	1.82	8.62	0.84	83.16	3.80	1.76
West Midlands	1.79	11.98	0.58	81.11	2.87	1.67
East of England	2.09	12.53	1.37	75.91	6.67	1.42
London	16.45	12.63	0.72	69.17	0.02	1.00
South East	2.43	13.06	0.83	79.69	2.74	1.24
South West	2.02	15.35	1.56	71.71	6.85	2.51

Source: DLUHC

Press Release



For well-insulated homes, a heat pump that uses the warmth in the atmosphere or under the ground can be a good option. The cost of a heat pump is higher than that of a replacement gas boiler and some may see this as a financial barrier. However, the combination of two schemes could reduce the cost by as much as £7,000, making a heat pump much closer to the cost of a gas boiler.

For homeowners and buyers, who are borrowing against their property to fund energy efficiency improvements, Halifax is currently offering cashback on a range of work through its Green Living Rewards offer, including £1,000 for those installing a heat pump. And from tomorrow, homeowners could qualify for a grant of up to £6,000 to fit a heat pump with the launch of the Government's Boiler Upgrade Scheme (see Editors' Notes).

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Andrew Asaam, Mortgages Director, Halifax, said: "The cost of heating our homes has risen dramatically this year, and people will be looking at how they can reduce that both quickly and over the long term. Simple changes like extra loft insulation and draft exclusion can make a difference for relatively little outlay.

"For those who need to make more significant improvements, are at the point where they need to update windows or a boiler, or just want to lower their carbon footprint, the investment can be more significant

"With our Green Living Rewards cashback offer, we hope to support these homeowners with some of the bigger energy efficiency improvements they might want to make, like better insulation, solar panels, or a heat pump."

ENDS

Notes to Eds:

This information is intended for the sole use of journalists and media professionals.

Green Living Reward

The offer is for a limited period and is available in-branch, online or by phones, and is available through Bank of Scotland. A matching offer is available for Lloyds Bank mortgage customers.

Full details can be found at: [Green Living Reward | Halifax](#)

Rules

To qualify for the Green Living Reward (we will call this the Reward) you must:

- Be raising funds through a Halifax mortgage on a property for qualifying energy efficiency improvements on that property. The Reward is available to customers purchasing their first home, moving to a new home, or purchasing a buy to let property. The Reward is also available to existing Halifax mortgage customers borrowing more for home improvements and customers remortgaging to us from another lender and borrowing more for home improvements.
- Apply directly online via our Halifax or Bank of Scotland branch, websites or by telephone between 7th February 2022 and 31st July 2022
- Register for the Reward by 31st August 2022
- Complete your mortgage transaction and the improvements, and have told us that you have completed them including submission of your invoice evidence by 28th February 2023
- For further guidance on invoice submission please see the FAQs

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You will not qualify if:

- Your mortgage application is made through a Mortgage Broker
- You change the type of application during the process for example if you are no longer borrowing additional funds for home improvements as a part of your remortgage application
- There are arrears on your mortgage account. For the purpose of these rules arrears means when a total sum of £1 or more of the monthly payment(s) due remain unpaid at the time you notify us that your green home improvements are complete.

How to register

Your Halifax mortgage adviser can complete the registration for you, or you can register online yourself.

How it works

We will aim to pay the Reward to customers who qualify within 30 days from when you tell us the work has been completed and submit evidence in the form of an invoice. We will tell you how to do this when you register.

The Reward will be paid into the account that funds the mortgage. If you don't have a direct debit set up to pay your mortgage you will need to speak to us to arrange payment.

You can only claim one Green Living Reward for a property even if you are doing a number of home improvements or if you make more than one mortgage application for that property in the qualifying period. You cannot claim a Green Living Reward for a ground or air source heat pump installation and other eligible improvements separately.

Other important information

Halifax is not responsible for the improvements carried out by your chosen supplier. Halifax releasing the funds to you does not guarantee the quality of the work done by the supplier and it is up to you to ensure that you are satisfied with the improvements carried out. Halifax cannot make any guarantee about the costs of the work required or any savings that can be made and you are responsible for making your own decision.

You agree that Halifax may contact you with reminders about this Reward and for research purposes.

Halifax reserve the right to withdraw the Reward at any time.

EPC rating improvement: [EPC rating A vs B vs C vs D: Cost & Energy Efficiency explained - \[2022 Guide\] \(energysanity.com\)](#)

Government Boiler Upgrade Scheme

Timeline:

1 April 2022 - Low carbon heating systems that are commissioned on or after this date will be entitled to support under the scheme. (Commissioning is the completion of installation and set up of the system).

11 April 2022 - Installers will be able to open an account for the scheme with Ofgem, the scheme administrator.

23 May 2022 - The scheme opens for grant applications and payments.

The Government's Boiler Upgrade Scheme launches on 1st April 2022. For those eligible it offers:

- £5,000 off the cost and installation of an air source heat pump
- £5,000 off the cost and installation of a biomass boiler
- £6,000 off the cost and installation of a ground source heat pump

The grant will only cover biomass boilers in rural locations and in properties that are not connected to the gas grid. Full details of the scheme can be found [here](#)

This report is prepared from information that we believe is collated with care; however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own- or third-party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance." © Bank of Scotland plc all rights reserved 2021.

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