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Lloyds Banking Group and Octopus Energy agree partnership to make Britain's homes greener for less

- **Octopus Energy and Lloyds Banking Group agree strategic partnership**
- **First scheme pilot offers discounted heat pump installation for mortgage customers**
- **Further propositions for Lloyds Banking Group customers planned for 2023**

Octopus Energy and Lloyds Banking Group have agreed a strategic partnership to provide energy efficiency home improvements to the Group's customers.

The first scheme of the partnership will offer lower cost air-source heat pumps to UK households. The move is designed to support the decarbonisation of domestic heating and encourage the retrofit of existing UK properties.

The pilot has launched through the Halifax brand as part of its Green Living Reward scheme. Customers using mortgage borrowing to fund the switch to an air-source heat pump will benefit from £1,000 cashback on completion of the installation. Halifax will provide borrowers with a referral link to arrange installation with Octopus Energy.

When used in conjunction with the Government's **boiler upgrade scheme**, which provides grants of £5,000, the cashback brings the cost of installing a heat pumps to as low as £2000, which could mean heat pumps for some homes will cost less than many gas boilers.¹

It is estimated that around 40% (10 million) UK homes are already suitable for the switch to a heat pump and another 4 million would be suitable with is additional efficiency measures are taken, such as installing loft insulation.²

In addition to reducing homeowners' costs, the new scheme also unlocks greener energy for UK households. Air-source heat pumps are a low carbon source of heating (75% lower carbon than a gas boiler) – running on electricity, increasingly from renewable sources and are 3-4 times more energy efficient than traditional gas boilers.³ *

The pilot is also the latest in Octopus Energy's roster of initiatives designed to wean the UK off fossil fuels and become more energy independent. Earlier this year, the energy supplier, which is the third biggest in the UK, acquired heat pump manufacturer Renewable Energy Devices (RED) in a move to build cheaper and better heat pumps for the UK.

¹ [Boiler Upgrade Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

² <https://utilityweek.co.uk/heat-pumps-not-suitable-for-half-of-uk-homes/>

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Rebecca Dibb-Simkin, Chief Product Officer at Octopus Energy, commented:

“We’re always looking for ways to help people save money while accelerating the shift to a clean energy future. The pilot with Lloyds Banking Group comes at a crucial time for consumers facing a dual climate and cost of living crisis. It no longer needs to be a question of prioritising one over the other: heat pumps are greener than gas boilers, and thanks to Octopus, the government and Lloyds Banking Group they can be cheaper too.”

Jas Singh, CEO Consumer Lending, Lloyds Banking Group, said:

“Our partnership with Octopus adds another element supporting our strategy to help Britain live in better, warmer, greener homes and move the country towards its net zero target.

“Lots of homeowners who need to replace, or want to upgrade, a gas boiler may have considered the switch to a heat pump but see the cost as a barrier. This extension to our Green Living Reward scheme will make switching from a gas boiler to a new, more efficient, cheaper to run heat pump easier and more affordable than ever before.

“We won’t stop here. We are committed to playing our part in reaching net zero by continuing to support and encourage our customers to make greener choices for their homes. This pilot is just the first from our partnership with Octopus Energy; we will continue to innovate, we will continue to help make Britain’s homes better for their owners and better for the environment.”

-ENDS-

Notes to editors

Installation price of £2,000 based off Octopus Energy’s cheapest install price of £3,000 (after the £5,000 government grant) and including £1,000 Lloyds ‘cashback.

[Boiler Central](#) quotes the average UK combi boiler installation cost as £1,800

* 75% reduction calculation based on:

Gas CO₂ = (A/C*D) = 3.46 tonnes

Electricity CO₂ = (A/B*E) = 0.93 tonnes

Carbon saving = (3.46 - 0.93)/3.46 = 73% (we've rounded this up to 75% on the OE landing page but happy to change to 73% on the LBG landing page if you prefer) Where A - E are: A - 14 MWh typical energy demand for heating and hot water for a 3 bed property

B - 3.5 heat pump seasonal coefficient of performance

C - new boiler efficiency of 85% (ERP directive suggests a typical efficiency 70 - 90%)

D - Gas fuel emissions of 210 gCO₂/kWh (SAP 10)

E - Electricity fuel emissions of 233 gCO₂/kWh (SAP 10)

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Lloyds Banking Group

Lloyds Banking Group are committed to reducing carbon emissions we finance to net zero by 2050 or sooner. Enabling the transition to a low carbon, more sustainable and inclusive future for people and businesses is key to delivering on our purpose.

We are joining up all parts of our business to accelerate the transition to a lower carbon future, prioritising the following areas: the energy transition, low carbon transport, greening the build environment, sustainable farming and natural capital and sustainable investments and pensions.

About Octopus Energy Group

Octopus Energy Group is a global energy tech pioneer, launched in 2016 to use technology to unlock a customer focused and affordable green energy revolution. It is part of Octopus Group, which is a certified BCorp. With operations in 14 countries, Octopus Energy Group's mission is going global.

Octopus's domestic energy arm already serves 3.4 million customers with cheaper greener power, through Octopus Energy, M&S Energy, Affect Energy, Ebico, London Power and Co-op Energy. Octopus Electric Vehicles is helping make clean transport cheaper and easier, and Octopus Energy Services is bringing smart products to thousands of homes. Octopus Energy Generation is one of Europe's largest investors in renewable energy, managing a £4bn portfolio of renewable energy assets throughout the continent.

All of these are made possible by Octopus's tech arm, Kraken Technologies, which offers a proprietary, in-house platform based on advanced data and machine learning capabilities, Kraken automates much of the energy supply chain to allow outstanding service and efficiency as the world transitions to a decentralised, decarbonised energy system. This technology has been licensed to support over 20 million customer accounts worldwide, through deals with EDF Energy, Good Energy, E.ON energy and Origin Energy.

In December 2021, Octopus Energy Group was valued at approximately \$5 billion following a \$600 million investment from Generation Investment Management and a \$300 million investment from Canada Pensions Plan Investments Board. Both investors back businesses that drive sustainability, promote green energy and tackle climate change. It was the company's third major investment round since launching to the market.

For more information, check out our [website](#).

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