

Warm Home Discount (WHD)

Introduced in April 2011, the Warm Home Discount (WHD) obliges larger energy companies to provide a discount on energy bills to some of their most vulnerable customers. WHD is paid for by larger energy companies.

Since April 2019, smaller suppliers who had at least 200,000 customers on 31st December 2018 are obligated to deliver to the Core Group only.

Suppliers with fewer than 200,000 customers do not yet have to offer WHD, though some do so voluntarily. WHD is paid via participating energy suppliers to those customers who qualify. It is usually applied as a rebate to the electricity part of an energy bill as most households receive electricity (not all receive gas). However, for customers with dual fuel accounts the rebate may be provided to the gas or electricity account, on request. Eligible customers will receive £140 for winter 2019/20. Customers with a pre-payment meter also receive the discount – e.g. as a voucher which can be redeemed to top up the meter.

There are three strands to the WHD:

1. Core Group discounts

Participating energy suppliers are required to provide a discount on electricity bills to a 'core group'. If on the qualifying date (7th July 2019 for 2019–2020) a customer is receiving Pension Credit, Guarantee Credit and Savings Credit and is aged 65 and over, or is in receipt of Guarantee Credit only, they are likely to be eligible. The Department for Work and Pensions (DWP) and participating electricity suppliers are sharing some limited information about their customers. This allows participating suppliers to give the discount automatically to customers who qualify, or for the DWP to write to those who may qualify but have not been matched automatically. DWP will contact all potentially eligible people by the end of December. The letter will have a reference number beginning with either M or U. If the reference number begins with M, WHD will be applied automatically. If the reference number begins with U, further information is required. The DWP letter will advise how to proceed

2. Broader Group discounts

Participating suppliers are also required to provide the same discount to a 'broader group' of their vulnerable customers. There are some standardised eligibility criteria, but participating suppliers can choose additional eligibility criteria (with Ofgem approval) for their own customers. See the **Appendix** to this factsheet for eligibility. Customers whose electricity supplier is not listed should contact the supplier to ask whether they offer a discount and if they might be eligible.

3. Industry Initiatives

Energy companies can (with Ofgem approval) spend a maximum of £40m per year on industry initiatives. These initiatives might include: financing of organisations which refer customers in fuel poverty to suppliers; providing or funding the provision of benefit entitlement checks; and also providing or funding energy efficiency measures.

Note – WHD core group customers are automatically eligible for ECO – see Factsheet 4.h