

Background

Britain has around 28 million homes. With almost 40% of homes built before 1946, these homes tend to be old and inefficient to heat.

Only around 60% of the current housing stock has an Energy Performance Certificate (EPC), and only around 40% of UK households have an EPC rating of C and above. This is an important benchmark because it represents the point at which a home can be said to be making efficient use of the energy used to heat it.

In practice, this means 19 million residential properties need to be retrofitted, or made more efficient, to protect UK citizens from the impact of volatile energy prices and from the health and wellbeing impacts of cold weather. When the Office for National Statistics surveyed households over winter 2023/24, it noted that four in 10 people found it hard or very hard to meet the cost of their energy use. One in five reported struggling to stay comfortably warm in their house.

Our inefficient housing stock is also a fundamental obstacle to the UK achieving its targets for decarbonisation. In a 2019 report, the Climate Change Committee noted that the decarbonisation of the housing stock is a precondition to the UK meeting its long-term targets for carbon-emissions reduction. Heating emissions from UK homes are comparable to the carbon footprint contribution of all petrol and diesel cars in the country.

The Government has a target to upgrade 5 million homes by the end of this Parliament, which will be achieved through their Warm Homes Plan. Ahead of the full plan being published in Spring 2025, we've refreshed the research carried out in our Tomorrow's Homes report to show how consumers feel about energy efficiency.

Headlines

To help inform a debate about what it will take for the UK to achieve true energy efficiency, we conducted the same large-scale national survey that we ran in 2023. This allows us to produce a holistic picture of current consumers' attitudes to retrofitting and energy efficiency in their home and track how this has changed.

For both owners and renters, the idea of home energy efficiency continues to be seen in a largely positive light. In 2023, just under half (48%) of UK adults believed that greater energy efficiency in their home would have a significant impact on their life. Whereas in 2025, this figure rose to just over half (53%).

There have been some positive changes since 2023. In our first Tomorrow's Homes report, only 37% of people said making their home more energy efficient was a big priority. This increased to 52% in 2025, with the key driver of this continuing to be saving money by reducing energy bills.

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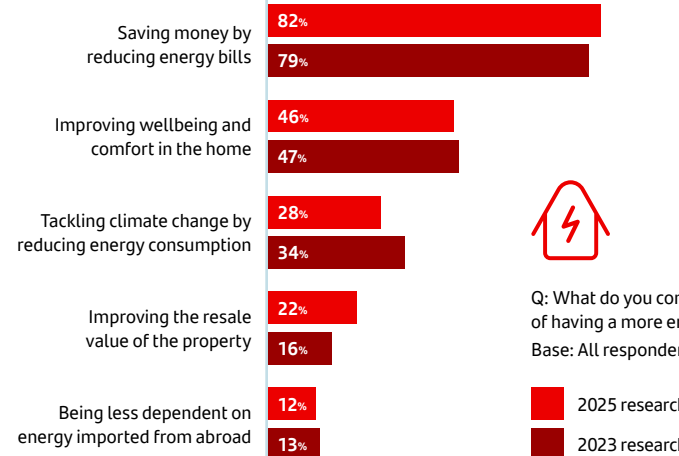
2025



2023



Greatest benefits of having an energy efficient home



Q: What do you consider to be the main benefit of having a more energy efficient home? (pick 2)
Base: All respondents (2,013)

■ 2025 research
■ 2023 research



Headlines *continued*

While there is little doubt that there is wide public appreciation of the potential benefits of home energy efficiency, especially in reducing home running costs and the cost of living, this awareness still does not generally translate into an intention to act. Only 34% said they were likely to replace an old gas boiler with a new gas boiler, whilst only 9% said they were likely to install a hydrogen boiler.

However, the energy efficiency of homes still isn't a key priority for UK residents, particularly when moving home. When buying a property, only 16% think EPC ratings are important, a marginal change from 15% in 2023.

There has also been little change in perceptions of the "value add" of energy efficiency improvements, which still trail behind kitchen and bathroom renovation and an extension.

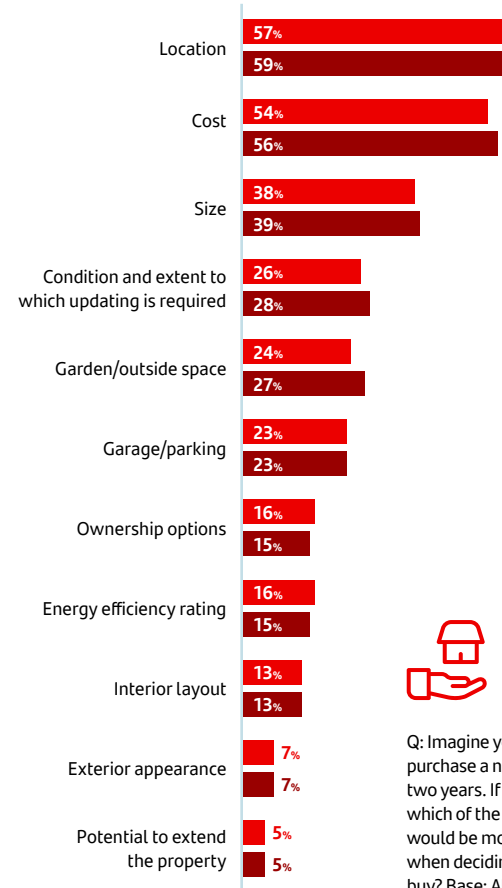
As identified in our Tomorrow's Homes report, there continues to be three key barriers to overcome to increase public action on improving home energy efficiency.

Awareness

Awareness and familiarity of the importance of home energy efficiency remains a key barrier for Government to overcome. Most people are unaware of the energy efficiency performance of their own home; most struggle when asked to

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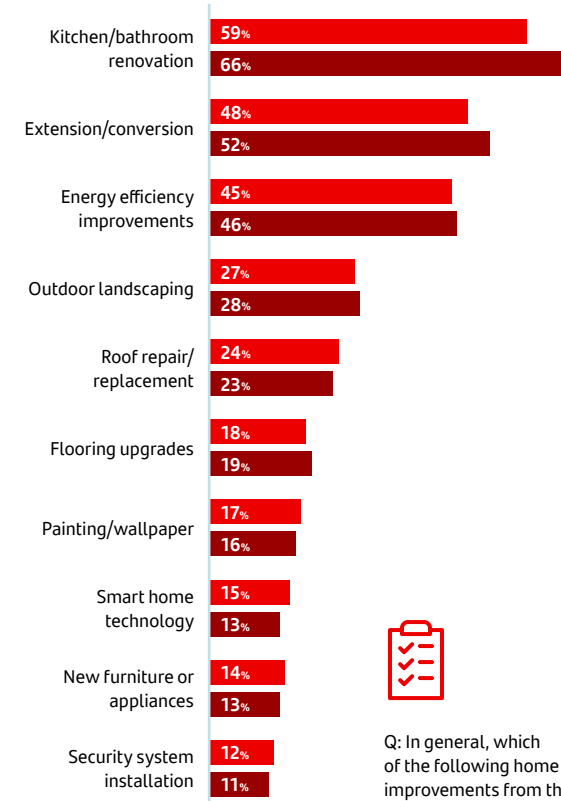
Most important factor when buying a property



Q: Imagine you were looking to purchase a new home in the next two years. If you had to choose, which of the following factors would be most important to you when deciding which property to buy? Base: All respondents (2,013)



Home improvements that would add the most value to a home



Q: In general, which of the following home improvements from this list do you think would add the most value to a home? Base: All respondents (2,013)





Awareness *continued*

estimate the costs of energy efficiency measures and large majorities feel uninformed on both local sources of reliable advice, and forms of government support.

Awareness of EPC ratings hasn't changed significantly since 2023, despite Government action to promote schemes such as the Boiler Upgrade Scheme. In 2023, 64% of people said they were unfamiliar with their EPC rating, and in 2025 this stood at 63%.

This was common across various other concepts, with the key outlier being awareness of financial products specifically for energy efficiency improvements, which has increased by 11%.

This is broadly in line with awareness of Government efforts to improve energy efficiency. Two-fifths are aware of the government commitment of minimum energy efficiency ratings for newly built properties. From 2023, awareness of support initiatives has not changed.

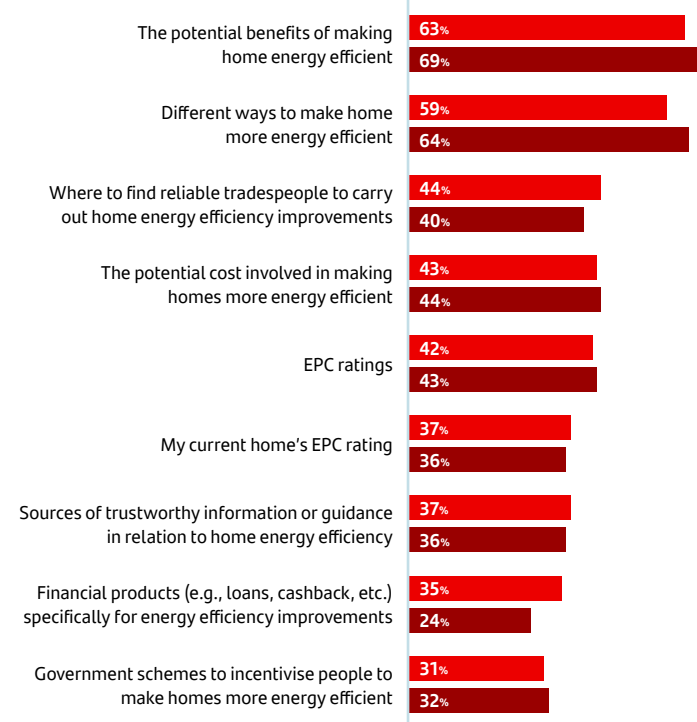
Upfront costs

The up-front costs of purchasing and installing energy efficiency upgrades remains the biggest barrier to making homes more energy efficient.

Most people feel that even relatively low-cost measures such as loft insulation are beyond their

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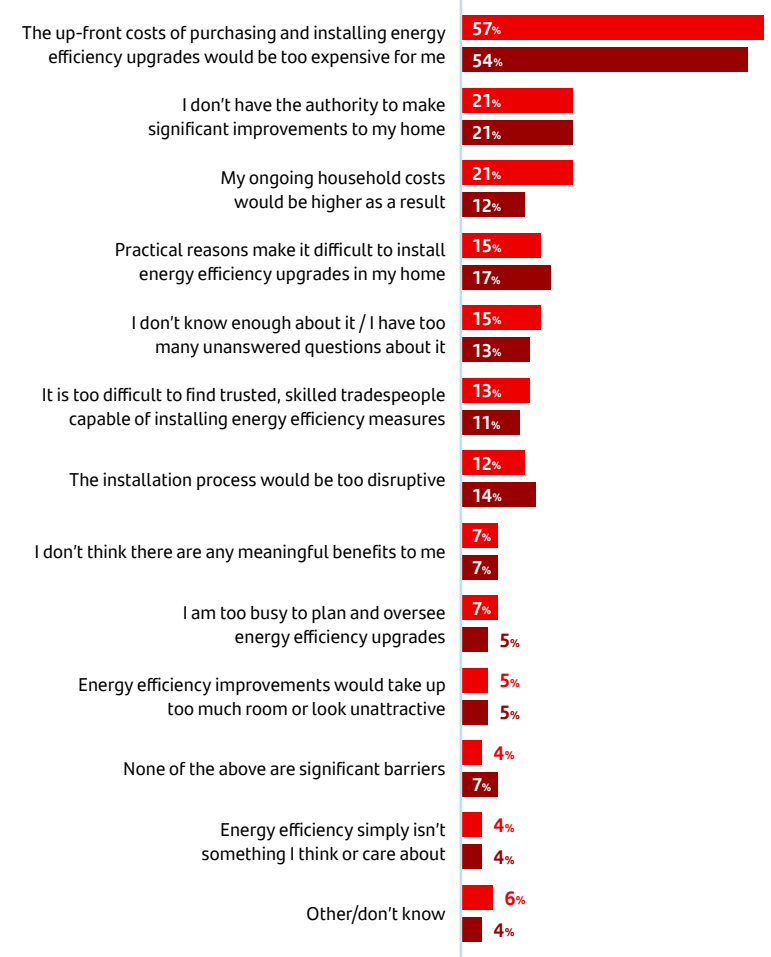
Familiarity with the following



Q: Before taking this survey, how familiar or unfamiliar would you say you were with each of the following? Base: All respondents (2,013)

■ 2025 research
■ 2023 research

Main barriers to having a more energy efficient home



Q: What do you consider to be the main barrier(s) to making your home energy efficient? Base: All respondents (2,013)

■ 2025 research
■ 2023 research



Upfront costs *continued*

current means. This is not surprising, as a full retrofit programme would exhaust the savings of most UK households.

When told the average costs of a set of standard housing retrofitting measures, majorities ruled out any measures over £3,000. Only very small minorities said they could both afford and would prioritise even relatively low-cost measures such as loft insulation.

Even where measures are seen as affordable, or could be funded through borrowing, many people would not prioritise them. Behind this reluctance appear to be judgements that costs may not be recouped quickly enough through running costs or will not add more to the value of a property than they cost.

Access to skills

The scale of retrofitting required in the UK implies a massive scaling-up of the retrofitting supply chain. The Seventh Annual Carbon Budget, published in February 2024, showed that by 2040 around half of homes in the UK will need to be heated using a heat pump, compared to around 1% in 2023. This requires the annual rate of heat pump installations in existing residential properties to rise from 60,000 in 2023 to nearly 450,000 by 2030 and around 1.5 million by 2035.

What should the Warm Homes Plan do

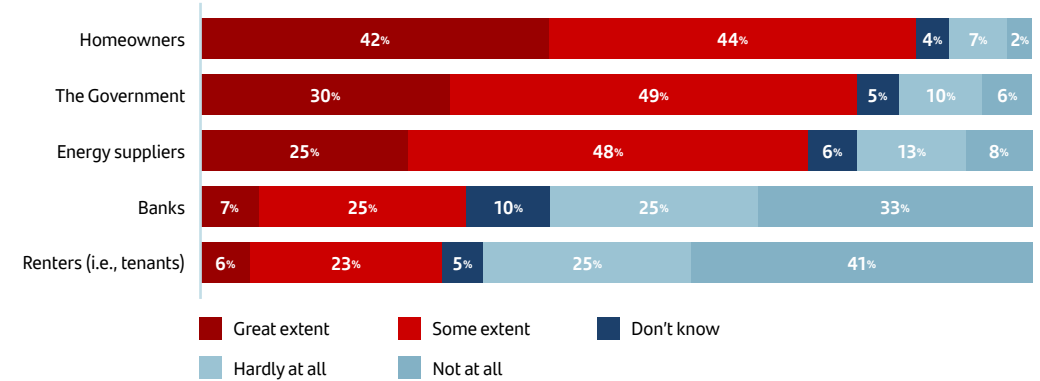
We tested a number of initiatives to see what would move the dial with consumers on making energy efficiency improvements. The most popular Government interventions were a financial subsidy to help lower the cost of making improvements, and lower taxes paid in exchange for making homes more energy efficient.

With little movement in public awareness on energy efficiency in the last year, the Government should:

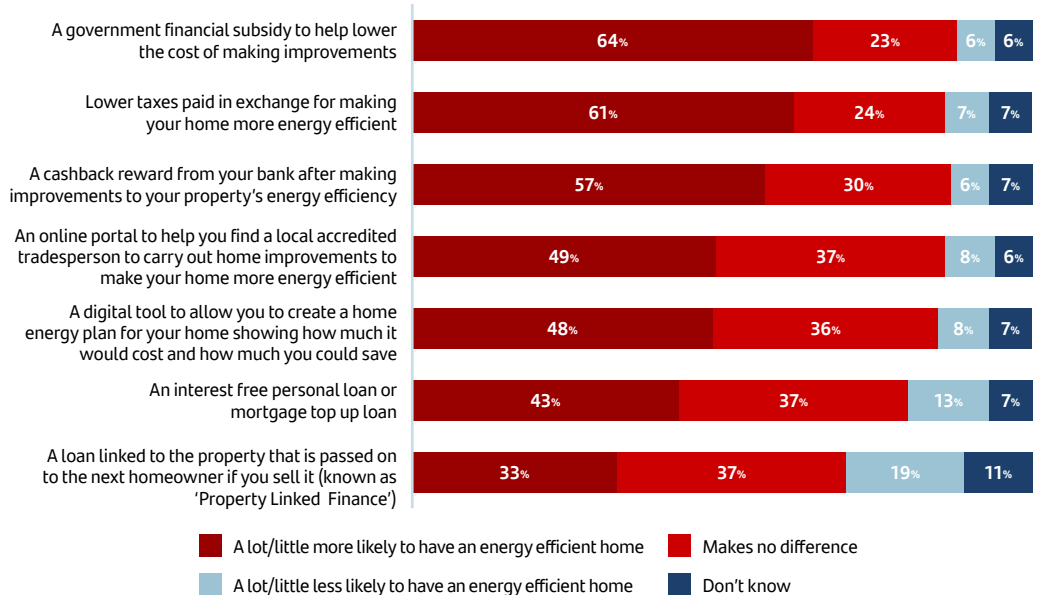
- Improve public knowledge of retrofitting, aggregating information into a single place or online tool that can help consumers close each of these knowledge gaps in turn in the simplest possible way.
- Confront the fact that upfront cost is the primary concern for most people considering retrofitting their home for energy. Providing more upfront grant support and supporting low-cost loans for retrofitting.
- Develop the retrofitting supply chain with a plan for retraining and upskilling the workforce.

It is important to reinforce that no large-scale shift in the UK private market for retrofitting will be successful without long-term policy certainty. Both new skills, and the economies of scale to reduce installation costs need sustained demand to trigger the development of supply. Helping consumers understand the value and need for energy efficiency, and ensuring they have the financial capability to seek it are key.

The UK public see the Government as a key part of improving the nation's building efficiency



Q: To what extent do you think each of the following should be responsible, or not, for paying for energy efficient measures in homes? Base: All respondents (2,013)



Q: For each initiative, please indicate to what extent, if at all, it would make you more or less likely to have a more energy efficient home, or would it make no difference? Base: All respondents (2,013)



How can Santander help

Tomorrow's Homes has enabled Santander to develop products and propositions that aim to address the barriers raised by consumers in the report.

Our Home Energy incentive rewards customers who make energy efficient home improvements through payment of a £1,000 cashback that can help with the associated costs which consumers say are a barrier to retrofitting. In addition to this, we have also partnered with Octopus Energy who provide an additional £500 discount for Santander customers, further reducing the installation cost.

By partnering with Scottish Power, we have been able to provide financial solutions in their heat pump and solar/PV journeys, streamlining the process and reducing barriers to accessing finance.

We have also entered partnerships to help address consumer knowledge gaps and provide links to accredited supply and installation chains. Our partnerships with Vibrant Energy Matters and CoreLogic enable our customers to create bespoke home plans that design a package of energy efficiency measures to meet their personal objectives, understand the associated costs and benefits, and identify the optimum implementation sequence for the measures. Additional retrofit coordination services are available for those customers who wish to receive project management support and require help in finding accredited installers. A re-assessment of the property, post-completion of any works, provides evidence of the energy efficiency improvements.

Methodology

The 2025 research presented in this report was carried out by Ipsos. Santander UK worked with Ipsos to survey 2,013 UK adults aged 18-75, between 17-21 January 2025. The 2023 research was carried out by Global Counsel. Santander UK worked with Global Counsel to survey 4,014 UK adults aged 18-75, between 20-29 December 2023.

