

Future Proof

The Public Perception of Green Home Finance
November 2025

EARLY STUDIES

 UK Finance

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1. Introduction

In 1919, only 6% of British homes had electricity. By 1939, two-thirds were connected. 4,000 miles of transmission lines linking 122 power stations were completed ahead of schedule and on budget by 1933. Local authorities ran "assisted wiring schemes" to help people connect their houses. Electricity boards opened showrooms on every high street, selling electric cookers and irons on hire-purchase terms. The wealthy paid for installations themselves, while councils secured electricity for public housing, anticipating costs would fall.

Today's challenge is somewhat different. Motivated by the climate crisis the Government has committed to reaching net zero emissions by 2050. Energy use in homes accounts for 14% of total UK emissions (Climate Change Committee, 2019), and the Climate Change Committee has made clear that public funding alone cannot finance the scale of retrofit needed. Banks and building societies will be expected to play a central role.

British homeowners routinely finance cars, kitchens, and holidays through loans and credit products. The car finance market is thriving, with 81% of new cars registered to private buyers purchased using finance in the 12 months to August 2024 (Which?, 2025). Yet when it comes to financing energy efficiency improvements, including measures that reduce ongoing costs and increase property values, homeowners overwhelmingly prefer to save up or simply don't act at all. Previous research by the MCS Foundation found that over 80% of homeowners planning energy efficiency measures intended to use personal savings, with only 16% intending to use some form of financial product (MCS Foundation, 2024).

Since 2013, UK energy efficiency policy has been characterised by stops and starts. The "Green Deal" collapsed after low uptake; the Energy Company Obligation (ECO) has faced implementation quality issues; the Green Homes Grant was launched and withdrawn within a year. The National Audit Office recently found significant problems with installation quality and oversight in Government schemes, findings that materially damage consumer trust (National Audit Office, 2025).

Meanwhile, the Government's Warm Homes Plan represents a potential reset and offers a major opportunity to address policy uncertainty and regulatory direction. Clear definition of the Future Homes Standard in timing and scope would enable both homeowners and lenders to plan with confidence.

UK Finance's 2022 report Net Zero Homes: Time for a Reset, and 2025 report Greening Homes, Creating Growth called for: clear policy roadmaps, public information campaigns, tax and price incentives, support for lending innovation (including Consumer Credit Act reform), strategic grants, long-term expectations for homeowners, and energy performance measurement reform (UK Finance, 2022, 2025). Building on the work, this research tests whether homeowners' attitudes and behaviours are shifting in ways that create new opportunities for these interventions.

The UK home improvement market was valued at £22 billion annually in 2017-2019, yet the self-funded retrofit sector beyond Government grants remains limited (MCS Foundation, 2025). This gap between established home improvement spending and retrofit investment presents both challenge and opportunity. As regulatory expectations develop, energy costs fluctuate, and climate awareness grows, homeowners who act earlier may benefit through reduced energy bills, potential property value improvements, and meeting future requirements.

Finance from banks, building societies and other lenders will have a major role in delivering the Government's ambitions. In its manifesto, the Government explicitly stated that it will work with lenders to increase finance to accelerate green home improvements - a recognition that the £300bn needed for these improvements needs to come from private as well as public sources. Lenders are already working

closely with the Government to respond to this call, but low demand means the money isn't yet flowing at scale.

For lenders, the question is whether to wait for perfect policy conditions or to innovate now, shaping the market and establishing trusted green lending products before competitors. The data in this report shows that the market is at an inflection point: environmental motivation is surging, willingness to borrow for energy efficiency upgrades is rising rapidly, and homeowners are increasingly thinking about regulatory compliance. But deep-seated barriers around trust, certainty, and psychological categorisation remain.

This report

This report uses survey data from a sample of 1000 UK homeowners to understand perspectives on home energy efficiency upgrades, and the use of finance to afford them. As part of the survey, we asked people to think about the views of their neighbours, friends and family, using the Social Circle Surveying technique which is well supported in academic literature to overcome social desirability bias. We also used the Triple Tense Technique, inviting respondents to consider their views in the present, past and future, offering a glimpse into how people think their social circles' views have changed and will change over time.

Our methodologies are set out below.

Key Findings

Appetite to borrow for a heat pump grows rapidly. When asked about future and historic willingness to borrow, appetite to borrow for "a heat pump to replace their gas boiler" rises from 8% for 2020 to 40% for 2028, a five-fold increase.

Environmental motivation surges. "Environmental responsibility" as a motivator more than doubles from 22% for 2020 to 55% for 2028.

A lack of evidence is preventing action. 84% say "evidence that energy bills will drop by a specific amount" would convince them to borrow for 2025.

Innovative finance gains traction over the period. Interest in "innovative or new types of finance" rises from 8% for 2020 to 24% for 2028, tripling despite a mid-period decline.

Policy uncertainty undermines long-term finance. "Worry that political changes will affect their loan terms" rises from 35% for 2020 to 43% for 2028, reaching the highest level in the period.

Regulatory awareness accelerates. "Preparing for future regulations" increases nearly five-fold from 7% for 2020 to 33% for 2028.

Information sources are fragmenting. "Online articles and comparison websites" dominate at 63% for 2028, while "Government websites" rise from 25% for 2020 to 43% for 2028.

Some are waiting for prices to fall. "Prices are falling fast so it's worth waiting another year" has risen from 18% for 2020 to 25% for 2028, though this remains a minority view.

Awareness of costs improves. "The technology is still too expensive" declines from 59% for 2020 to 44% for 2028, though concerns remain substantial.

Unlike centrally delivered infrastructure, domestic retrofit depends on millions of individual homeowner decisions. Each installation requires homeowners to choose to act, trust promised benefits, navigate complex options, and increasingly take on debt for improvements whose value they may struggle to perceive. Public opinion shapes both whether homeowners act and what policies prove politically sustainable.

Understanding the specific barriers that prevent motivated homeowners from acting is critical for developing effective green home finance and shaping public policy around systemic changes. This research maps not just current attitudes but their trajectory over eight years, identifying which barriers are hardening, where psychological shifts create opportunity, and which interventions would rebuild the trust necessary for achieving net zero.

Our Methodology

For this report, we used Social Circle Surveying and the Triple Tense Technique to understand shifts in the public perception of green home finance. Working with independent providers Prolific, we conducted polling of 1005 homeowners in the UK. Respondents were part of a panel of individuals who have agreed to take part in surveys. Respondents owned the homes that they live in and these included terraced, semi-detached, and detached houses. The survey took place on 21 October 2025.

Social Circle Surveying

This report analyzes how attitudes towards financing green home improvements are evolving using social circle surveying, a methodology that asks respondents about their "friends and family" or "people they know" rather than their own intentions or beliefs.

The methodology has been validated through peer-reviewed research published in *Nature Human Behaviour* (Galesic et al., 2018), *International Journal of Public Opinion Research* (Bruine de Bruin et al., 2022), *Health Psychology* (Bruine de Bruin et al., 2019), and *Electoral Studies* (Ahlstrom-Vij, 2022).

Social circle questions offer three distinct advantages over traditional self-reported surveys. First, they reduce social desirability bias, the tendency for respondents to overstate their environmental commitment or financial responsibility when asked directly about their own behaviour. Second, each respondent effectively reports on dozens of contacts, creating an "implicit supersample" that captures a broader distribution of views than traditional polling. Third, and most importantly, people's perceptions of their social circles are powerful predictors of their own future behaviour, particularly for decisions like installing heat pumps that carry social and reputational risk.

Studies of the 2016 U.S. and 2017 French elections found that asking what people thought their social contacts would do outperformed asking what respondents themselves intended to do. The methodology proved especially effective at identifying voters who would switch their choice late in the campaign, because perceived social norms influence actual behaviour. Similar findings emerge in public health research: people who perceive higher vaccination rates in their social circles are more likely to vaccinate themselves in subsequent seasons.

For green home improvements, this dynamic is particularly relevant. Retrofit decisions involve unfamiliar technologies, significant financial commitments, and visible changes to homes that neighbours will notice. Homeowners navigate these choices by observing what people around them are doing and thinking. By asking about social circles, we capture not just current attitudes but the social environment that shapes future decisions.

The Triple Tense Technique

For each question, respondents were asked to reflect on the past (“five years ago”, which we have recorded in the report as 2020), present (2025), and future (“in three years”, which we have recorded in the report as 2028) to map directional change in sentiment. This temporal framing reveals how attitudes are evolving in response to external shocks and policy changes. The 2020-2028 period captures the impact of the Covid-19 pandemic, climate activism, the surge in energy bills following Russia's invasion of Ukraine, and the policy churn of three prime ministers and multiple iterations of retrofit schemes. Rather than providing a static snapshot, the data reveals trajectories—showing whether confidence is building or eroding, whether concerns are intensifying or dissipating, and whether the market is moving towards or away from the conditions needed for green finance to scale.

Critically, responses about the future are not treated as predictions to be validated but as beliefs to be documented. The goal is to map the temporal landscape of perception, to understand what future people envision and how that vision compares to their perception of the past and present. These temporal beliefs influence current decision-making even when future expectations prove inaccurate.

The triple tense approach also enables detection of temporal inconsistencies that reveal uncertainty or ambivalence. Respondents who report high past discussion but low expected future discussion may indicate a topic they perceive as declining in importance. Conversely, those reporting low past discussion but high expected future discussion identify issues they believe are emerging. These temporal patterns provide richer insights than single time-point measurements can offer.

The triple tense technique shares some limitations with social circle surveying, including susceptibility to egocentric bias and homophily effects in network perception. Additionally, judgements about the past may suffer from hindsight bias, whilst judgements about the future face inherent uncertainty that varies across individuals and contexts.

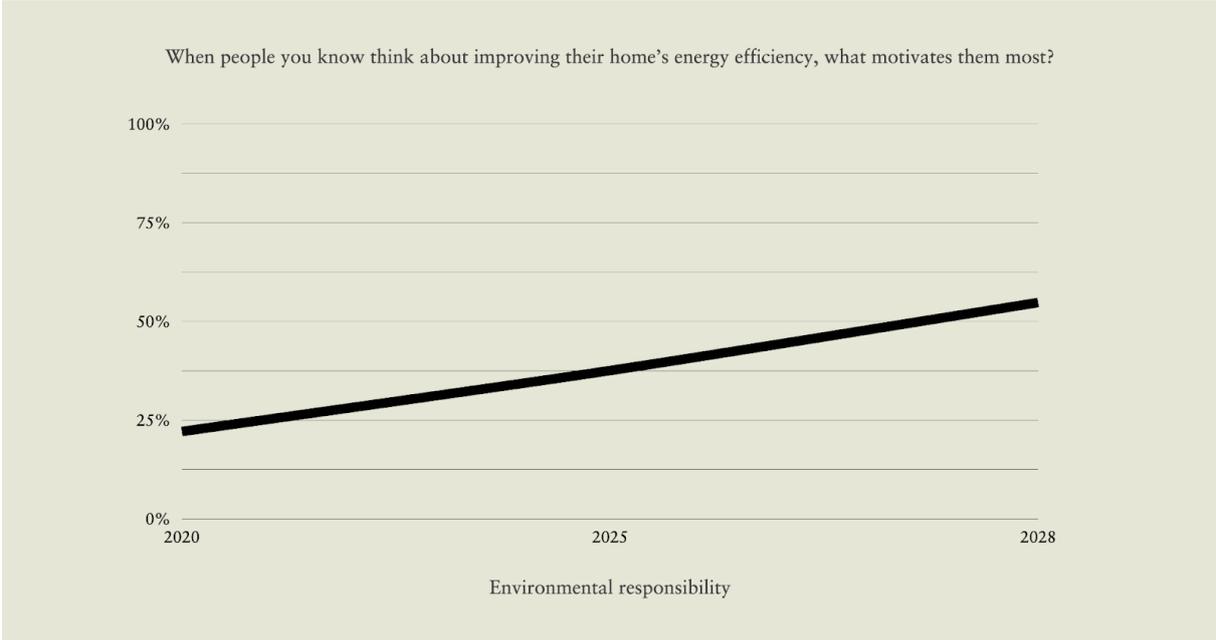
Importantly, this technique cannot be validated through outcome measurement in the way electoral forecasts can. There is no definitive criterion against which to judge the accuracy of beliefs about what will happen. The technique's value lies instead in mapping the subjective landscape of temporal perception—understanding what people believe across time and how those beliefs correlate with present attitudes and intended behaviours. For research questions focused on understanding the psychological and social environment in which decisions are made, this mapping function provides valuable insights even without predictive validation.

2. The Shifting Landscape

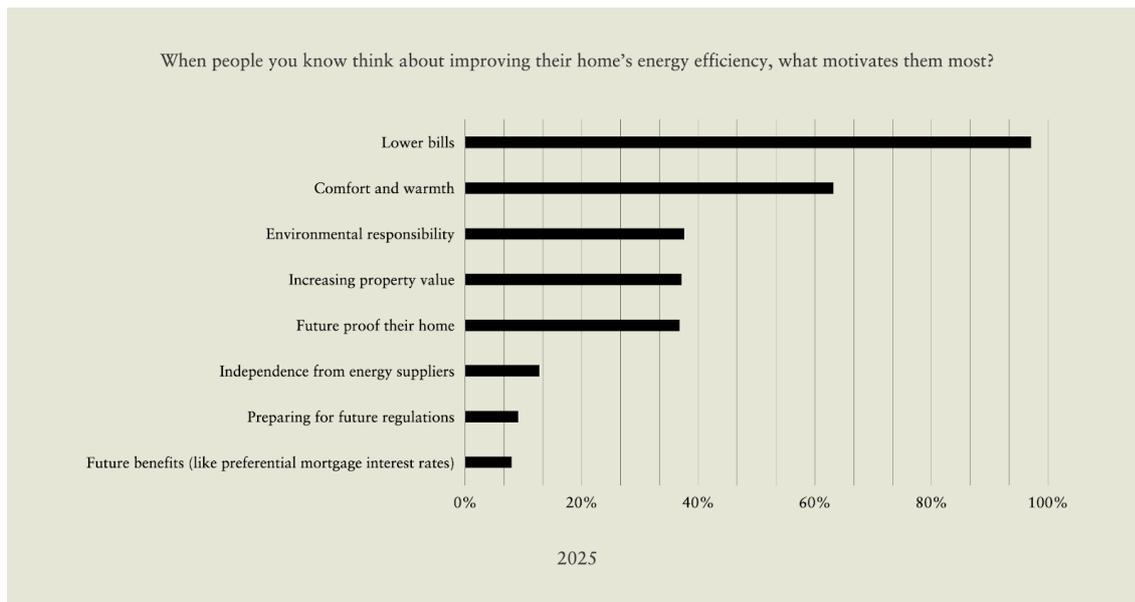
The period from 2020 to 2028 captures a pivotal transformation in how UK homeowners think about their properties, their energy consumption, and their willingness to invest in decarbonisation. This eight-year window encompasses the energy price crisis, evolving climate policy, and the post-pandemic reshaping of household finances. By tracking attitudes across three distinct time points, 2020, 2025, and 2028, this research captures trends in public perception, identifying which are accelerating, which are stalling, and where the greatest opportunities and barriers lie for green home finance.

The data presents a nuanced picture of motivation. Lower energy bills have consistently dominated homeowners' thinking about energy efficiency improvements: When asked to think about views for 2020, 76% of respondents cited this as a primary motivation for people in their social circles, rising to 97% for 2025. This demonstrates that economic self-interest remains the fundamental unlock for energy efficiency upgrades. Any product that cannot clearly demonstrate bill reduction will struggle regardless of other features.

Yet beneath this economic reality, a remarkable shift is occurring in environmental consciousness. For 2020, just 22% of respondents identified environmental responsibility as a motivator for people they know. By 2025, this had increased to 38%, and projections for 2028 place it at 55%, more than doubling over eight years. This suggests that climate awareness moves from a minority concern to a mainstream driver of household decision-making. Importantly, this growth does not displace economic motivation but rather supplements it. Homeowners increasingly want solutions that serve both their financial interests and their environmental values.



Energy security shows modest but steady growth as a motivation. Independence from energy suppliers registers at 8% for 2020, rises slightly to 13% for 2025, then up to 31% for 2028. This might suggest that recent experience with volatile energy markets has altered how some homeowners think about their relationship to energy supply, though the impact is more limited than other drivers.



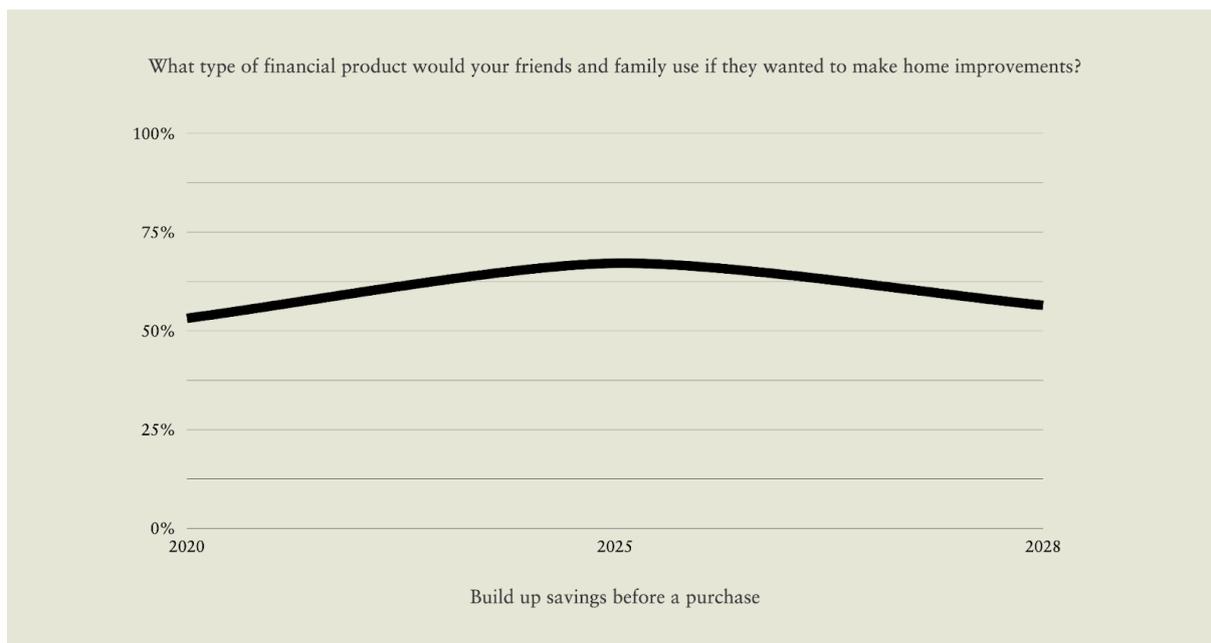
When people you know think about improving their home's energy efficiency, what motivates them most?

	2020	2025	2028
Lower bills	75.70%	97.11%	90.74%
Comfort and warmth	65.44%	63.15%	54.58%
Environmental responsibility	22.11%	37.55%	54.78%
Increasing property value	40.24%	37.15%	38.35%
Future proof their home	26.99%	36.85%	44.42%
Independence from energy suppliers	7.67%	12.75%	31.27%
Preparing for future regulations	7.27%	9.06%	33.27%
Future benefits (like preferential mortgage interest rates)	5.88%	7.97%	15.34%

Attitudes to borrowing

Perhaps the most challenging trend emerges in shifting attitudes towards debt and savings. Rather than becoming more comfortable with borrowing for home improvements, homeowners' social circles appear to be moving in the opposite direction, potentially explained by the emerging cost-of-living crisis.

For 2020, 53% of respondents indicated people they know would prefer to build up savings before making home improvements rather than using finance products. This figure jumps to 67% for 2025 before moderating to 56% for 2028. This perhaps demonstrates how macro-economic conditions can rapidly shift borrowing appetite, and conversely, how improved conditions might reopen willingness to finance.



This "save first" culture manifests in declining interest in traditional loan products. General-purpose loans, which 45% said people would consider for 2020, drop to 38% for 2025 and further to 33% for 2028. Credit cards follow a similar trajectory, falling from 36% for 2020 to 32% for 2025 and 29% for 2028. Even adding to an existing mortgage, often seen as the most palatable form of borrowing given its lower rates and familiarity, declines from 48% for 2020 to 47% for 2025, and 41% for 2028.

The data suggests that homeowners increasingly see a need to make energy efficiency improvements driven by bills, environment, and regulation, but simultaneously retreat from some traditional financial mechanisms to fund those improvements. This creates a tension that either stalls action entirely or forces homeowners into the slow accumulation of savings, misaligned with climate targets.

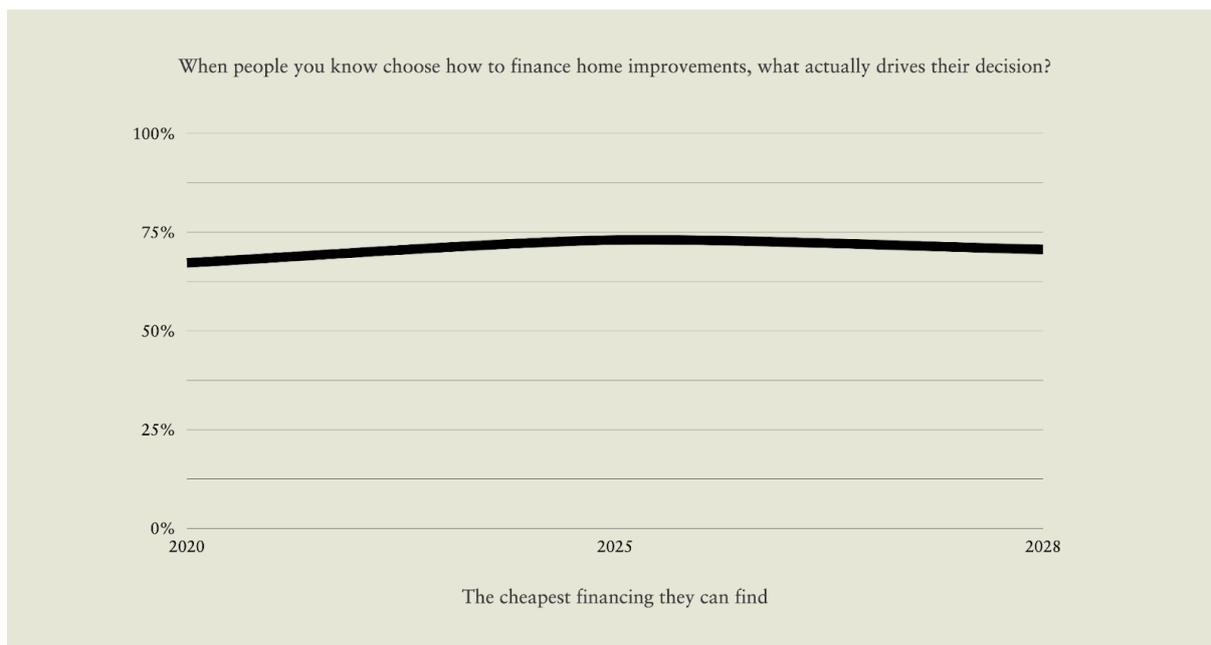
However, not all financing mechanisms show decline. Buy Now Pay Later arrangements show consistent and substantial growth: 16% for 2020, 20% for 2025, and 26% for 2028, while point-of-sale loans remain relatively stable at 14%, 15%, and 18% across the three periods. This may reflect the increasing perceived availability of such options.

What type of financial product would your friends and family use if they wanted to make home improvements?

	2020	2025	2028
Take out a general-purpose loan	45.22%	37.75%	32.67%
Bank loan tailored to the product/service they want to buy	22.61%	22.71%	25.10%
Use a credit card	35.66%	31.97%	28.88%
Add to existing mortgage	47.71%	46.71%	40.54%
Build up savings before a purchase	53.19%	67.13%	56.47%
Buy Now Pay Later arrangement	15.54%	20.02%	25.70%
"Point of sale" loan (like when buying a new kitchen)	13.84%	14.74%	18.43%

Loan linked to property that passes to future owners	1.49%	1.79%	7.37%
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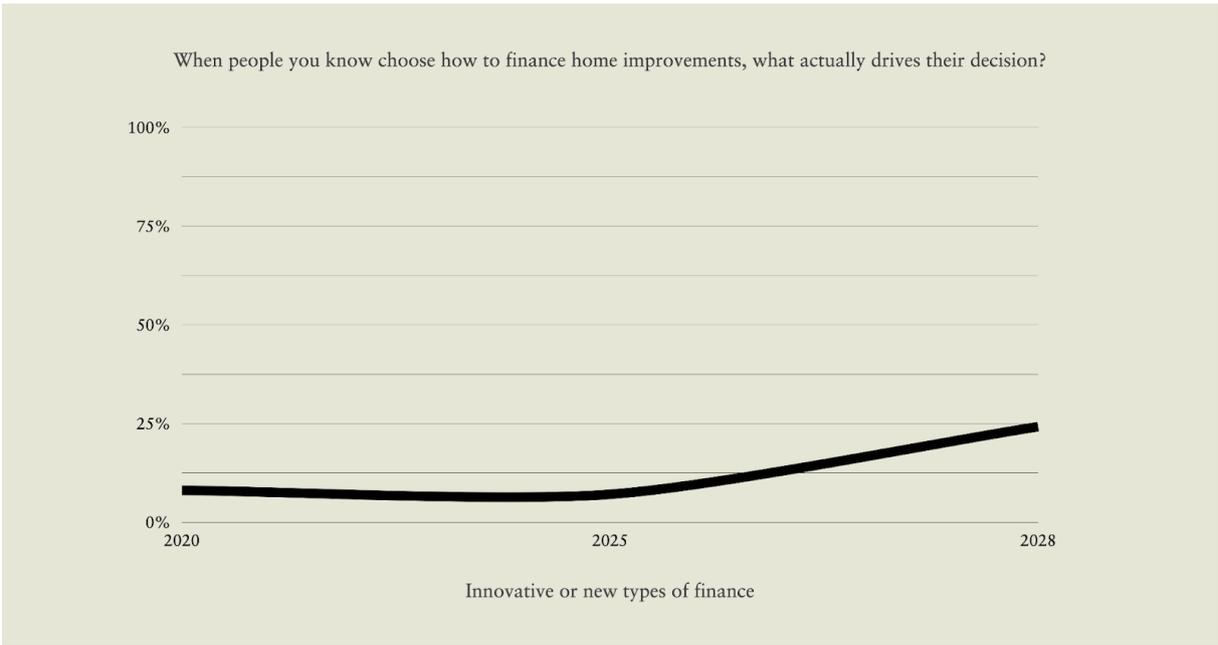
What drives people's financing choices also evolves. The cheapest financing option remains the preferred choice: 67% for 2020, 73% for 2025, then moderating to 71% for 2028. This consistent prioritisation of cost means that any premium pricing for "green" lending will face resistance unless clearly justified by other benefits.



When people you know choose how to finance home improvements, what actually drives their decision?

	2020	2025	2028
Familiar financing options	45.52%	34.46%	33.07%
The cheapest financing they can find	67.23%	73.01%	70.62%
Innovative or new types of finance	8.07%	7.07%	24.20%
Flexible terms	39.24%	43.33%	41.24%
Whatever requires the least paperwork	12.55%	10.16%	12.85%
Options that don't show up as debt on their credit file	11.45%	15.64%	19.42%

The divergence between willingness to act and reluctance to take on certain types of credit creates both challenge and opportunity. The challenge is that simply offering more credit will not unlock the market. The opportunity is that this creates space for innovative financing structures that feel fundamentally different from "taking out a loan": particularly pay-as-you-save models that align with bill reductions, Buy Now Pay Later arrangements that integrate with purchase decisions, or savings-linked products.

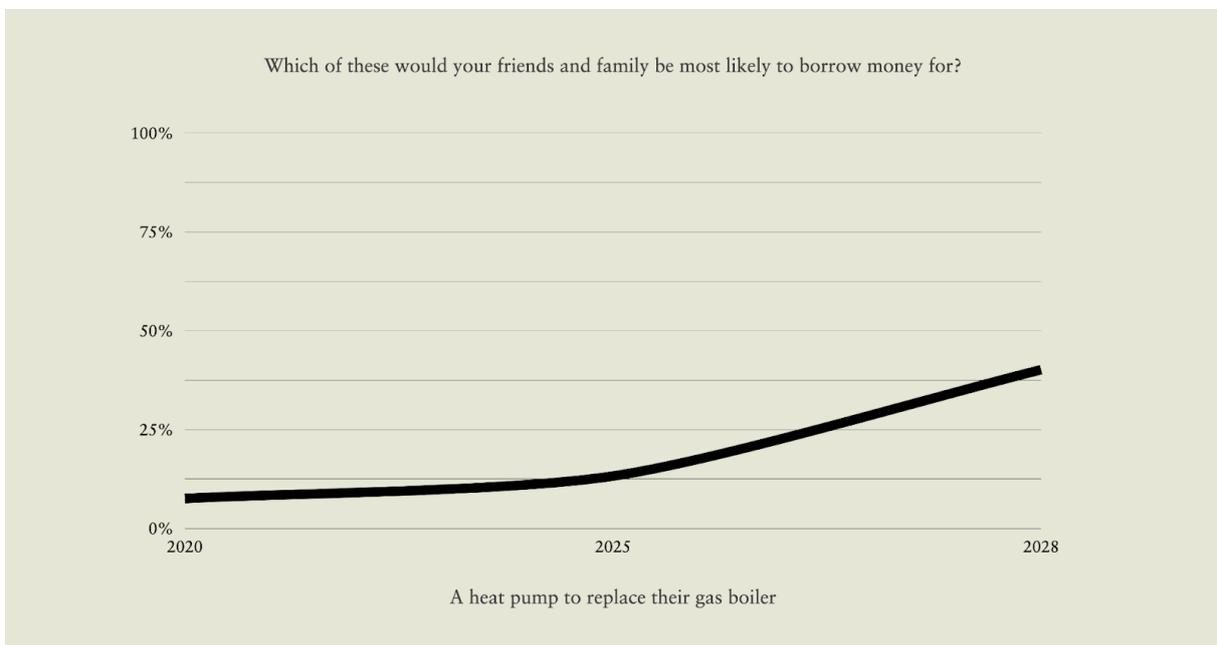


The landscape is shifting, but not uniformly. The market appears to be approaching an inflection point where environmental consciousness, regulatory pressure, and energy security concerns have the potential to converge to create demand, and appetite has potential to grow for innovative forms of finance.

3. Rising Interest

Understanding what homeowners are willing to borrow money for, and what they resist financing, provides crucial insight into the psychological and cultural barriers facing green home finance. This chapter examines the evolving hierarchy of "borrowable" products or services, tracking how green improvements compare to other forms of spending and identifying the factors that determine whether a purchase feels legitimate to finance or should be saved for instead.

The data demonstrates a striking shift in attitudes towards financing green home improvements, though these measures still lag significantly behind traditional borrowing categories. For 2020, only 8% of respondents said people they know would be likely to borrow money for a heat pump to replace their gas boiler. For 2025, this increases to 13%, and for 2028 the figure surges to 40%. This five-fold increase suggests that heat pumps are crossing a threshold from niche environmental choice to desirable home improvement, particularly as regulatory pressure builds and awareness grows.

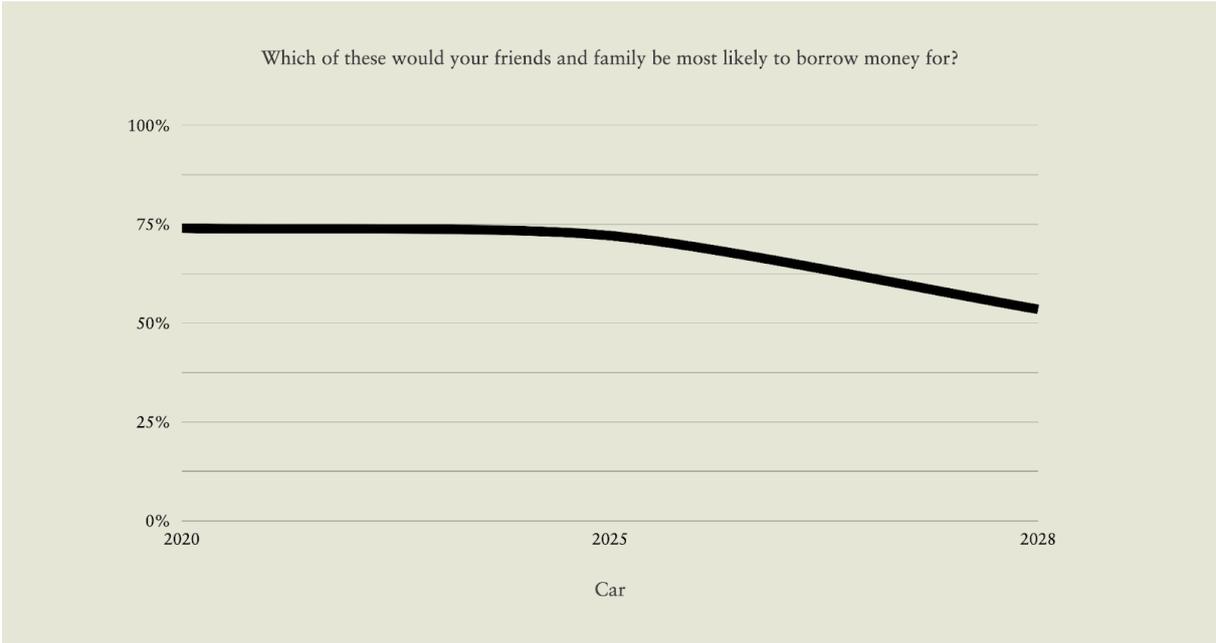


Which of these would your friends and family be most likely to borrow money for? (Selected responses)

	2020	2025	2028
A new kitchen	57.47%	49.80%	38.65%
A car	74.00%	72.11%	53.49%
A heat pump to replace their gas boiler	7.57%	13.25%	40.14%
Solar panels	12.15%	16.63%	36.25%
Home extensions or conversions	56.67%	59.66%	52.49%
Roof repairs or other structural work	40.84%	47.61%	42.53%

Solar panels follow a similar trajectory, rising from 12% for 2020 to 17% for 2025 and 36% for 2028. This tripling indicates growing acceptance of solar technology, reaching near-parity with heat pumps in the 2028 projections. The parallel growth patterns suggest that as renewable technologies become more familiar and their value propositions clearer, homeowners increasingly view them as appropriate uses of borrowed funds.

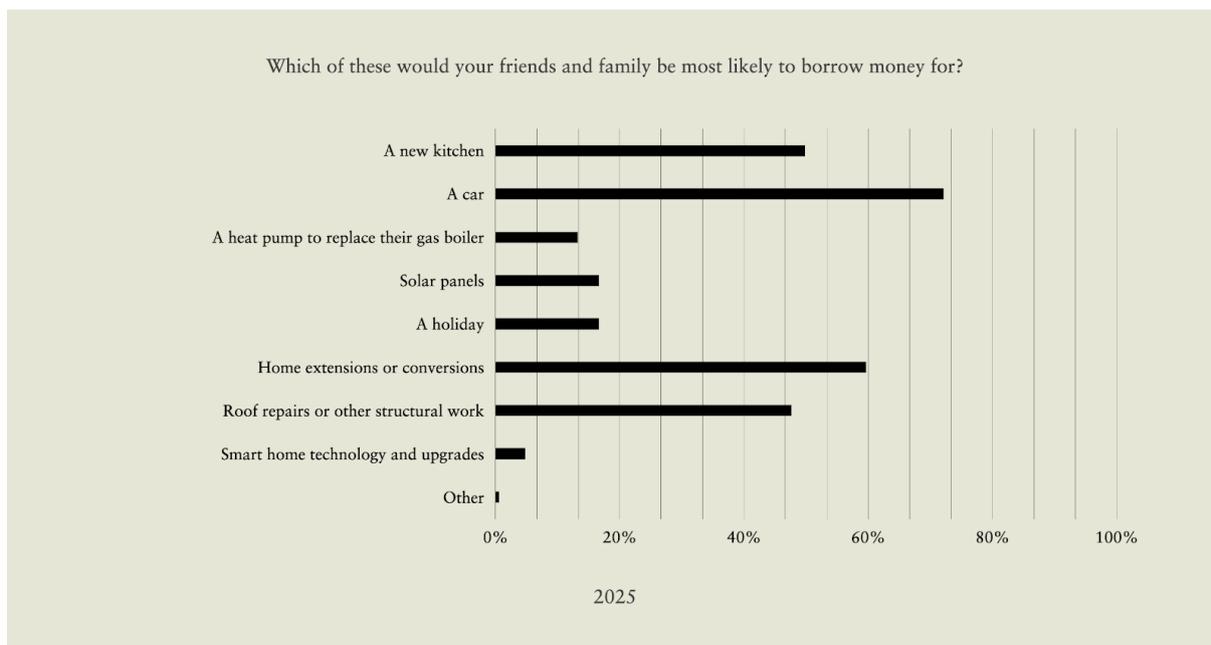
However, these gains must be understood in context. Despite the apparent growth rates, green improvements remain substantially behind traditional products. Cars represent the dominant product, holding remarkably steady at 74% for 2020 and 72% for 2025 before declining to 53% for 2028. Even with this significant 21-percentage-point decline, likely reflecting shifting attitudes towards car ownership, cars remain the single most acceptable product for which to borrow by 2028, still outpacing heat pumps by 13 percentage points.



New kitchens show a pattern of steady decline: 57% for 2020, dropping to 50% for 2025 and 39% for 2028. The 18-percentage-point fall means that for 2028, kitchens and heat pumps reach near-parity in terms of financing desirability (just 1 percentage point apart), suggesting that green improvements have potential to approach the same psychological status as traditional home improvements.

Home extensions and conversions tell a more complex story than initially anticipated. Rather than declining, this category actually increases from 57% for 2020 to 60% for 2025, before falling to 52% for 2028. This suggests that for the present, people think homeowners in their social circle view substantial property modifications as particularly worthy of financing. Even with the 2028 decline, extensions remain significantly more acceptable than green improvements, outpacing heat pumps by 12 percentage points.

Structural work including roof repairs shows consistently strong acceptance at 41% for 2020, rising to 48% for 2025 and settling at 43% for 2028. This category consistently outpaces green improvements throughout the period, maintaining a 3-8 percentage point advantage over heat pumps even in 2028, though the gap narrows significantly.



Perhaps most tellingly, holidays, widely considered a discretionary, even frivolous, use of credit, start the period ahead of green improvements at 29% for 2020. While this figure drops sharply to 17% for 2025 and 16% for 2028, the fact that holidays began ahead of heat pumps and solar panels demonstrates just how far outside the "legitimate borrowing" category green improvements initially sits in homeowners' minds. For 2028, this relationship completely reverses, with heat pumps more than twice as acceptable to finance as holidays.

The data points to a clear psychological hierarchy that determines what feels appropriate to finance. At the top sit lifestyle improvements that enhance daily living: cars, home extensions, and kitchens. These maintain 53-74% acceptance for 2020, with extensions actually peaking at 60% for 2025 before all three decline to 39-53% for 2028. The key distinction appears to be that these items serve immediate, tangible functions. A new kitchen provides daily utility; a car enables mobility; an extension creates usable space. Homeowners readily justify borrowing for these because the benefits are concrete and continuous.

The second tier comprises items of structural necessity: roof repairs and essential structural work. These score consistently in the 41-48% range. While homeowners view them as unavoidable maintenance, this doesn't automatically translate to the highest borrowing acceptability, and the lack of choice may actually make financing feel less appealing than for desired lifestyle improvements.

The third tier, where green improvements have historically resided, consists of items perceived as optional, forward-looking, or primarily environmental in motivation. Heat pumps and solar panels sat firmly in this category for 2020 at just 8% and 12% respectively, alongside holidays and smart home technology. These feel less urgent because their benefits are either distant, uncertain, or primarily environmental rather than immediately functional.

The 2028 data suggests that green improvements migrate upward through this hierarchy. Heat pumps and solar panels move decisively from tier three towards tier two, with heat pumps at 40% nearly matching kitchens at 39% and approaching the structural necessity tier. This shift appears driven by several factors: increased awareness of energy costs making bill savings more tangible; regulatory pressure creating a sense of inevitability; and growing climate consciousness making environmental benefits feel more personally relevant.

Yet structural barriers remain. Even at 40%, heat pump financing acceptance lags behind cars at their 2028 level of 53%, and behind extensions at 52%. The persistence of these gaps suggests that green improvements have not yet achieved full normalisation as borrowable products. They remain somewhat outside the cultural mainstream of "things people naturally finance."

An important counter-trend emerges from the data: the appetite for traditional products is itself declining. Cars drop 21 percentage points from 2020 to 2028; kitchens fall 18 points; holidays decline 13 points. Home extensions show volatility, rising 3 points to 2025 then falling 8 points to 2028 for a net 5-point decline. Only roof repairs and structural work show relative stability, varying just 2-7 points across the period.

This broad decline suggests that homeowners became more cautious about taking on debt generally during 2020-2025, which means green improvements must swim against this strengthening current. However, the fact that green improvements captured a dramatically larger share of homeowners' willingness to borrow offers significant encouragement. The responses to the survey suggest that for 2028, someone willing to finance home improvements is essentially equally likely to consider financing a heat pump as a kitchen, a remarkable shift from the responses for 2020 when kitchens are seven times more likely to be financed than heat pumps.

The data suggests an emerging threshold around 40% where items achieve mainstream status as borrowable categories. Below this level, a product remains niche, something only more adventurous or environmentally committed homeowners consider financing. At or above this threshold, an item enters the "normal" range where ordinary homeowners view borrowed funds as a legitimate financing mechanism.

For perceptions of desirability in 2028, heat pumps reach this threshold at 40%, while solar panels closely approach it at 36%. This crossing point may prove crucial: once a critical mass of homeowners view green improvements as normal to finance, social proof effects may accelerate adoption. Seeing neighbours finance heat pumps makes the choice feel less unusual, which in turn encourages more financing, creating a positive feedback loop.

As green improvements have moved towards the mainstream, the question is whether policy interventions, product innovations, or market conditions can accelerate this normalisation and push solar panels across the 40% threshold alongside heat pumps.

4. Trust Issues

The willingness to take on long-term finance for home improvements rests fundamentally on trust. Trust that savings will materialise, that government policies will remain in place, that the regulatory environment won't shift dramatically. This chapter examines the complex and often contradictory attitudes homeowners have towards government involvement in green home finance, exploring how policy instability creates barriers to borrowing even as regulatory signals begin to reshape behaviour.

The data demonstrates persistent and growing anxiety about policy stability affecting financial commitments. When asked how people in their social circles feel about government-backed green finance schemes, concern about political changes affecting loan terms shows a consistently high ranking: 35% for 2020, rising to 42% for 2025, and continuing upward to 43% for 2028.

Rather than growing more confident in long-term policy commitments, homeowners drew lessons from recent history during the crisis period, and these concerns have not abated even for 2028. The years from 2013 onward have been characterised by policy reversals: the Green Deal collapsed after just two years due to minimal uptake; the Green Homes Grant was withdrawn within months of launch; and schemes like ECO and the Boiler Upgrade Scheme have been repeatedly adjusted (National Audit Office, 2024). Each reversal teaches homeowners that today's policy may not be tomorrow's, making commitments measured in decades feel increasingly risky.

The implications for long-term finance are substantial. A 15-20 year loan commitment ties homeowners to repayments that extend across multiple election cycles and potential Government changes. If 43% of homeowners worry that political changes might affect their loan terms by 2028—the highest level across the period—this represents a significant cohort effectively opting out of long-term green finance by policy uncertainty alone. They may want to retrofit, recognise the economic benefits, and even have access to financing—but the political risk feels too great to accept.

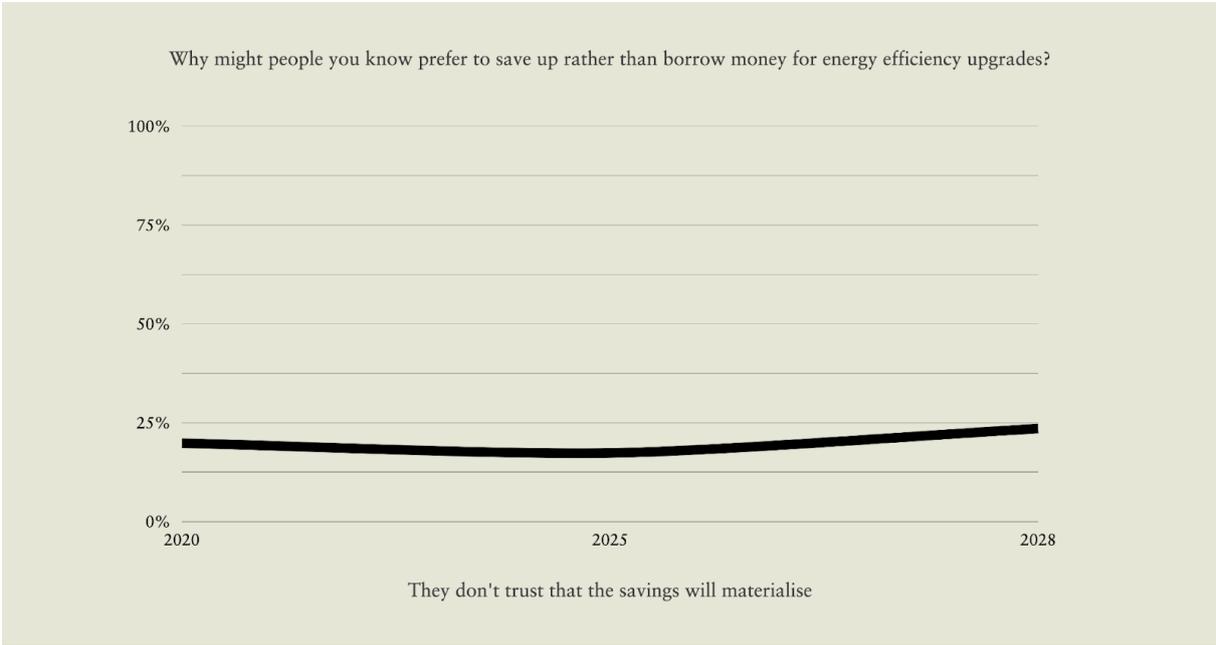
Alongside this worry about policy changes, assumptions about the bureaucracy involved in Government schemes show a U-shaped pattern. For 2020, 30% of respondents indicated that people they know think Government schemes will have too much bureaucracy. This rises to 34% for 2025 before declining back to 30% for 2028. The mid-period spike perhaps reflects experiences with poorly implemented schemes during the crisis years.

However, the fact that 30% still expect bureaucratic burden in 2028 suggests a persistent belief that Government involvement brings complexity, paperwork, and administrative hassle. This assumption matters because it creates friction at precisely the moment when homeowners are considering whether to act. Even if a Government-backed financing scheme offers favourable terms, nearly one-third of potential borrowers will approach it expecting difficulty, delays, and frustration. This expectation can become a significant barrier, causing homeowners to postpone decisions, seek alternative approaches, or abandon plans entirely rather than engage with what they anticipate will be a burdensome process.

Adding further complexity, the data shows declining trust in Government involvement as validation for taking up a technology. For 2020, 24% of respondents indicated people they know see Government involvement as validation that "this is the right thing to do." This drops to 20% for 2025 and edges up slightly to 21% for 2028. The overall low level shows that Government endorsement carries limited weight as a signal of technological viability, perhaps because previous Government-endorsed schemes have failed or because homeowners separate political priorities from technological merit.

Mistrust in the expected savings presents another trust barrier. For 2020, 20% indicated that people they know didn't trust that savings would materialise as a reason to prefer saving over borrowing. This drops to 17% for 2025, perhaps reflecting growing evidence from early adopters that savings do occur,

before rising sharply to 24% for 2028. This increase to the highest level across the period is concerning and may reflect growing awareness that savings depend heavily on installation quality, building characteristics, and usage patterns—factors that introduce uncertainty even as the technology itself proves out.



This 24% figure by 2028 represents a meaningful barrier. Nearly one-quarter of homeowners remain unconvinced that the promised bill reductions will actually appear in their own homes, even if they accept that the technology works in principle. This skepticism about personal outcomes—"it might work for others but not for me"—requires installers and policymakers, potentially as well as lenders, to provide not just aggregate evidence of savings but personalised, credible estimates that homeowners can trust.

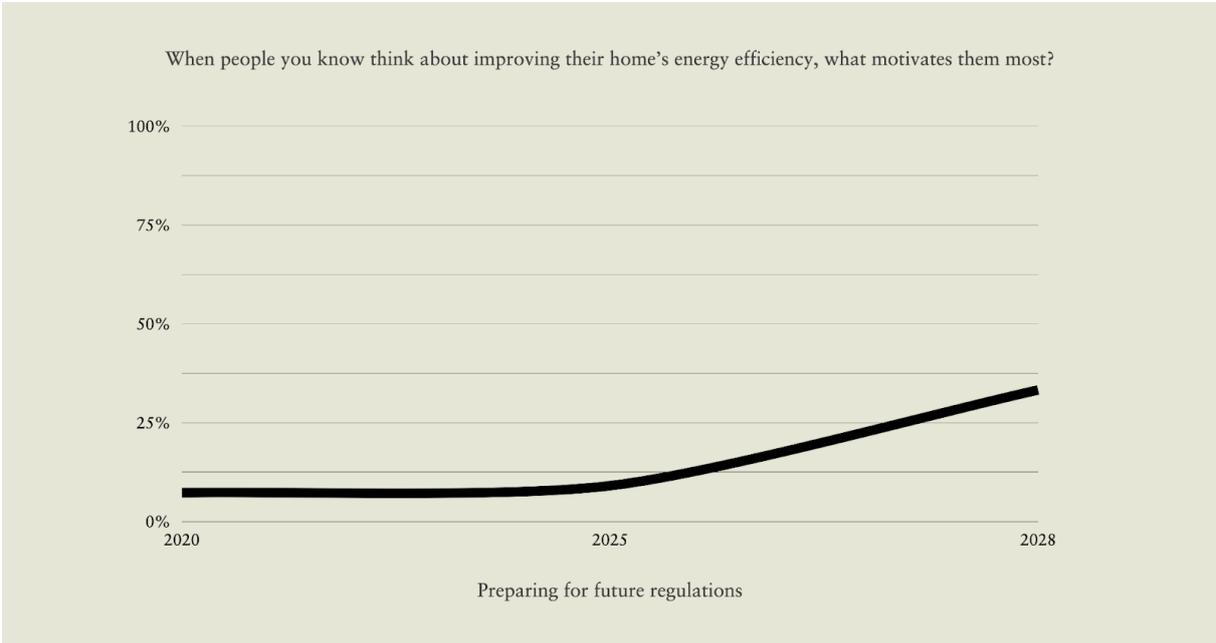
Interestingly, the preference for private market solutions over Government involvement shows steady growth: 10% for 2020, 12% for 2025, and 18% for 2028. This near-doubling suggests growing appetite among a meaningful minority for market-driven approaches. However, even at 18%, this represents fewer than one-fifth of homeowners for 2028. This suggests that wholesale rejection of Government involvement is not the dominant position. Most homeowners accept some Government role; they simply want that role to be competent, stable, and not overly burdensome.

The relatively low percentage actively preferring private solutions indicates that the issue is not Government involvement per se, but rather how that involvement is structured and delivered. Homeowners are not ideologically opposed to Government backing, with a substantial minority finding Government guarantees reassuring (44% for 2020, 46% for 2025, 40% for 2028). While this group represents a smaller proportion than initially thought, and shows some decline by 2028, it still constitutes two-fifths of homeowners who value the protection that Government backing provides.

The challenge is addressing the concerns of those who suspect Government involvement inflates costs (37% for 2020, 37% for 2025, 36% for 2028—remaining consistently high throughout the period) and the 30-34% who assume it brings bureaucracy, while maintaining the confidence of the 40% who value Government guarantees. This balancing act becomes more difficult when 43% worry about policy changes affecting their loan terms.

A crucial finding from Chapter 1 bears repeating here: the proportion citing "preparing for future regulations" as a motivation rose from 7% for 2020 to 9% for 2025 and 33% for 2028. This dramatic

increase demonstrates that homeowners do respond to regulatory signals. When policy direction becomes clear, even if the specific requirements and timelines remain undefined, behaviour begins to shift. One-third of homeowners thinking about future regulatory compliance represents substantial market movement driven by policy expectations.



However, this regulatory response exists in tension with concerns about policy stability. Homeowners simultaneously recognise that regulations are coming (33% motivated by this when considering this question for 2028) while worrying that political changes might affect their loan terms (43% concerned for 2028). This creates a peculiar dynamic where policy signals are working to shift behaviour, but policy uncertainty is simultaneously undermining the financing mechanisms needed to act on those signals.

Above all else, the data shows that homeowners want certainty when considering long-term financial commitments for energy efficiency improvements. They want certainty that savings will materialise (yet 24% don't trust this when asked for 2028), that Government policies won't change mid-loan (yet 43% worry about this), and that schemes will be straightforward (yet 30% expect bureaucracy).

This lack of certainty creates a structural barrier to green home finance that individual lenders cannot overcome alone. A bank might offer attractive rates or clear terms but it cannot guarantee that Government policy will remain stable, that future regulations won't disadvantage early adopters, or that political priorities won't shift. The persistent and in some cases growing nature of these concerns through 2028 suggests that policy uncertainty remains a fundamental obstacle to scaling green home finance, even as regulatory signals begin to drive demand.

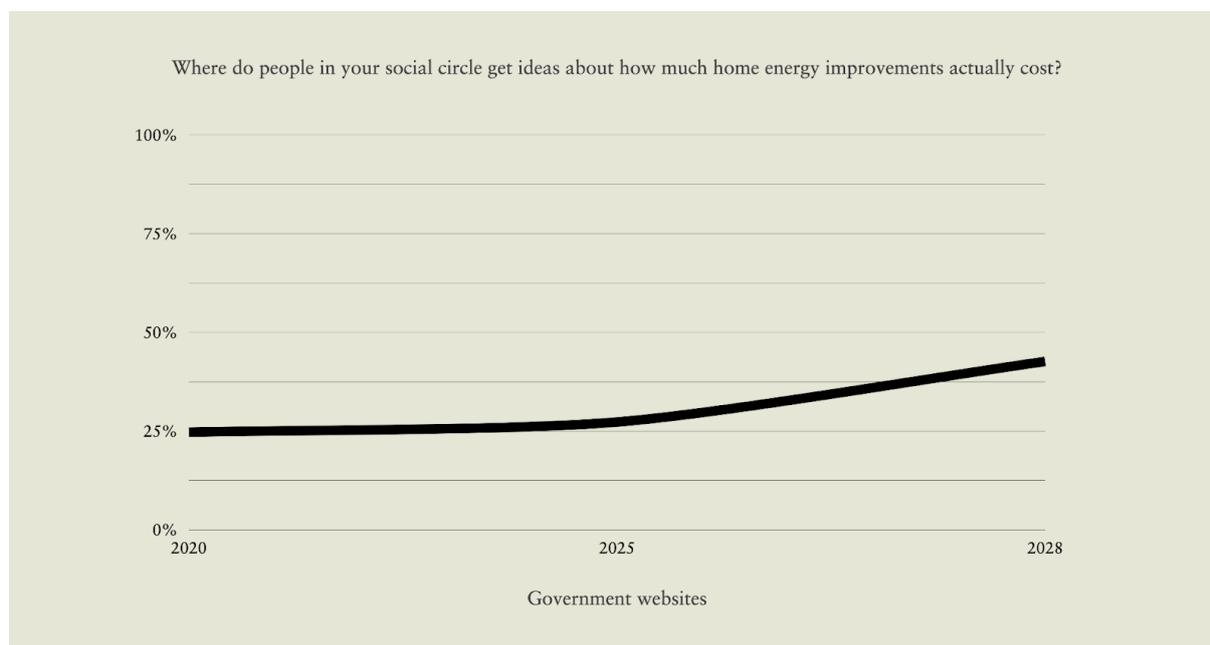
5. Perfect Information

This chapter examines the shifting landscape of information sources, exploring how digital channels coexist with enduring trust in personal networks, and how the fragmentation of information creates challenges for homeowners attempting to navigate these complex decisions.

Responses to the survey for the period from 2020 to 2028 indicate a significant shift in the sources of information on home energy improvements and their costs. Online articles and comparison websites emerge as the dominant information source, rising from 47% for 2020 to 61% for 2025 and 63% for 2028, a 16-percentage-point increase that establishes them as the primary channel by the end of the period.

This dominance of online research matches broader changes in consumer behaviour across all sectors, but carries particular significance for green home finance. Unlike purchasing a car or booking a holiday, categories where online comparison is well-established, energy efficiency improvements involve technical complexity, property-specific considerations, and long-term financial commitments. The dominance of online sources suggests homeowners are attempting to navigate this complexity through their own research rather than relying primarily on professional advice or Government guidance.

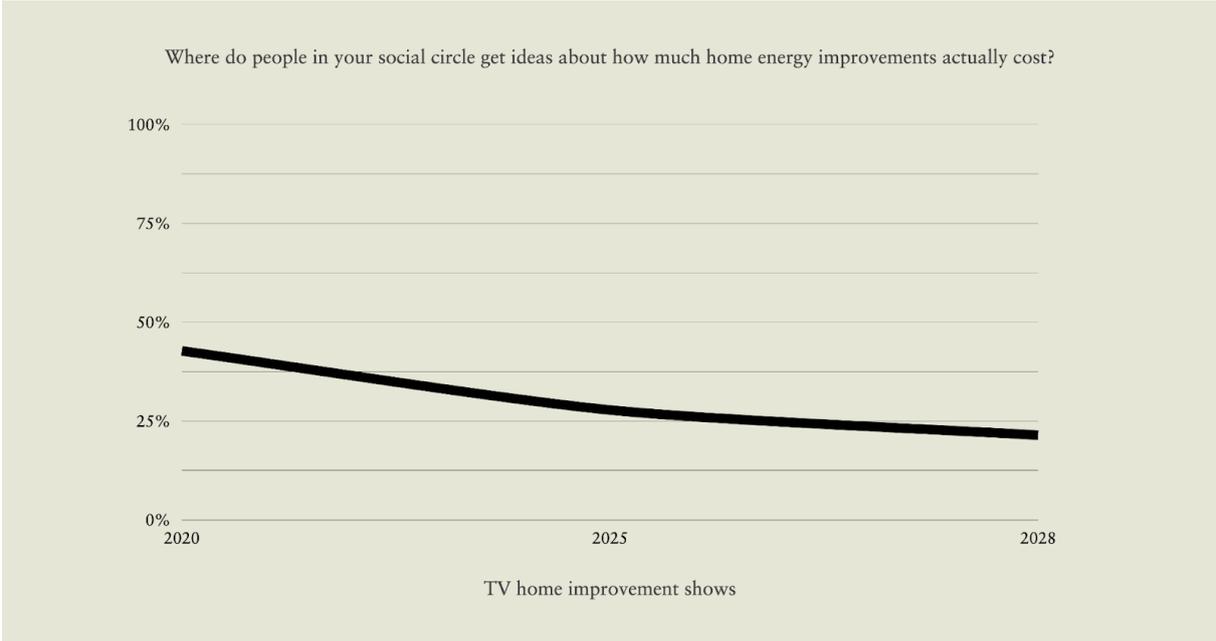
Government websites show substantial growth as an information source, rising from 25% for 2020 to 27% for 2025 and 43% for 2028. This 18-percentage-point increase aligns with the dramatic increase in "preparing for future regulations" documented in Chapter 1, indicating that policy signals drive homeowners towards official information channels.



The growth of expected Government website usage as respondents look toward 2028 perhaps indicates growing recognition that retrofit decisions increasingly involve regulatory compliance rather than purely voluntary choice. Homeowners seeking to understand what will be required of them, when requirements will take effect, and what support exists naturally gravitate towards official sources. This creates an opportunity for the Government to provide not just regulatory information but also trusted guidance on technology choices, vetted installer directories, and standardised cost calculators, infrastructure that could significantly reduce the information asymmetry currently hampering the market.

Conversations with friends and neighbours remain highly important as an information source throughout the period: 57% for 2020, rising to 62% for 2025, before declining to 54% for 2028. Despite the decline in the later period, more than half of homeowners still rely on personal networks, demonstrating that these connections maintain their importance even as digital channels proliferate. Early adopters within social networks become informal advisors, sharing their experiences, costs, and outcomes with friends considering similar work.

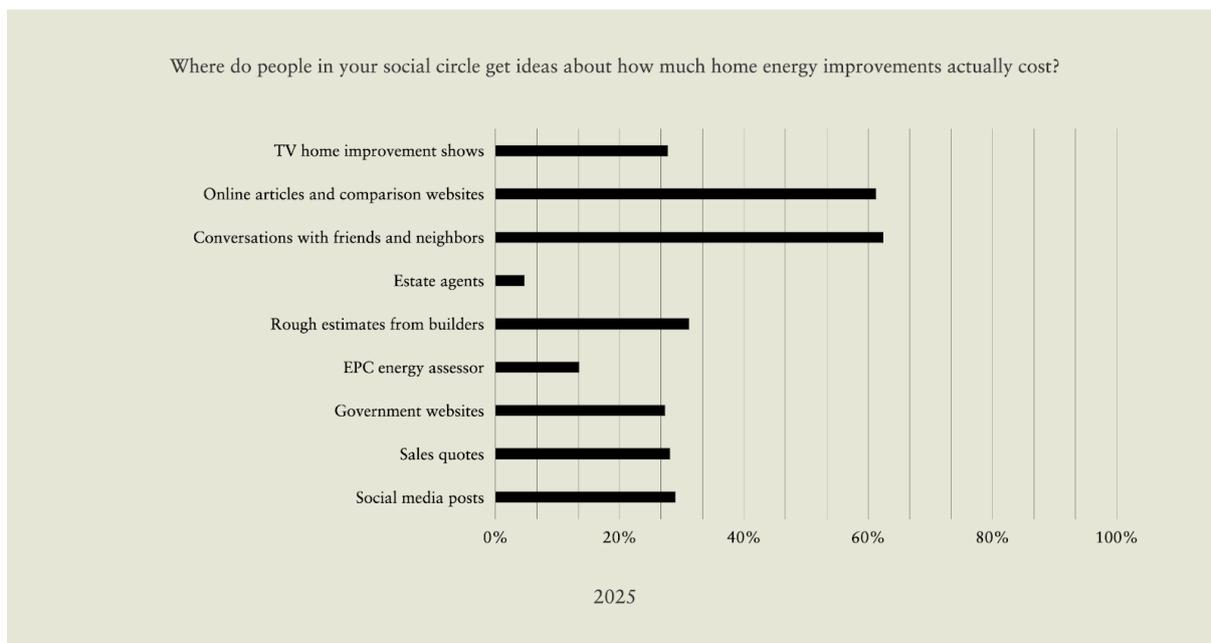
Television home improvement shows demonstrate the steepest decline of any information source, falling from 43% for 2020 to 28% for 2025 and just 21% for 2028. This 22-percentage-point drop shows both the general shift towards digital media and perhaps a growing recognition that entertainment-focused programming may not provide the information needed for actual decision-making.



Social media emerges as a rapidly growing information source, more than doubling from 15% for 2020 to 29% for 2025 and 35% for 2028. This substantial growth likely reflects both increasing overall social media usage and the emergence of content creators, community groups, and peer networks specifically focused on home energy efficiency. Unlike traditional media, social media enables two-way communication, allowing homeowners to ask questions, share experiences, and receive feedback from both experts and peers.

However, social media's rise also introduces challenges around misinformation, commercial interests disguised as advice, and the difficulty of assessing the credibility of sources. The lack of quality control or verification means that social media can amplify both accurate information and misconceptions with equal efficiency.

Builders' estimates remain relatively stable at 33% for 2020, 31% for 2025, and 29% for 2028, suggesting this traditional information source maintains relevance despite some decline. Sales quotes similarly hold relatively steady at 25% for 2020, 28% for 2025, and 31% for 2028, showing modest growth over the period.



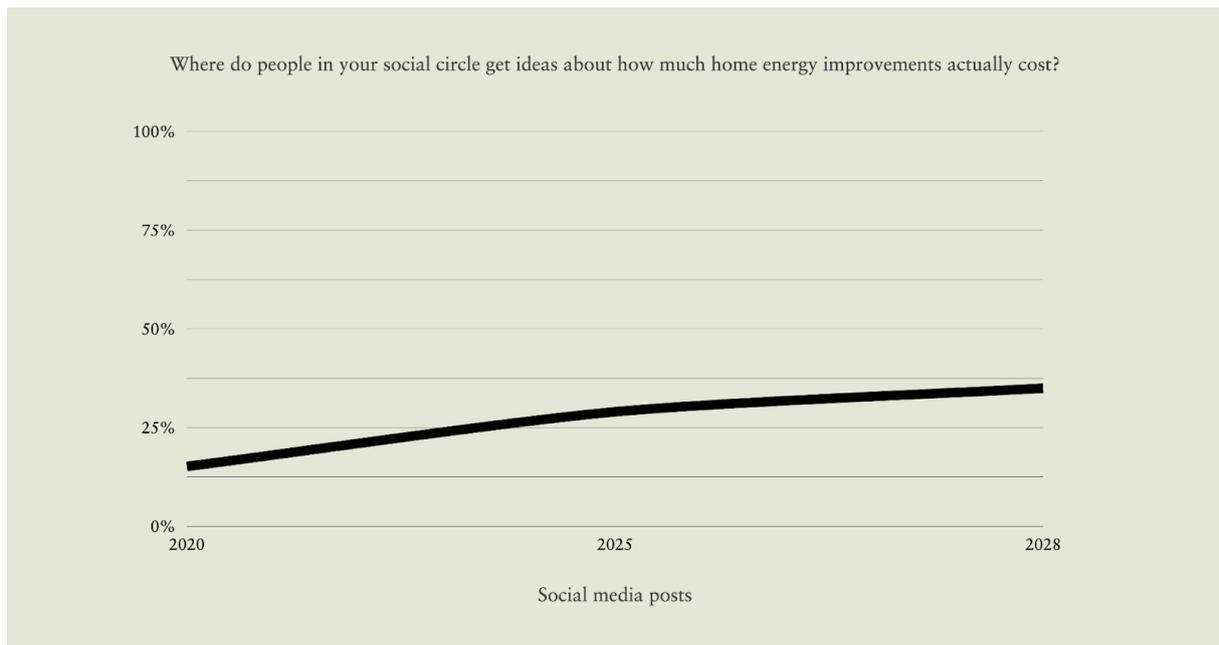
The data captures growing homeowner interest in ways to address concerns about work quality and installation. When asked what would convince people they know to take out a loan for green home improvements, installation insurance that covers problems shows steady growth from 26% for 2020 to 29% for 2025, continuing to rise to 38% for 2028. This consistent upward trajectory suggests increasing interest in quality protection throughout the period.

This creates opportunities for financial products that integrate quality assurance mechanisms directly into lending structures. Rather than treating finance and installation as separate transactions, bundled products might offer loans contingent on work meeting defined standards, provide installation insurance as part of the lending package, or partner with vetted installer networks to reduce quality risk.

The persistence of conversations with friends and neighbours at 54-62% throughout the period suggests these personal networks serve a distinct function that formal information sources cannot replace. Rather than originating technical information (most homeowners lack deep retrofit expertise), personal networks likely serve primarily as validators and risk assessors. Hearing that a friend successfully installed a heat pump, achieved promised savings, and found the process manageable provides social proof that reduces perceived risk. Conversely, hearing about a neighbour's poor experience can override any amount of positive information from formal sources.

Ensuring positive experiences among early adopters within communities can create network effects that accelerate adoption. A single good experience shared within a social network might influence multiple subsequent decisions, while poor experiences can poison entire networks against particular technologies or energy efficiency upgrades generally.

The relative prominence of different information sources paints a picture of how homeowners construct understanding about costs and options. For 2028, the landscape is dominated by online comparison sites (63%), personal conversations (54%), and Government websites (43%), with social media (35%) emerging as a significant channel. Traditional sources like television shows (21%) have largely faded, while professional sources like builders' estimates (29%) and sales quotes (31%) occupy a middle tier of importance.



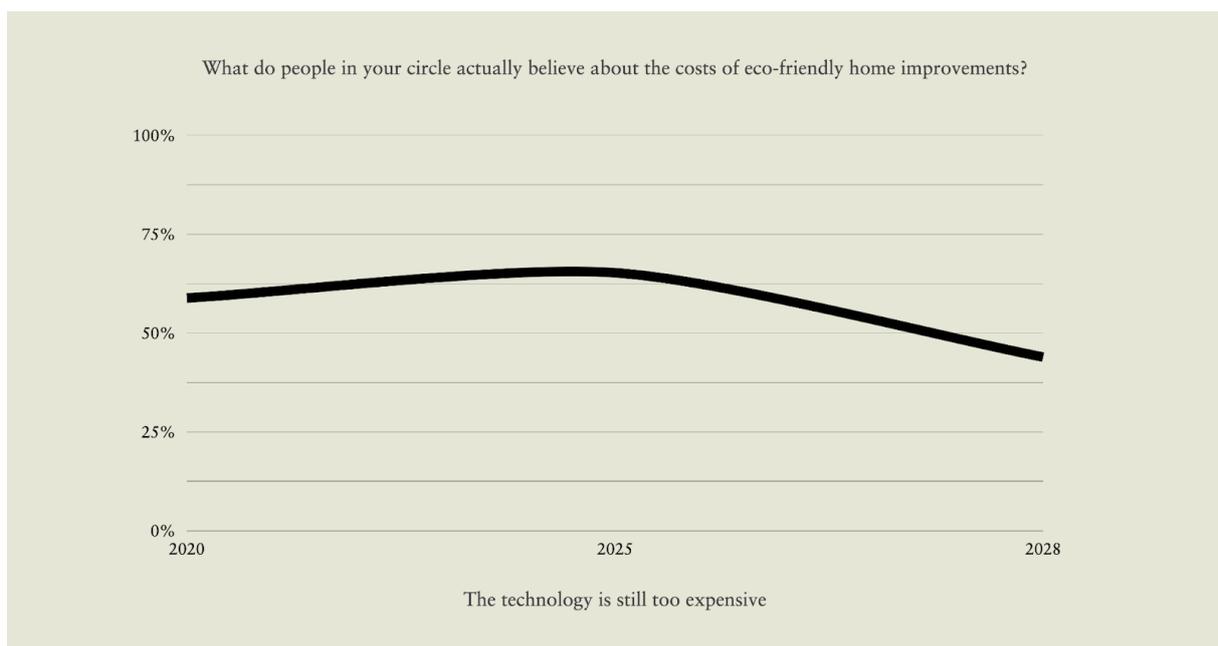
The data shows a growing need for more information, from standardised cost estimates to installer directories and independent technical advice that helps homeowners understand which improvements suit their circumstances. Some homeowners can navigate the current fragmented landscape successfully, but the majority face complexity that delays or prevents action regardless of financial capacity or environmental motivation.

Financial products that address quality concerns through integrated quality assurance, vetted installer partnerships, or performance guarantees may find receptive audiences among the substantial minority who view such protections as essential rather than optional.

6. Paying Off

How homeowners think about the cost of green home improvements shapes their willingness to finance these measures in important ways. This chapter examines the perception of cost from 2020 to 2028, exploring how beliefs about affordability are shifting, how homeowners evaluate their financial situation, and what psychological frameworks govern their assessment of value and risk.

The perception that green technology remains prohibitively expensive suggests a complex trajectory over the period. For 2020, 59% of respondents indicated that people in their social circles believed "the technology is still too expensive." This figure actually rises to 65% for 2025, apparently reflecting heightened cost consciousness during the cost-of-living crisis, before falling sharply to 44% for 2028.

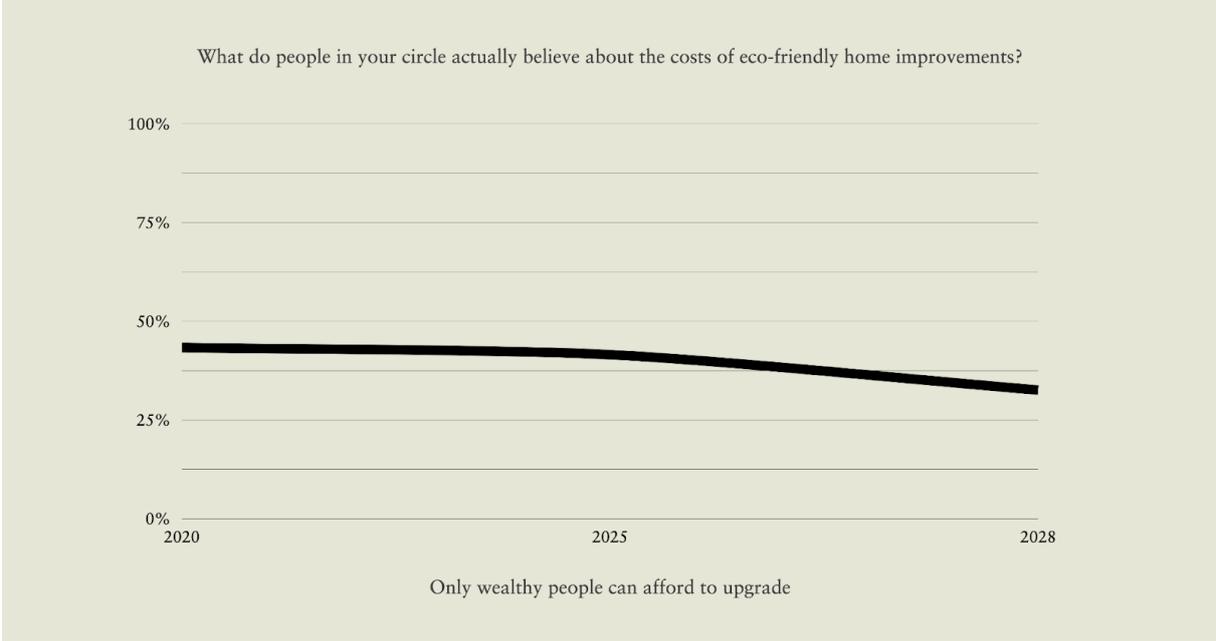


The mid-period spike indicates a lesson about how macroeconomic conditions can temporarily reverse progress on affordability perceptions. However, the eventual 15-percentage-point decline from 2020 to 2028 likely reflects perceived or actual cost reductions as technologies mature, growing awareness of support schemes that reduce net costs, increased visibility of installations making the technology feel more accessible, and perhaps most importantly, the reframing of green improvements from optional to necessary.

Yet, 44% of homeowners still viewing the technology as too expensive represents a substantial barrier. This may reflect actual financial constraints or show a lack of understanding of support, financing options, or long-term savings that offset upfront costs. The challenge is whether this figure continues declining as the market matures or whether it represents a floor, a proportion of homeowners for whom cost will remain prohibitive regardless of actual price trends or available support.

Belief that green improvements "will pay for themselves" shows volatility across the period, declining from 24% for 2020 to 19% for 2025, then rising to 28% for 2028. The dip for 2025 likely reflects crisis-period skepticism about payback claims when immediate financial pressures dominated thinking. The recovery to 28% for 2028 is encouraging, though still represents fewer than three in ten homeowners believing green improvements will pay for themselves, indicating the value proposition has not yet achieved widespread acceptance. The majority remain either skeptical about payback or uncertain.

The perception that "only wealthy people can afford" green improvements shows steady but modest decline from 43% for 2020 to 42% for 2025 (remaining essentially stable during the cost-of-living crisis) before falling to 33% for 2028. This 10-percentage-point shift suggests green improvements are gradually shedding their association with affluent early adopters and entering mainstream consciousness as accessible to a broader population, though one-third still view them as exclusive to the wealthy.



This association with affluence may reflect actual income constraints, but also indicates that messaging about accessibility and financing options has not yet reached or convinced a substantial segment. The perception that something is "for wealthy people" can become self-fulfilling—if you believe it's not for people like you, you don't seriously investigate options that might be accessible.

The belief that "savings take too long to materialise" proves remarkably persistent at 37% for 2020, 43% for 2025, and 40% for 2028. The consistency of this concern, affecting roughly two-fifths of homeowners throughout the period, points to a critical barrier to demand.

This concern creates particular challenges for long-term financing. The psychological bias of preferring immediate benefits over delayed ones means that even substantial long-term savings may feel less compelling than the immediate burden of monthly loan payments.

Understanding how homeowners decide whether they can afford loan payments for home improvements provides valuable insight. We asked about the various ways that homeowners assess affordability. The most common approach is focusing on whether payments fit within disposable income, with 51% for 2020, 54% for 2025, and 57% for 2028. This steadily growing approach treats home improvement loans like any other regular expense.

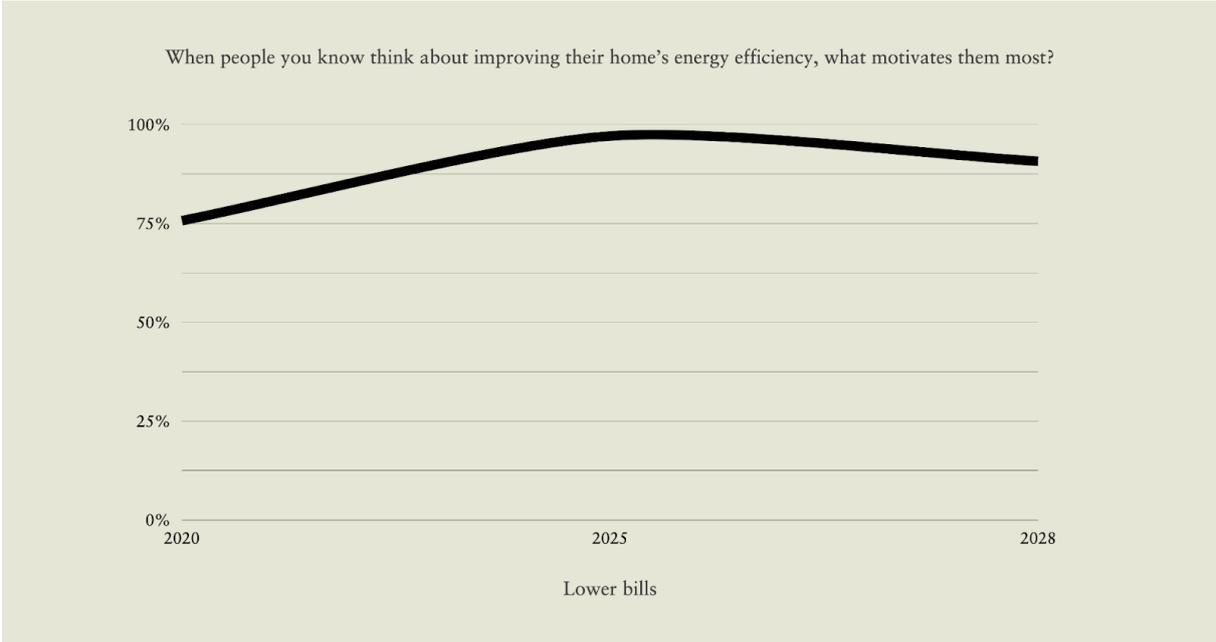
This means homeowners are comparing loan payments not primarily to the value of the improvement, but to other potential uses of their discretionary spending.

Comparing payments to existing debt capacity represents another major approach with 48% for 2020, 55% for 2025, and 50% for 2028. The spike in 2025 perhaps reflects heightened debt consciousness during the cost-of-living crisis, with the figure returning close to 2020 levels for assessments of 2028.

This suggests that roughly half of homeowners frame affordability in terms of debt capacity rather than cash flow.

A notable shift appears when comparing payments to current energy bill spending, with 41% for 2020, 46% for 2025, and 48% for 2028. This 7-percentage-point increase represents a meaningful reframing of how homeowners think about green finance affordability, with nearly half using this comparison by 2028.

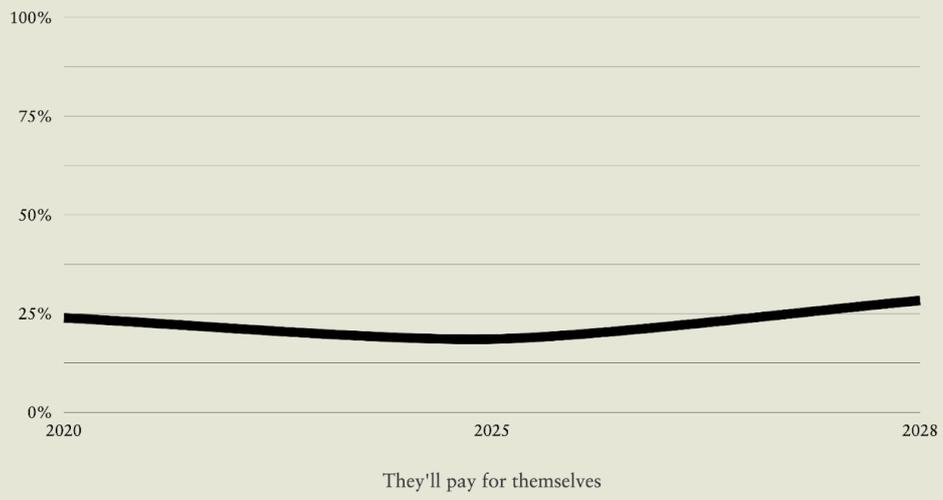
If loan payments approximate current energy bills and deliver substantial energy savings, the proposition becomes highly attractive as homeowners maintain similar monthly expenditure while improving comfort, reducing carbon emissions, and building equity. However, if loan payments significantly exceed bill savings, or if homeowners doubt that savings will actually materialise, the comparison discourages financing by highlighting the gap between payment burden and benefit.



Traditional lending frames borrowing as taking on burden, but comparing costs to savings from lower bills reframes it as a swap. This reduces the perception of "taking on more debt" that the majority cite as a reason to save rather than borrow, as loan payment replaces rather than adds to existing obligations. For this to work effectively, loan payments must be comparable to or lower than existing energy bills, and homeowners must trust that savings will materialise.

The overall pattern shows encouraging movement, with those believing "the technology is still too expensive" dropping from 59% for 2020 to 44% for 2028 (despite the mid-period spike), "only wealthy people can afford to upgrade" declining from 43% to 33%, and "they'll pay for themselves" rising from 24% to 28% (despite volatility). The critical question is whether these trends will continue, and if their trajectory will accelerate enough to hit the Government's targets.

What do people in your circle actually believe about the costs of eco-friendly home improvements?



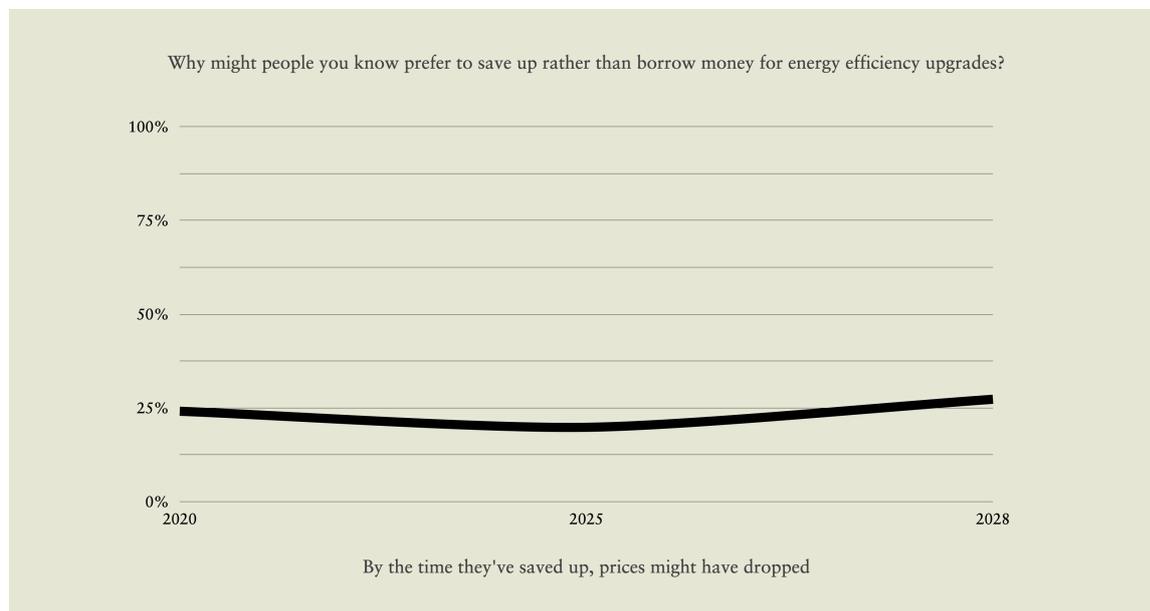
7. Barriers to Entry

Despite some positive trends, substantial barriers remain that undermine action even among homeowners who recognise the need for energy efficiency improvements and would have access to financing.

One persistent barrier to action is the perception that "prices are falling fast so it's worth waiting another year," which holds relatively steady at 18% for 2020 and 17% for 2025, then rises to 25% for 2028. While this remains a minority view throughout the period, affecting one-quarter of homeowners for 2028, this belief creates a self-reinforcing cycle where demand remains suppressed, limiting the economies of scale that drive prices down, and the market remains stuck in a low-volume, high-cost equilibrium because too many people believe waiting will deliver lower prices.

The challenge is that technology costs generally do decline over time as production scales, supply chains mature, and competition intensifies. Solar panel costs have fallen dramatically over the past decade; heat pump prices have trended downward in many markets. Homeowners may reasonably conclude that waiting another year or two will deliver meaningful savings. The question is whether the savings from delay exceed the costs from foregone energy bill savings, continued carbon emissions, and support schemes that may become less generous.

The belief that "by the time they've saved up, prices might have dropped" shows similar patterns across the period: 24% for 2020, 20% for 2025, and 27% for 2028. The fact that more than one-quarter of homeowners cite this as a reason to save rather than borrow by 2028 creates particular challenges for green finance. Why commit to a 15-20 year loan now when waiting might deliver lower purchase prices, better technology, or clearer regulatory requirements?



Breaking through these beliefs means emphasising the overall value of energy savings that begin immediately, the protection against price volatility, and the risk that support may become less generous over time. Perhaps the most persistent barrier is the lingering perception that green improvements remain optional, desirable for those who can afford them and care about the environment, but not essential. Regulatory pressure can shift this perception from optional to essential, positive experiences shared through social networks can demonstrate that disruption is manageable, and innovative financing structures can make loan durations feel less burdensome.

8. Conclusion

Between 1968 and 1976, Britain achieved what Sir Denis Rooke called "perhaps the greatest peacetime operation in the nation's history." Fourteen million homes switched from town gas to natural gas in just eight years. Engineers converted 40 million appliances and British Gas, then a nationalised utility, sent engineers door-to-door to convert cookers and heaters, usually for free or a nominal charge.

Decarbonising Britain's 29 million homes demands transformation on a similar scale and there has been a substantial shift in how homeowners think about their obligations towards energy efficiency and climate action. Yet this momentum remains fragile. Nearly one-quarter of homeowners don't trust that promised savings will materialise for 2028, and 43% worry that political changes will affect their loan terms.

The core challenge is not convincing homeowners that energy efficiency matters, our data shows that they agree, the challenge is normalising borrowing for green improvements to the same degree as borrowing for cars or kitchens. Currently, energy efficiency upgrades occupy an awkward middle ground for many: too expensive to fund from savings but too unfamiliar to borrow for.

The nearly five-fold increase in homeowners preparing for future regulations confirms that policy signals work, but concerns about political changes have grown simultaneously. A long-term policy roadmap, as recommended in UK Finance's [Net Zero Homes: Time for a Reset](#) (2022) and [Greening Homes](#) (2025), would provide greater certainty for firms and households.

Perhaps the most critical systemic need is quality assurance. The lack of trust around installations cannot be solved by lenders alone. UK Finance has recommended a single mandatory quality scheme, single Ombudsman for consumer redress, enforcement regimes that protect both homeowners and lenders, and a trusted source of retrofit advice for households (UK Finance, 2022, 2025). These institutional foundations would address both quality concerns and information gaps.

The responses to our survey confirm many other recommendations in UK Finance's previous reports, including the need to get the payback right for homeowners. We recommend:

- Government focus on making the economics of retrofit work, including through looking to rebalance gas and electricity prices in a sensitive manner.
- Avoid underestimating a wide range of motivations for retrofit including comfort, environmental concerns, resilience and cost - since these increase as we head into 2028.
- Communicate benefits on a dynamic basis - consumers' motives and interests change over time.
- Collaborate across the private and public sectors - motivations are complex and achieving scale will need a constantly updated understanding of the market.

The time frame that our research covers provides both encouragement and warning. Environmental motivation, regulatory anticipation, the idea of borrowing for green measures, and interest in innovative finance are all rising. These trends create momentum that, if properly supported, could support rapid change.

Yet other trends remain stubbornly resistant or worsened during the crisis period. Aversion to debt spiked during 2020-2025, though shows signs of moderating by 2028. Mistrust that savings will materialise increased from 20% for 2020 to 24% for 2028, affecting nearly one-quarter of homeowners.

Concerns about policy stability increased sharply during the crisis, reaching 43% for 2028. These negative trends identify precisely where intervention is needed.

Private finance serves crucial but not universal roles. Some homeowners will require grant support, stronger regulatory mandates, or hybrid models combining public subsidy with private lending to overcome barriers that are economic rather than perceptual.

The most striking finding in this research is not what homeowners believe about heat pumps or how they think about borrowing, it is the direction of public sentiment. The data shows encouraging momentum in attitudes to green home finance. With coordinated action from policy, regulation and industry, this growing demand can be channeled into significant economic opportunity for the UK.

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