



## 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.

Suppliers with fewer than 250,000 customers do not have to offer WHD. WHD is paid via participating energy suppliers to those customers who qualify. It is applied to the electricity part of an energy bill as most households receive electricity (not all receive gas). Eligible customers will receive £140 for winter 2017/18, received as a discount on the electricity bill. Customers with a pre-payment meter also receive the discount – for example as a voucher which can be redeemed to top up the meter.

Most of the schemes open for applications from April/May each year.

### There are two main 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 (this was 9<sup>th</sup> July 2017 for 2017–2018) 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.

#### 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. Eligibility criteria for the bigger suppliers is listed on a separate factsheet. Customers whose electricity supplier is not listed should contact their supplier to ask whether they might qualify for the discount.

It is worth noting that Ofgem introduced a price cap for prepayment meter customers recently. This price cap - essentially a safeguard tariff limiting the amount suppliers can charge for a given level of consumption - has been extended to those receiving WHD from 2 February 2018 until Dec 2019.