

A better approach to energy bill support: domestic consumers on non-domestic supply

Introduction

Households whose energy supply derives from the resale of non-domestic contracts account for a meaningful minority of domestic energy consumers. There is no official definition of a “domestic customer on non-domestic energy supply”, but Energy UK estimates at least one million consumers are likely in this type of arrangement.¹ These customers include those supplied through a landlord or site operator, such as heat networks, park homes, and care homes.

Households under this arrangement may benefit from various elements of the non-domestic market, such as the more attractive and longer fixed-price contracts accessed by the direct customer. However, many of these households are unable to access the energy bill support provided to domestic customers through schemes such as the Warm Home Discount (WHD).

Developing a route to provide support to low-income households outside standard domestic supply would help prevent them from being disproportionately affected by high energy costs. DESNZ should carefully consider targeted support options for these customers and swiftly design solutions in case the conflict in the Middle East necessitates a significant intervention for winter 2026/27.

Targeted support through energy bills would be highly complex

Energy suppliers cannot identify domestic customers on non-domestic supply because they do not have relationships with these end consumers. They would be unable to deliver a scheme aiming to provide targeted energy bill support to certain domestic end consumers because they do not have the means to direct the discount to them. They would also be unable to verify the vulnerability status or income of these end consumers.

Past experience with the Energy Bill Relief Scheme (EBRS) shows that non-consumer holders of the energy supply contract, such as landlords and park home site owners, can pass on universal discounts. However, more selective application would carry considerable compliance and governance challenges, as it would be reliant on direct non-domestic customers correctly passing on savings to specific end consumers. Attempting to overlay domestic protections onto commercial contracts creates the risk of unmanageable regulatory complexity.

¹ [Carehome \(2025\), Care home facts & stats](#); [DESNZ \(2026\), Heat network customers to be shielded from unfair price hikes](#); [House of Commons Library \(2023\), Mobile \(park\) homes](#); Energy UK analysis, including care home residents, households on a heat network, people living in park homes, and people buying energy from a building reseller with a non-domestic contract.

Due to these significant challenges, offering targeted support to domestic customers on non-domestic supply through energy bills is not a viable option and an alternative solution needs to be considered.

Proposed solution

The WHD scheme for park-home residents offers a precedent for providing targeted support to customers on non-domestic supply. Households on low incomes or certain means-tested benefits living in park homes can apply to Charis Grants, the scheme manager, for support. Eligible households receive £150 paid directly into their bank account.² This contrasts with eligible customers on domestic supply who receive a rebate on their energy bill. More than 7,200 park home households received the WHD through Charis in winter 2024/25.³

A neater, more manageable solution than trying to provide targeted support to households via non-domestic suppliers would be to expand the park homes model to other types of customers in this arrangement. DESNZ should introduce a WHD non-domestic supply scheme that allows low-income households on any type of non-domestic supply to apply for a support payment to be paid into their bank account.

This scheme should be managed by a government agency or a relevant, capable third-party organisation. Eligibility criteria and the financial value of support should be equivalent to the main WHD scheme. Currently eligibility is based on receiving means-tested benefits and the rebate is £150, but Energy UK has argued that the scheme should evolve to use income, health and energy consumption data to determine eligibility, and provide tiered support, with higher payments for those in most need.⁴

The scheme should be funded through public spending as the capacity of domestic customers to pay levies for various government schemes has been exhausted, especially in the context of rapidly rising network costs, and any attempt to socialise support for domestic customers through non-domestic supply risks unfairly distributing costs. Assuming the same proportion of domestic consumers on non-domestic supply would be eligible for the new scheme as are eligible for the existing WHD, it would cost the Government around £31 million per year to fund it at the current level of per-household support.⁵

Alongside this proposed support option, we also urge the Government to work with stakeholders to boost awareness of the reduced VAT rate (5% vs 20%) for fuel and

² [Money Saving Expert \(2026\), Warm Home Discount](#)

³ Charis (2025) [Park Homes Warm Home Discount scheme continues to provide essential support](#)

⁴ [Energy UK \(2025\), Autumn Budget 2025 Submission](#); [Energy UK \(2026\), A better approach to energy bill support](#)

⁵ Energy UK analysis. Assumes £150 rebate to 21% of approximately 1 million domestic households on non-domestic contracts.

power where 60% or more of the supply is for the range of qualifying use for domestic residential accommodation and charities⁶.

⁶ [DESNZ \(2025\) Fuel and power \(VAT Notice 701/19\)](#)