



Consumer Choice

January 2025

Executive Summary

Decarbonising heat is one of the biggest challenges in achieving net zero by 2050. The UK has sought to achieve this to date by providing of incentives for those who wish to install a heat pump, investing in improving the energy efficiency of buildings, developing heat networks and investigating the future potential for hydrogen.

Cadent today operates 135,000km of pipes, providing the gas that keeps people safe and warm. Delivering net zero requires an end to the unabated use of the methane currently transported in our pipes, implying a future need to visit each of the homes still connected to the network to either disconnect remaining consumers or repurpose the network so it delivers low carbon gas instead. In either pathway there will be a point when every single home in the country who has not already decarbonised their home heating will be presented with a change – either replacing their gas boiler for an electric equivalent, connect to a district heating network or accepting a different, low carbon, gas.

Both this and the previous government have ruled out any ban on gas boilers, implying a more incentive-led transition to clean energy in the home. Some have however advocated for more compulsion, arguing incentives alone will be insufficient to overcome the barriers to low-carbon heating. Heat pumps cost more to install than a natural gas boiler for example, and may require wider changes to the home to work efficiently. District heating systems are capital intensive to build and will not be available for all consumers. Hydrogen boilers, if made available, will be more expensive to run than natural gas boilers are today.

This therefore raises the question over the role of consumer choice in how we decarbonise buildings – or to put it more accurately, how much say 23 million consumers will get over how their home is decarbonised. This report from Savanta is a timely contribution to that debate.

It's finding that consumers want choice is perhaps unsurprising but no less important. Without approaching the delivery of net zero from a consumer-first perspective we risk losing popular support for the transition to clean energy and with it our ability to decarbonise.

Key Findings

The Savanta report points to six key findings, each of which has important implications for our decarbonisation plans.

1 Choice is important

The research revealed most consumers have a strong preference to change to be done with them as opposed to for them. This preference stems from a desire for autonomy and control, highlighting the dangers of approaching this as a question about decarbonising buildings as opposed to peoples' homes. Central to this preference is a sense of democratic right, individual home ownership and the need for tailored solutions based on specific property characteristics and locations. It is important to remember that the decarbonisation of heat will be unlike the decarbonisation in other sectors in that its delivery will be highly visible and potentially disruptive for individuals. This highlights the need to offer genuine consumer choice and personalised solutions if we're to successfully engage consumers with a case for change.

2 Wording around the restriction of choice must be carefully considered

How we communicate with consumers about the need to decarbonise heat is critical to shaping public perception and minimising negative reactions. Intentionally or unintentionally framing the transition away from natural gas boilers as a "ban" will elicit strong emotional resistance and defensive responses, driven by loss aversion and feelings of forced compliance. In contrast, using less abrupt terminology such as "phasing out," could foster a more receptive and less anxious response. The report highlights a need for policymakers to prioritise clear, proactive communication strategies that address potential financial impacts and emphasise the benefits of the transition, as a way of mitigating the perceived loss and facilitating smoother public acceptance of the changes.

3 Subsidies are important, but not everything

The report highlights that the additional costs inherent with all low carbon heating options represent a significant barrier to public acceptance. While government subsidies can mitigate these concerns, their sufficiency and accessibility remain key uncertainties influencing consumer choices. Financial incentives can shift individual preferences, potentially influencing a move from autonomous ("do it with me") to government-supported ("do it for me") approach. A key learning from the report however is that a segment of the population will remain sceptical. This highlights the need for comprehensive, upfront communication regarding financial support to maximise public engagement and avoid the risks arising from mandated energy transitions.

4 2050 may be some time off but we need to consider how to involve people in decision making now

While public engagement on home heating transitions is vital, reliance on community-led decision-making processes presents significant challenges. The report highlights consumer concerns about the potential for misinformation, inequitable outcomes favouring specific demographics, and the risk of replicating divisive processes like Brexit. While granular, localised decisions on specific technologies might be acceptable, broader strategic decisions on decarbonisation pathways require carefully designed mechanisms to ensure all voices are heard and decisions are informed by reliable data, minimising the influence of biased interests. There are clear lessons here for how we develop local area and more strategic system level plans, something which will be important for the National Energy System Operator as they develop their Regional Energy Strategic Plans. Leveraging trusted organisations such as charities and consumer advocacy groups will be important in facilitating informed public engagement and decision-making.



5 Those in vulnerable circumstances need special consideration

Ensuring an inclusive transition requires a nuanced approach that takes into account the unique circumstances of various populations. A key finding of the report is that changing to new low carbon heating systems presents significant challenges for the elderly, individuals with disabilities or cognitive impairments and those in or at risk of fuel poverty, encompassing both the mental and practical burdens of change. While information and support are crucial, targeted strategies are needed to alleviate anxieties, empower informed decision-making and minimise disruption, especially for those relying on caregivers. Further research will be important in identifying specific vulnerabilities, mapping support networks and anticipating unintended social and economic consequences to ensure a truly inclusive transition to low carbon heating.

6 Clearly signposted plans have value

Whilst there is widespread support for action to tackle climate change public engagement with the measures necessary to do that is often lacking. It should be no surprise therefore that there is low awareness of the impact of domestic energy consumption and scepticism about government pledges; undermining public trust and engagement. The report offers insight on how to address this. In particular it will be important for policymakers to demonstrate consistent, credible policy implementation, that clearly articulates comprehensive plans addressing all sectors and providing confidence that commitments will be honoured. By doing this we will encourage public investment in the low carbon solutions we need them to ultimately adopt.

Conclusion

Some have advocated for the decarbonisation of heat through a more prescriptive approach that either bans the sale of new or replacement gas boilers or forcing consumers to electrify by decommissioning the gas network they are connected to. Government has to date resisted this, focusing instead on providing a series of incentives for heat pump adoption, introducing carbon standards for new homes and development new heat networks – all whilst continuing to investigate the role low carbon hydrogen could play in future. There is a tension between these two positions that raises questions about the role of consumer choice.

In this context the Savanta report provides valuable insight as to how that tension may be resolved. Central to that resolution is how we engage consumers on the journey ahead, both in terms of involving them in planning and decision making

but also in terms of how we talk about the various pathways we may follow. At its heart however it is about recognising each consumer's unique circumstances and their need for autonomy over what happens in their own home. We see evidence for this elsewhere in the energy sector, either in reactions to proposals to mandate smart metering or in other countries where the public have protested the ban on gas boilers and the mandating of heat pumps. These examples echo the key finding of this report, that consumers recognise the need for change but want a choice about how that change happens within their own home. If we ignore that message, if net zero is delivered to and not with consumers, we risk losing the licence to deliver it - and that would be a great loss for the UK.

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