

*Heat Pumps on Subscription*  
Key findings



TESSA CLARK

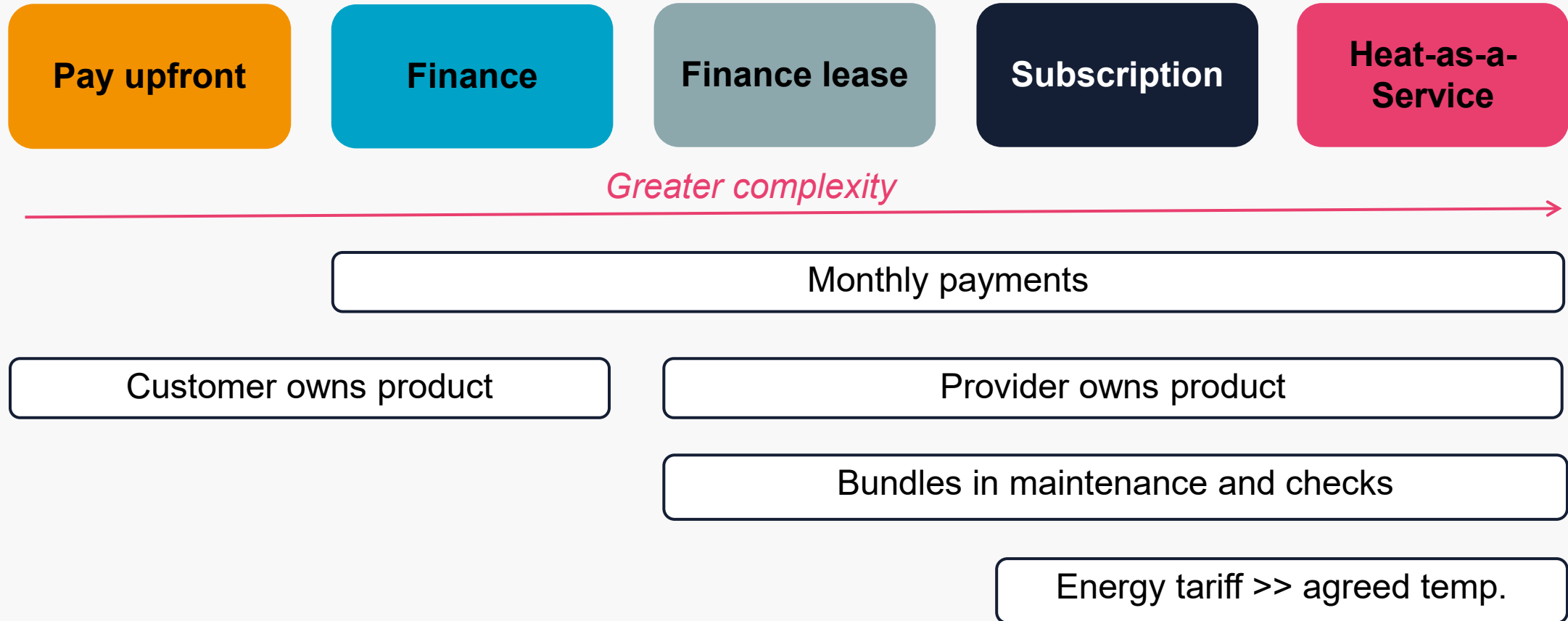
3 OCTOBER 2024

# Background

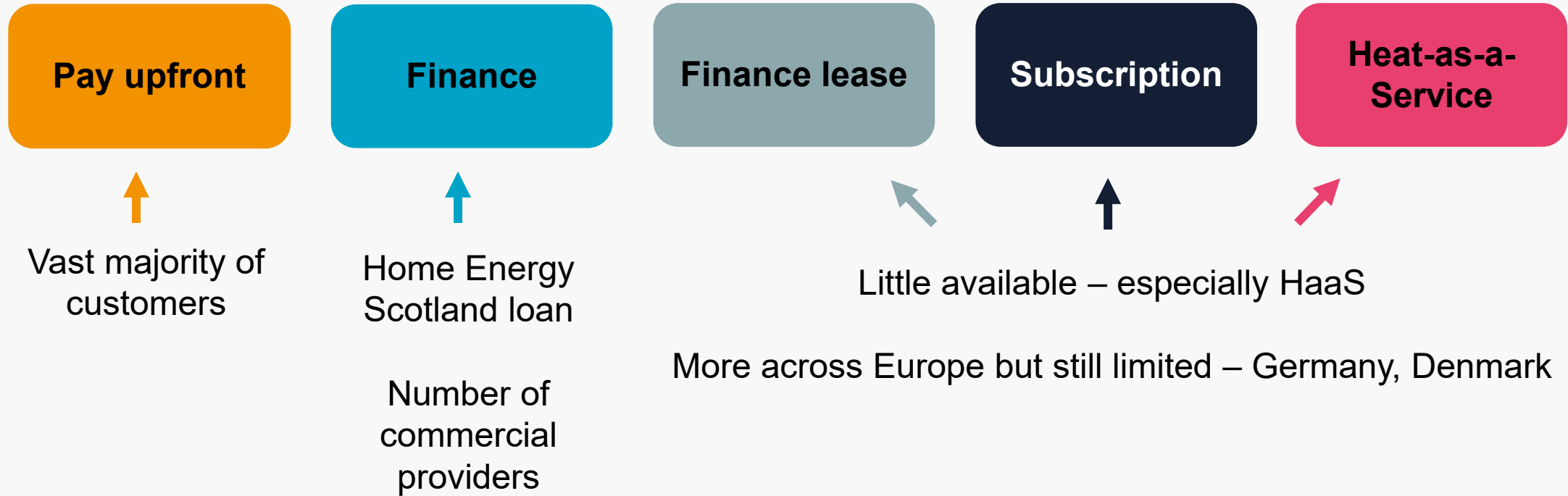
- Ambitious heat decarbonisation targets in Scotland
- Heat pumps have a much higher upfront cost compared to gas boilers
- Need to understand:
  - Possible financing solutions
  - Appetite in Scotland for these
- Research based on:
  - LCP Delta's Heating Business Research Service
  - Desk-based research
  - Stakeholder interviews
  - Internal analysis



# Options for purchasing a heat pump



# Current offers and uptake



# What do Scottish stakeholders think?

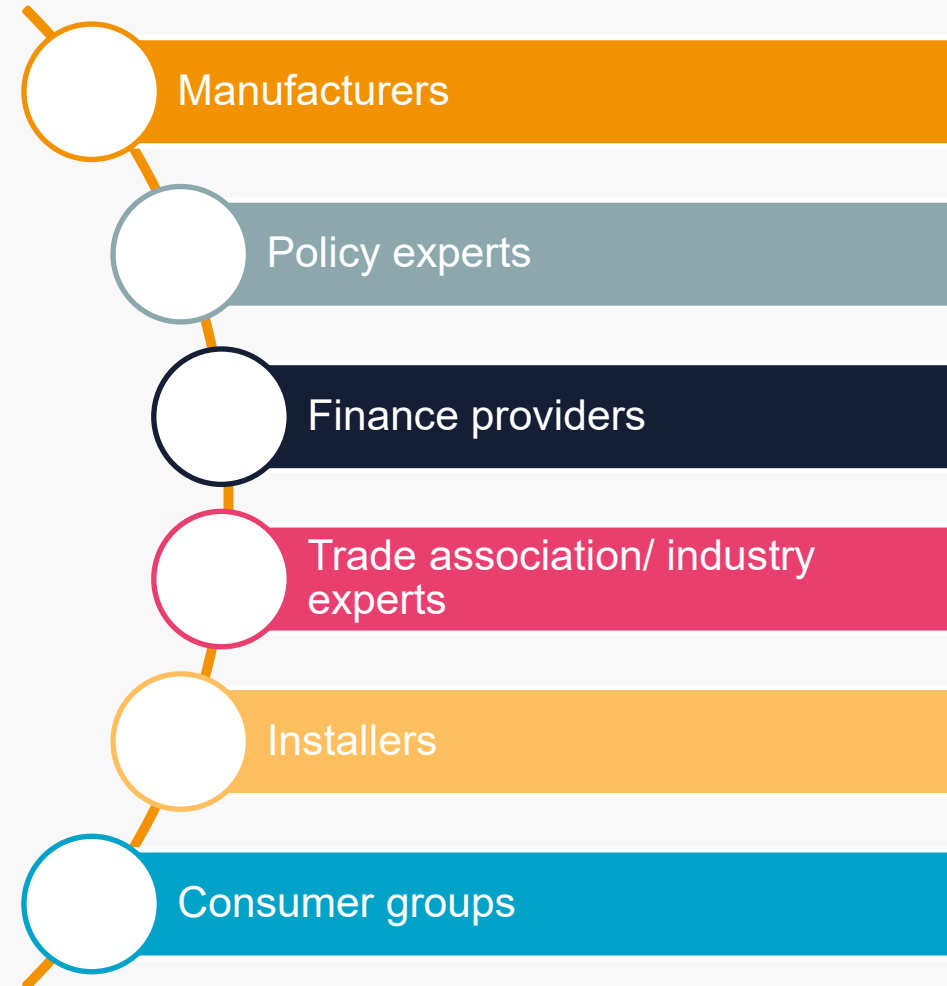
## HPOS was considered appealing overall

- Drive demand in volume
- Provide bundled installation and maintenance
- Manage perceived risk of unknown technology

## Many companies already engaged

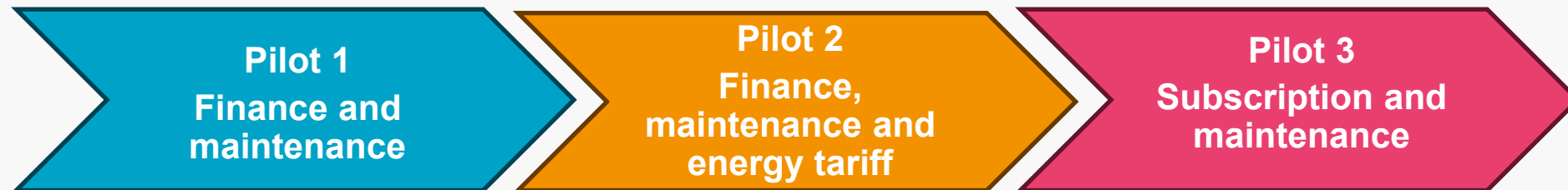
## But concerns & barriers to overcome

- Subscriptions are more expensive
- Contractual aspects: credit agreements etc
- Consumer protection / vulnerable customers
- Limited finance providers
- Customer interest in not owning product?
- Guarantees of system performance, comfort, ongoing servicing and maintenance



# Recommendations to Scottish Government

- **Design a pilot scheme – build off previous stages**
- **Test customer interest**
  - Bundling design, installation and maintenance
  - Monthly payment plans
  - Ownership of product – customer / provider
  - Interest of different customer groups



# Contact us



**Tessa Clark**  
*Head of Subscription Research*  
tessa.clark@lcp.com

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