

Climate Gap Report Press release update July 2026

Fixing electricity pricing flaw more important than home insulation subsidies to get heat pumps moving says Climate Change Committee

The [Climate Change Committee \(CCC\)](#) presented its [2026 Report to Parliament](#) on 24th June, showing the UK's progress towards its net zero targets. Ethical Consumer attended the press briefing to understand what responses might be needed from civil society.

Disappointingly, the report showed a significant slowdown in the number of retrofit heat pump installations.

The rapid take up of heat pumps by UK households is a key target in the national journey to net zero (and in Ethical Consumer's Climate Gap report's own metrics). However, the high cost of electricity, which is pegged to wholesale gas prices, is creating a barrier to more people switching to heat pumps.

The UK Government must fix flawed electricity pricing if it wants to encourage more homeowners to switch from fossil fuels.

The CCC's number one recommendation for the government this year is to "make electricity cheaper through measures such as removing remaining policy costs from electricity bills."

Being very focussed on evidencing its claims, it has published the table in the report to show the direct link between electricity pricing and heat pump take up in other countries in Europe (see image below).

The very high cost of electricity in the UK has meant that heat pump installers will often recommend complex home insulation projects before the switch to electric heating should go ahead.

When Ethical Consumer asked the CCC about the role of insulation subsidies, Nigel Topping the CCC's chair explained how sometimes "complex insulation projects can be the hardest thing in the consumer journey."

Removing the economic driver for households to do insulation first would clearly make heat pumps a more attractive choice. The CCC did however emphasise that it continues to recommend insulation subsidy for low income households.

Ethical Consumer uses the CCC's data extensively to help track 12 of the UK's main consumer climate impacts in its own annual Climate Gap Report, which is sponsored by Ecology Building Society. One of these twelve key impacts is heat pump installations.

Rob Harrison, Ethical Consumer editor, says:

"It's good to see a clear message from the CCC. It does align with what we've heard from the Heat Pump Federation too. Whilst widespread home insulation improvements can reduce the need to build such a large new electricity grid, its clear that making this a problem for individual households here in the UK is not delivering change at the scale we need to address climate change."

Gareth Griffiths, Chief Executive Officer at Ecology Building Society, says:

“The Government needs to end the dysfunctional link to wholesale gas prices which keeps the cost of electricity artificially high.

“If we’re serious about cutting our reliance on fossil fuels, reforming this pricing mechanism and bringing down electricity prices will encourage more homeowners to switch to heat pumps.

“The extreme weather so far this year is surely a reminder that we need to keep moving towards net zero or face adapting to a very different future.

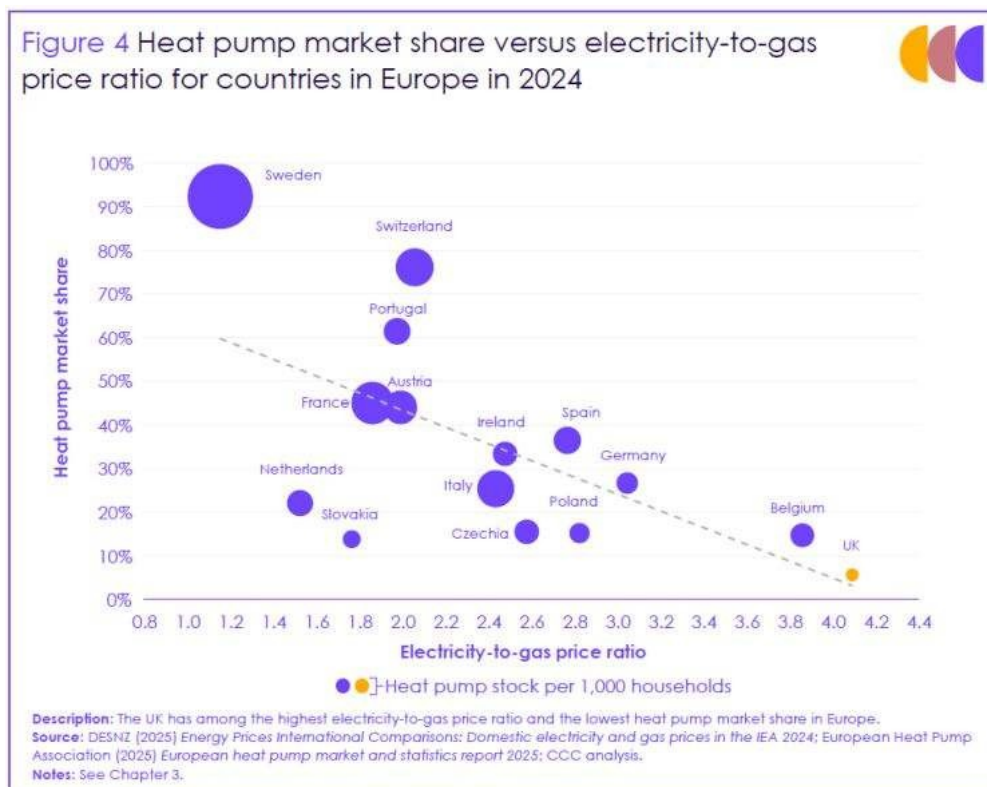
"We work with Ethical Consumer and support its annual Climate Gap Report as we believe this project empowers consumers to make informed decisions on better choices for themselves and the planet."

Jonathan Atkinson, from home energy specialist Carbon Co-op, says:

"Recent reports confirm that the number one barrier to heat pump adoption is cost, so addressing electricity pricing is key. But they also found that nearly 50% of those who want and can afford a heat pump don't make a purchasing decision due to concerns about disruption, bill affordability and a range of media headlines that create risk and uncertainty in their minds."

Chart: Heat pump market share versus electricity-to-gas price ratio for countries in Europe in 2024

The UK has among the highest electricity-to-gas price ratio and the lowest heat pump market share in Europe.



Source: Chart 4 in Executive Summary of 'Progress in reducing emissions 2026 report to Parliament'. Available from [Climate Change Committee website](#).

Ecology Building Society has sponsored Ethical Consumer's annual Climate Gap Reports since 2022.

The reports track progress across four key areas for reducing consumer climate impacts: food, home heating, travel and consumer goods.