



## Why it matters to consumers

Heating and cooling are one of the largest expenses for European households. To bring down energy bills, cut our dependency on fossil fuels and decarbonise the sector, we need to change how we heat and cool our homes. For consumers to make this shift, the EU should set out a clear strategy that speeds up the uptake of heat pumps, expands renewable-based district heating, and accelerates housing renovations.

Published | 9 October 2025

Contact | energy@beuc.eu

Reference | BEUC-X-2025-092

**Document coordinator** | Sophia Pena Pereira

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#### **BEUC, The European Consumer Organisation**

Bureau Européen des Unions de Consommateurs AISBL | Der Europäische Verbraucherverband Rue d'Arlon 80, B-1040 Brussels • Tel. +32 (0)2 743 15 90 • www.beuc.eu EC register for interest representatives: identification number 9505781573-45



Co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or EISMEA. Neither the European Union nor the granting authority can be held responsible for them.



### A consumer-friendly heating and cooling strategy

Decarbonising heating and cooling means that millions of households across Europe will need to change how they heat and cool their homes. The increased deployment of heat pumps, renewable-based district heating systems, and higher renovation rates are already delivering results: greenhouse gas emissions from fossil-powered heating in buildings have consistently decreased over the last five years.<sup>1</sup>

However, <u>progress remains slow</u>, as fragmented and unstable policies such as the lack of consistent financial support, keep these solutions out of reach for many consumers. The uptake of sustainable heating and cooling solutions requires a systematic and practical approach to ensure consumers can better control their energy bills and live in healthier and more comfortable homes.

Therefore, the EU needs a clear, cohesive strategy that promotes proven and easily scalable sustainable heating and cooling solutions while addressing practical challenges to support consumers in moving away from fossil fuel-powered heating.

BEUC welcomes the possibility to comment on this call for evidence on the new *Heating* and *Cooling Strategy*. Planning and implementation the heating and cooling transition requires coordinated efforts from a wide range of stakeholders. We therefore suggest concrete actions and measures - from EU-wide policies to practical measures in the local context - that should be reflected in the new Heating and Cooling Strategy.

# 1. Provide clear pathways to sustainable heating and cooling

For consumers, it is often unclear how policymakers intend to decarbonise the heating sector. This means that they often do not know which appliances they should purchase to heat their homes in a sustainable way.

- The EU and Member States should make clear decisions on the future of gas networks and ensure that costs are fairly distributed.
- The Heating and Cooling Strategy should not promote <u>inefficient and costly</u> <u>solutions</u>, such as renewable hydrogen or renewable gases, for residential heating.
- The European Commission should adopt <u>Ecodesign and energy labelling rules for</u>
   <u>heating appliances</u> to promote energy efficient products on the market and help
   consumers choose sustainable heating options.

<sup>&</sup>lt;sup>1</sup> EEA (2025) <u>Europe's environment and climate: knowledge for resilience, prosperity and sustainability</u>



 The European Commission should enforce existing EU legislation and support its implementation, for example by assisting Member States and local authorities in developing and implementing local heating and cooling plans aligned with gas grid decommissioning plans.

## 2. Break cost barriers for consumers

High upfront cost and operational costs are the main barriers for consumers to switch to a heat pump. Even where subsidies exist, significant challenges persist: the appliances remain too expensive, or consumers are excluded from the subsidies because upfront costs have to be paid *before* receiving support. In addition, high-cost savings are not always guaranteed because <u>electricity prices – especially compared to gas – are too high</u>. In district heating, <u>a lack of transparency and complex pricing structures</u>, <u>poor price control</u>, and high energy bills often make the system less consumer friendly.

#### Upfront costs

- Member States should address high upfront costs through targeted and predictable support schemes such as grants or subsidised loans, and financial incentives such as heat pump tariffs or VAT reductions on heat pumps. Subsidies covering up to 100% should be available for vulnerable and low-income groups.
- The European Commission should provide guidance on social leasing schemes for heat pumps. Such schemes must be tailored to benefit vulnerable consumers, fall under the scope of the Consumer Credit Directive, and ensure high standards of consumer protection. This includes clear and fair contractual conditions, access to Alternative Dispute Resolution and safeguards against disconnection.

#### Operational costs

- Member States should incentivise renewable heating by addressing the <u>high</u> charges and levies borne by electricity and <u>clean up electricity</u> from <u>non-energy related levies</u>.
- Member States should ensure that heat pump owners can benefit from demandside flexibility, and that suppliers <u>develop flexibility offers that are tailored to</u> different consumer needs.
- Member States and local authorities should <u>carefully plan investments in district</u>
   <u>heating</u>. They should target areas where it can bring the most benefit for
   consumers in terms of energy efficiency, in order to keep bills affordable.



## 3. Protect consumers in the transition

Consumers should enjoy appropriate rights and protections, no matter what energy source or technology they use or whether they have already transitioned to a sustainable heating and cooling system. Stronger consumer protection is needed in the district heating sector, for heat pump installations and to address the challenges arising during the gas phase-out.

- The European Commission and Member States should introduce <u>better consumer</u> <u>rights in the district heating sector</u>, including more transparency in price structures and contractual conditions, right to terminate a contract and price control through independent regulators.
- The European Commission should give consumers access to Alternative Dispute Resolution (ADR) mechanisms for heat pumps installations to resolve any conflicts quickly.
- The European Commission should assess the impact of rising gas network tariffs on consumers and propose measures to ensure that consumers are adequality protected during the gas phase-out.
- The European Commission, in cooperation with Member States and national regulators, should clarify rules for disconnecting from the gas network and ensure that gas consumers can do so freely without facing high disconnection fees.

## 4. Ensure reliable information and advice

The entire process of planning, buying or renting and using a sustainable heating and cooling system should be hassle-free. In reality, many consumers find themselves in a quandary about where to turn and how to find the reliable information. Awareness, practical information and advice are therefore crucial. A <u>survey from our UK member Which?</u> shows that homeowners who encounter information and advice about heat pumps are far more likely to consider them as replacement for their gas boiler. BEUC is running <u>the EU project 'CLEAR-HP' project</u> to accompany consumers along their heat pump purchasing journey. Other BEUC members provide advice through their websites, advisory services and tools or running <u>one-stop-shops</u>.

Member States should set up national awareness campaigns about heat pumps.

 $<sup>^2</sup>$  76% of homeowners with older boilers would choose another gas boiler if theirs broke down, with just 15% considering a switch to a heat pump. However, if consumers encountered heat pump information during their search for a new heating system, consideration to switch for a heat pump jumped dramatically to 85%.



- Member States should ensure that independent advice (through one-stop-shops) is available to consumers and provide financial support to organisations offering these advisory services, e.g., by directing ETS2 revenues to these services.
- Member States should create national and local certification training programmes for the installation of heat pumps to ensure high-quality installations tailored to the households' needs.
- Member States or local authorities should provide a <u>list of certified heat pump</u> <u>installers</u> to ensure that consumers receive reliable and trustworthy services and are protected from scams.
- Member States should improve the <u>widely varying</u> quality of Energy Performance Certificates (EPCs), and leverage <u>EPCs as a tool to encourage owners</u> to adopt sustainable heating and cooling appliances and improve the energy efficiency of rental property.

# 5. Ensure efficient and safe heating and cooling appliances and services

To lower energy bills, and build consumer trust in the energy market, heating and cooling products must be both energy-efficient and safe. Energy labels provide a useful and transparent tool for consumers to compare products, while also pulling them to more energy efficient heating and cooling technologies.

- The European Commission should adopt ambitious Ecodesign requirements for heating and cooling appliances, to ensure consumers have access to energy efficient options and can <u>save money on their energy bills</u>.
- The European Commission should ensure that energy labels for heating and cooling appliances are simple and clear, and they help consumers to easily identify the most efficient option on the market. Energy guzzling appliances like gas boilers should fall under the lower energy efficiency classes F and G.
- The European Commission should ensure that energy labels remain clearly visible to enable consumers to easily compare across models and choose the most efficient appliances. Relying exclusively on digital energy labels would reduce their visibility to consumers and effectiveness.
- The European Commission and Member States should ensure that consumers can benefit from trustworthy, automated heating and cooling appliances, that are designed and operated by default to comply with data protection, privacy, cybersecurity, and AI standards.