



# The Green Home Finance Roadmap For the Mortgage Industry

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**Delivered in partnership with:**  
Green Finance Institute (GFI)  
Green Mortgage Advice Initiative (GMAI)  
Mortgage Solutions





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# Introduction

# Introduction

The Climate Change Committee's (CCC) 7th Carbon Budget underlined the urgent need to accelerate the transition to a **resilient, energy independent and fair net zero future** in the UK's built environment. The CCC estimates that **£373 billion in additional capital expenditure** will be needed to decarbonise the UK's buildings by 2050, of which **around 80%** will need to be targeted at the **residential property sector**.

Between **65% - 90% of the capital investment** for decarbonising UK homes will need to come from the **private sector**, with **green mortgages and consumer loans** identified as key tools to reducing upfront cost barriers for homeowners. The UK mortgage industry is a **£242 billion-a-year market**<sup>1</sup>, with total outstanding mortgages on lender balance sheets now approaching **£1.7 trillion**<sup>2</sup>. This gives the sector a critical stake in the future of the housing market – and a powerful incentive to drive investment towards decarbonising and future-proofing the nation's housing stock.

This Roadmap charts **where the mortgage industry needs to go next** to mobilise more capital towards green home retrofit and sustainable new-build purchase, and drive innovation that unlocks cleaner, greener, future-ready homes for the mass market. It has been developed by consolidating the feedback, insights, and recommendations from attendees of the recent UK Green Mortgage Summit and the Scottish Green Home Finance Summit, and from wider stakeholders across the UK retrofit finance value chain. It distils these industry insights into **clear calls to action for financial institutions, policymakers, business leaders and industry practitioners to address**.

<sup>1</sup> [Largest Mortgage Lenders | UK Finance](#)

<sup>2</sup> [Mortgage lending statistics – March 2025 | FCA](#)

Our ambition:



- **Mobilise** capital in the mortgage market to unlock sustainable, resilient homes for every type of mortgage borrower



- **Inspire** homeowners to see the value of sustainable, resilient, zero carbon-ready homes



- **Tackle** rising home energy bills and climate change impacts through collective action and cross-sector collaboration

The Green Home Finance Roadmap sets out a bold vision for co-ordinated delivery across the mortgage industry, and is backed by a broad coalition of industry supporters. It stands as both a rallying point and a benchmark to track progress at future industry Summits, with the flexibility to evolve over time as the market demands.

**Now is the time to turn intent into action** – with an open invitation to everyone across the industry to play their part.



## Action Plan

Below are the **actions for industry to take forward together**, based on **five core themes and recommendations** that emerged from industry feedback. Actions have been ranked according to **ease and speed of implementation**, but all are of **equal importance** to accelerate the shift to a greener housing sector.







# Detailed Feedback and Recommendations



# Detailed Feedback and Recommendations

## Key:

*Italic* = recurring suggestion/idea from respondents

**Bold** = highlighted feedback illustrating key ideas within the theme

## 1. Cross-Sector Collaboration

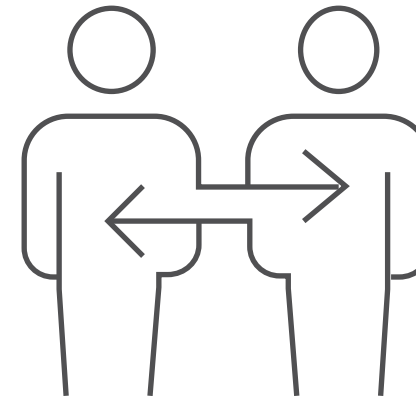
Stakeholders overwhelmingly stressed that decarbonising UK homes would require *joined-up effort* across finance, energy, and the built environment. At the Green Mortgage Summit, we heard how the success of past large-scale transitions such as shifting from town gas to natural gas in the 1960s and '70s was a direct result of *collective, co-ordinated action combined with positive storytelling* (explored further under the 'Public Awareness and Driving Demand' theme).

### ACTIONS:

- Agree on *standard terminology for different products and solutions to embed throughout the mortgage ecosystem* (e.g. ensure all green products and lending propositions are visible on lender sourcing platforms, ranked and categorised appropriately, and described consistently in all communications; both industry and consumer-facing)
- *Clarify the roles and responsibilities along the retrofit journey and how they fit together, and ensure consistent support for homeowners throughout.*
- *Collaboratively tackle climate adaptation challenges* (as highlighted in a recent [FCA report](#)), both to protect against stranded assets and ensure homeowners do not become mortgage prisoners or lose access to other financial services like home insurance.



There was widespread acknowledgement that *no single stakeholder can solve these challenges alone.*



### Key Quotes

"I can only **control what I control**, but that is a good starting point if **everyone affects change in their world.**"

"Begin with **setting out standard terms** around lending products so that **'green mortgage' means the same thing to all lenders.**"

"**We need a clearer roadmap** for the end customer – identifying you would like to retrofit is the start of the journey, **the key is what you do next** and **who do you turn to** for advice on making the **right decisions** / upgrades at the **right time** (order etc)."



## 2. Commercial Viability

The feedback strongly reaffirmed that green mortgages, lending propositions and advice services must make clear commercial sense. To date products have often relied on giving away margin in the expectation that profitability will follow once demand takes off.

Whilst we have seen deepening innovation beyond the product landscape – like green advice propositions from intermediaries and enhanced borrowing propositions for greener homes from lenders (see the [GFI's Green Mortgages Hub](#) for an overview of the current market) – stakeholders felt that green should be more integral to the mainstream market, and that increased flexibility and optionality around green benefits and incentives would remove barriers to action.

### ACTIONS:

- Embed sustainability criteria, benefits and features as standard across all mortgage journeys to mobilise capital at scale, alongside further development of green-specific products.
- Take a more consumer-centric approach to ensure homeowner needs are prioritised alongside regulatory targets.
- Gather and make better use of real-world, granular data, which often already exists in lender back books, to better respond to borrower and household needs, and identify eligibility for green benefits and incentives at application stage.



This theme was the one most often seen as overlapping with the other four themes – suggesting commercial viability hinges on a range of enabling factors to make green mortgage products, lending and advice propositions scalable and profitable – in particular Public Awareness and Policy Clarity (explored below) to create the impetus for action.

### Key Quotes

“**[Green mortgages] shouldn't be seen as ancillary** to other products, the concept of green should be woven into all products.”

“We also have **granular homeowner** data and have **good access to engage homeowners** [which we could use] to promote and facilitate innovate ideas and lending solutions.”

“**Weaving 'green' into all new business products** [is key to] **enabling easier access to funding** for customers/brokers to retrofit their homes/portfolio.”





### 3. Public Awareness and Driving Demand

A recurring theme was the urgent need for more consistent, relatable communication that closes the gap between societal needs, technical jargon and individual concerns. Messaging centred exclusively on the potential for cost savings and combatting climate change has not, on its own, been enough to drive demand at the scale needed.

Stakeholders felt that positive storytelling would be a bigger factor in inspiring mass behavioural change than product innovation. Awareness of the benefits of improving home energy efficiency would in turn help grow the green mortgage market.



#### ACTIONS:

- Emphasise the health, wellbeing and long-term security benefits of sustainable homes alongside the economic and environmental benefits.
- Create myth-busting guidance and consumer-friendly explanations to challenge misinformation, and demystify key concepts like EPCs and Heat Pumps.
- Showcase the “tangible benefits” through compelling case studies.



#### Key Quotes

“Encourage consumers on the **tangible benefits**, rather than talking in **technical terms.**”

“**Half the population still don’t know what an EPC is.** Campaigns that **explain** what the problem is and **how they are contributing** to climate change can then shift to **how to solve.** Starting to feel it’s **pointless having products and services until this happens.**”

“Success would look like **warm, low carbon homes** being as **key a part of the buying/selling decision** as location – **becoming a hygiene factor,** like having a decent kitchen is.”





## 4. Policy Clarity for Market Confidence

Stakeholders emphasised the need for a clear, stable roadmap from government to boost confidence in the green home finance market. A cohesive policy framework is necessary to ensure lenders can expand green offerings without the risk of 'moving goalposts', and to guarantee homeowners have adequate support (e.g., grants, subsidies, tax incentives) to upgrade their properties in line with emerging net zero requirements. This doesn't just apply to financial stakeholders; property developers also need confidence to invest in building zero-carbon ready, 'cleantech', homes – and a clear signal that fossil fuel heating systems are no longer the default.

### ACTIONS:

- Collaborate with the UK Government on its *Warm Homes Plan*, public information and awareness campaigns, and its manifesto commitment to “work with the private sector, including banks and building societies, to provide further private finance to accelerate home upgrades and low carbon heating”
- Support the formation of a *cross-industry delivery group*, comprising key stakeholders from across the financial services, energy and built environment sectors, alongside policymakers.
- Convene *industry roundtables* to foster productive dialogue and work towards policy stability on key issues such as the clean heat transition, EPC reform, retrofit incentives, and overall decarbonisation timelines.
- Support and feed into any government-led public awareness campaigns to drive consumer understanding of and demand for green home improvements.



### Key Quotes

“Government have shown they can make **big scale deployments** when they want to. Let's encourage them to **do the same for retrofit and green installations.**”

“A **more robust EPC process** should help homeowners understand the issues and potential solutions. We should **continue to lobby as an industry.**”

“There is a need for Government clarity. **We can't move the goal posts** halfway through making changes.”



## 5. Industry Education and Training

Though brokers and lenders are not expected to become fully-fledged retrofit experts, targeted education and skills development emerged as key drivers for success. Whereas previously green mortgage solutions sought to focus exclusively on the financing side of facilitating green home improvements, awareness is now growing that more needs to be done to tackle the signposting gap and support consumers through the end-to-end journey.

When intermediaries understand the essentials of efficient heating, insulation, and retrofit financing, they can initiate conversations with homeowners, signpost to reputable third parties, and build trust. Several respondents also talked about the importance of “normalising” the topic of “warm homes and clean heat”.

### ACTIONS:

- Promote and develop centralised information and resource hubs, such as those offered by the [Green Finance Institute \(GFI\)](#) and the [Green Mortgage Advice Initiative \(GMAI\)](#), to help professionals stay current and meet Continuous Professional Development (CPD) needs.
- Build on and expand existing training programmes such as the GFI’s Certificate in Green Mortgages in partnership with education providers like the London Institute of Banking and Finance.
- Produce and promote short-form CPD content hosted by GMAI, Mortgage Solutions and others on an ongoing basis.



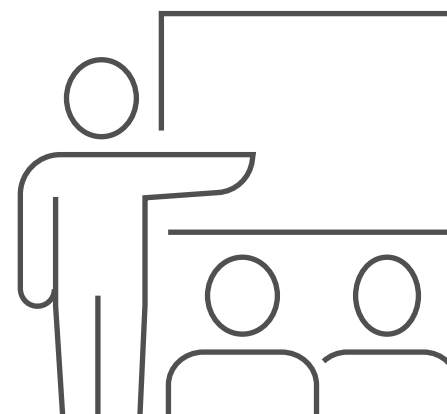
Stakeholders also felt education is essential to fostering awareness and understanding of green finance options amongst tradespeople, architects, surveyors, energy specialists, and other non-financial stakeholders in the value chain.

### Key Quotes

“With 90% of the UK Mortgage market intermediated, brokers have the key opportunity to start **raising awareness and normalising this topic** amongst homeowners.”

“**Educating brokers is key to industry growth**, giving them the tools to answer consumer questions on retrofit and buy-ins confidently.”

“Success would be **broad understanding of the climate challenge** and demand for products and services.”





# Notes

## How to use this document



**1. Take Action** – Use the Roadmap to design and scale your green finance products, services and initiatives



**2. Report Back** – Share outcomes of green products, propositions and services launched, capital mobilised and lessons learned



**3. Stay Engaged** – Join our like-minded community of pioneers to exchange insights, shape the agenda, and steer the future of green innovation

## Chatham House Rule and attribution

All direct quotes and summaries of stakeholder input in this document follow Chatham House rule: no attribution of statements to specific individuals or organisations.

## Who we are

We are a cross-sector alliance spearheaded by three organisations working together to address climate change via the mortgage market. Collectively we support, represent and collaborate with a broad network of lenders, intermediaries, trade bodies, and non-financial stakeholders.

## The Green Finance Institute (GFI)

The GFI is an independent adviser to governments. It works to test, demonstrate, and scale the financial solutions needed to accelerate the transition to a net-zero and nature-positive economy. The GFI has been instrumental to the growth of the green mortgage market, taking it from 4 products in 2019 to over 80 today, launching the Green Home Finance Principles framework, and spearheading professional education in Green Mortgages through a first-of-its-kind CPD-accredited training programme and a wealth of educational resources. The Green Mortgage Campaign continues to work closely with industry to mobilise capital and unlock innovative and scalable green home financing solutions for the mass market.

## The Green Mortgage Advice Initiative (GMAI)

The GMAI is a cross-industry initiative led by the Association of Mortgage Intermediaries (AMI), the leading trade association advocating for the interests of mortgage intermediaries and associated businesses in the UK. GMAI was set up as a multi-stakeholder coalition to raise awareness of the implications of climate change and the green agenda for mortgage brokers and the wider mortgage industry. The GMAI is intended to act as a source of support for intermediaries, helping them to understand and address green issues when dealing with mortgage applications, and ensuring that advisers' interests are represented among lenders, regulators, trade bodies and government institutions.

## Mortgage Solutions

Mortgage Solutions is a market-leading business-to-business brand that provides up-to-the-minute news, features, analysis, and opinion to the mortgage intermediary community. It provides a central knowledge hub for the mortgage industry. Its substantial event portfolio of conferences, awards and invite-only Senates and Summits also deliver critical information to targeted mortgage broker and/or IFA audiences in a wide range of niche and mass mortgage sectors. The title also works in partnership with the industry to cover key strategic issues in depth including its recently-launched Green hub – collating news, features and commentary on sustainability-related issues for intermediaries and other mortgage professionals.