



**Project Lead: Fornax Energy**

**Funding:**

£293,830



## The problem: The cost barrier to heat pump adoption

Currently, sustainable heating solutions are not accessible to a wide range of households. To accelerate domestic heat pump rollout, we need to overcome the fundamental barrier of cost, reported as the most significant barrier to uptake, increase consumer confidence in heat pump system performance and make the complex adoption process easier.

The challenge is to provide a turnkey solution that integrates a smooth installation journey, low-cost financing and lifetime maintenance and repair cover, that, when integrated into a comprehensive package, reduces aggregate costs to the consumer.

## The solution

Built around Fornax's existing innovative subscription-based model for heat pump deployment, the Project will develop a novel proprietary technology platform that collects, analyses and models a wide range of relevant data to understand risk and optimise lifetime cost, performance and credit quality in order to offer consumers the lowest cost, highest confidence transition to a heat pump.

“ Financing can be much more than just spreading out the cost. Our comprehensive subscription can be a real protagonist in driving down the fundamental expenses of heat pump adoption and improving consumer confidence in clean heating. ”

**David Leviseur**

CEO & Founder, Fornax Energy



## A comprehensive pay-monthly solution for heat pumps

### What are we going to do?

Fornax created and deployed the UK's first asset-financed heat pump in 2023, a turnkey pay-monthly regulated credit agreement specifically tailored to mitigate the challenges of adopting heat pump technology, encompassing system design, installation and maintenance. We are now building a platform to collect, analyse and model a wide range of data to optimise the structure, delivery, performance and impact of this subscription product.

### Why is this an improvement on current solutions?

Fornax's platform will deliver an integrated approach to solving heat pump adoption, uniquely addressing consumer, installer and financing challenges (and enable unique product features such as being transferable in the event a customer sells their home). The subscription-based model is a unique, innovative, comprehensive solution that's affordable and flexible enough to suit a wide range of homes and homeowners' circumstances. And the project's novel technology will be designed to "plug into" both the large base of skilled independent installers in the UK, broadening their addressable audience from the able-to-pay to the mass market, and wholesale financing markets.

### What would success look like?

Success will be measured by the level of improvement in heat pump affordability for households, as the platform drives down costs and spreads them out for consumers. Our goal is to scalably and sustainably reduce pay-monthly costs toward and below £75 per month.

Fornax will use live cost data to measure the implied monthly cost of the at-scale solution against population income data. Secondary indicators of success include reduced friction in other parts of the heat pump journey as a result of the turnkey aspects of the solution.

The Optimised Solutions Development stream of the Heat Pump Ready programme supports the development of innovative tools, technologies and processes to overcome specific barriers to heat pump deployment in the UK. Wave 2 of this stream supports solutions aiming to improve the ease of heat pump deployment in homes that are 'complex to decarbonise', develop innovative solutions to enable heat pumps to be deployed in 'distress purchase' situations, improve performance of domestic heat pumps with low-GWP refrigerants and improve the domestic consumer experience of using and living with a heat pump.

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How will this project help towards the target of installing 600,000 heat pumps per year by 2028?

**We'll make heat pumps more affordable for most people.** Our subscription is suitable and efficient for ALL types of property owner (owner-occupiers, private and social landlords). And its pricing better aligns with consumer disposable incomes than the market's current upfront purchase model.

It's also readily deliverable, because **Fornax's model centres on partnering with existing skilled independent installers** to roll out the product.



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