

10th February 2025

Miatta Fahnbulleh MP
Parliamentary Under Secretary of State
Department for Energy Security and Net Zero

Ali Rushanara MP
Parliamentary Under Secretary of State
Ministry of Housing, Communities & Local Government

Dear Miatta Fahnbulleh MP and Ali Rushanara MP

SPRAY FOAM: ECO4/GREAT BRITISH INSULATION SCHEME & LENDING ISSUES

We are pleased to see the government taking action to support consumers who have had poor quality solid wall insulation fitted as part of the ECO4/Great British Insulation Scheme. However, as estimates suggest that 20% of all insulation is incorrectly installed, the government must do more otherwise it will be at risk of arbitrarily helping some customers and not others.

On the topic of government promoted insulation for homeowners, we want to raise another issue in need of urgent action. We are particularly concerned about spray foam, which affects around 250,000 homes. As I'm sure you are aware, the ECO4 grant and Great British Insulation Scheme (GBIS) both fund the installation of spray foam to eligible households. However, we have been made aware of several problems with spray foam for homeowners, namely:

- Lenders are increasingly unwilling to lend on properties with spray foam insulation, both retrofitted and in new build properties, making it hard for homeowners to sell as buyers can't get a mortgage
- Equity release firms will not lend on properties with spray foam insulation
- Spray foam is difficult and expensive to remove once applied
- These problems have led to an increase in homeowners being targeted by rogue spray-foam removal firms and legal firms wanting to pursue cases of mis-selling.

We are therefore calling on the government to step in to help those homeowners who have spray foam and find themselves in the position where they are stuck and unable to sell, are unable to access equity release products, are faced with hefty remediation bills for removal and/or are being targeted by unscrupulous spray foam removal firms. Many of these homeowners are elderly and vulnerable.



The problems and costs involved are so significant that HomeOwners Alliance has issued a [warning](#) to homeowners to **NOT** install spray foam for the time being.

These problems are not anecdotal or rare. Homeowners Alliance recent research with the [BBC](#) highlighted how 25% of mortgage lenders, and no equity release providers, will lend on properties which have spray foam installed as a retrofit measure.

Despite reassurances from other mortgage lenders that they will lend on houses with spray foam installed, the reality is quite different: homeowners are being given false hope and simply made to run around paying out for yet more surveys and expert investigations in an attempt to satisfy lenders and valuers to no avail. This is evidenced by the over [160 homeowners](#) who contacted the BBC immediately after publication of the research, the emails and comments received by HomeOwners Alliance (see the very insightful comments at the bottom this [page](#)), as well as the interventions made by MPs following [this statement](#) made to the House of Commons on the ECO4/Great British Insulation scheme on 23rd January.

We understand lenders are concerned that different types of sprayed polyurethane foam can lead to trapped moisture. The inability of moisture to escape can cause mould, damp and timber decay. These are the same problems as with solid wall insulation. But even when installed by legitimate firms and with the correct paperwork, lenders are still reluctant to lend where spray foam is present. Clearly this does not send a good signal to consumers who want to improve the energy efficiency of their homes and our net zero targets.

In 2023, the Property Care Association (PCA) worked with lenders and building experts, to set out its [Sprayed Foam Inspection Protocol](#), to support surveyors reviewing properties with spray foam already installed. In early 2024, the PCA also created a [register of surveyors](#), to provide assurance to residents and lenders that surveyors were adequately trained and audited. Shortly, the PCA along with other organisations, will also be releasing a guide for consumers with spray foam already installed.

Despite this positive industry action, we are calling on the government to intervene to remove the impasse with lenders. It can't be that homeowners convinced to install spray foam at a significant personal financial cost, and in many cases with help of government grants, are now faced with bills for hundreds if not thousands of pounds to remove the product, far exceeding the original installation costs, in order to be accepted by lenders or release equity from their homes.

This position is unfair on homeowners who have taken reasonable steps, and in many cases were encouraged by government grants, to install the product.

Despite a strong working relationship, neither the HomeOwners Alliance nor the Property Care Association can find a solution to this issue without government support. **We ask the government to bring together a roundtable of specialist property experts, valuers, lenders and equity release companies, to agree whether spray**



foam should continue to be included within government grants and to agree a process to allow the sale of property with retrofitted spray foam. We also call on the government's assistance to stamp out the rogue spray foam removal companies who are scaring homeowners to remove the insulation and are causing even further damage to their homes.

We look forward to receiving your response and would be happy to help with the organisation of this meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'SG' followed by a long horizontal stroke.

Sarah Garry
Chief Executive
Property Care Association

A handwritten signature in black ink, appearing to be 'Paula Higgins'.

Paula Higgins
Chief Executive
HomeOwners Alliance

Cc. *Simon Ayers, Chief Executive, Trustmark - sayers@trustmark.org.uk*