



Consumer Vulnerability Strategy

Consumer Vulnerability Strategy

Publication date: 15 04 2025

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Director General, Markets: Foreword

We take our responsibility to protect consumers in vulnerable situations extremely seriously. That's why our Vulnerability Strategy is so important. It sets out the outcomes we want to achieve for consumers in vulnerable situations and brings all our work for these consumers together in one place. This includes our proposed Debt Relief Scheme, Debt Standards, ongoing energy affordability work with government, and the work of energy networks through the Vulnerability and Carbon Monoxide Allowance. It also includes our delivery of government fuel poverty schemes, such as the Warm Home Discount.

The Consumer Vulnerability Strategy sits alongside our ongoing Consumer Confidence programme, which is looking at how we can improve outcomes for all consumers, across the whole market. In that vein, I welcome the government's review of Ofgem's role. We have a shared goal with government to drive up standards for consumers and empower the market to build the innovative products and services we need for a low carbon future. It is a great opportunity to ensure we have the right powers to achieve this.

Whilst we have undoubtedly faced challenges in the last few years, there are opportunities too. Opportunities from the transition to clean power to lower energy bills, opportunities to harness the power of data to help us better identify consumers in vulnerable situations, and opportunities that come from working within and across industries to unearth and spread good practice.

Working together I know we can achieve the outcomes we have set in our Vulnerability Strategy. I can think of no more important purpose.



Tim Jarvis

Director General, Ofgem Markets

Executive Summary

A refreshed Consumer Vulnerability Strategy

Following stakeholder consultation, we have decided to introduce a narrower and more targeted Consumer Vulnerability Strategy. It will enable us to focus our, and industry's, efforts and attention on getting the right solutions for consumers in vulnerable situations. The value of the Strategy is in bringing our work for consumers in vulnerable situations together, and for us and industry to use it to drive improved outcomes for these consumers. It sets clear, focused outcomes, highlights expectations for energy companies and commits to transparency on our relevant work.

The Strategy's links with work to raise standards for all consumers

The Vulnerability Strategy contributes to our Multiyear Strategy aim of 'shaping a retail market that works for consumers,' and primarily the Quality and Standards (enhanced protections for the vulnerable) strand in the Consumer Interest Framework. It sits alongside our Consumer Confidence work to raise standards for all consumers. The government's ongoing review of Ofgem's role may have a bearing on how we protect all consumers, including those in vulnerable situations. Once the review is finalised and government has determined Ofgem's future role, we will work through any implications for our Vulnerability Strategy including the themes and outcomes we have set.

The Strategy has three aims

We aim to use the Strategy to deliver against the following aims:

- Refocus ours and industry's priorities to ensure that consumers in vulnerable situations are at the heart of company cultures; and that the right support and outcomes are delivered consistently
- Build an enduring, collaborative way of working between ourselves and industry to deliver and maintain sufficient focus on the needs of consumers in vulnerable situations
- Bring transparency to our priorities, work programmes, and expectations on companies

Strategy themes and outcomes

The themes of the Strategy are:

1. Improving identification and smarter use of data
2. Supporting consumers struggling to pay their bills

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3. Driving improvements in customer service for vulnerable groups
 4. Encouraging positive and inclusive innovation

A fifth theme, working with others to solve issues that cut across sectors, is an overarching theme, which will be vital to successful delivery of the outcomes under the key themes. Each theme is underpinned by one key outcome and more detailed sub outcomes.

Work programmes

Our work under the themes includes our Debt Strategy, Consumer Confidence, Heat Networks regulation, and Networks activity particularly the Vulnerability and Carbon Monoxide Allowance. It also includes our work to deliver fuel poverty schemes on behalf of government such as the Warm Home Discount and Energy Company Obligation 4.

How energy companies should approach the Strategy

To help guide the activities energy companies undertake as part of their regulatory obligations, we also set out how we expect them to improve outcomes for consumers in vulnerable situations. By working together to deliver on these expectations and work programmes, we can ensure improved outcomes for consumers in vulnerable situations and successful delivery of the Strategy.

Driving good outcomes and increasing transparency

The Strategy sets out new measures to help drive the outcomes we want to see. First, we will hold Vulnerability Focus Sessions with suppliers on an annual basis, as part of existing senior meetings. We will use these to discuss good practice energy suppliers may be using, as well as challenging them on how they could go further.

Second, we will report findings from these sessions, alongside data on the outcomes consumers in vulnerable situations are getting, in a Consumer Vulnerability Strategy: Progress report. We want to work with industry on improving the data that we gather.

Vulnerability Definition

We consider our definition should remain intentionally broad, to ensure the energy sector focuses on all aspects of vulnerability. We consider that any financial specific vulnerability definitions are best picked up within Ofgem's Debt Relief Support Scheme and government's energy affordability work. This is particularly relevant when considering eligibility for targeted support. The Strategy consolidates existing guidance on our definition and how this should be operationalised within energy companies.



Introduction

1.Introduction

This section sets the context for refreshing our Vulnerability Strategy. This includes how it contributes to our Multiyear Strategy and Consumer Interest Framework and other programmes of work including Consumer Confidence and government's review of Ofgem. It also sets out the consultation process we have followed and requests any general feedback.

Context and related publications

Since we published the last Consumer Vulnerability Strategy in 2019, the energy sector has experienced significant upheaval and price rises, particularly affecting consumers in vulnerable situations.

We have established enhanced protections (for example, Consumer Standards and Involuntary Prepayment Meter (PPM) protections) and welcome the steps taken by suppliers (e.g. Winter Voluntary Debt Commitment), but more is needed to continue to protect consumers in vulnerable situations and improve the outcomes they see, in particular as the market changes.

Our approach needs to stay ahead of a rapidly developing sector and to ensure consumers in vulnerable situations remain protected and benefit from the growth of new products, services, and technologies.

We set out our intention to refresh the Consumer Vulnerability Strategy in our 24-25 Forward Work Plan; *Objective 2: Ensure high quality of service*. We committed to developing an understanding of any gaps in the current Strategy and develop a refreshed Strategy for any changes we considered were needed. [Forward Work Programme 2024/25](#) We consulted on the Strategy in September 2024 [Refreshing our Consumer Vulnerability Strategy | Ofgem](#)

The Strategy's contribution to Ofgem's priorities

The Strategy aligns primarily with our Multiyear Strategy aim of 'shaping a retail market that works for consumers'. Our objectives include ensuring fair prices (operate and evolve price protection, work with others to solve the affordability crisis) and improving protections for all consumers, including the most vulnerable: [Ofgem's multi year strategy](#).

We have also had regard to our Consumer Interest Framework (CIF). The Strategy's themes and key priority areas apply predominantly across the Quality and Standards

strand in the CIF (enhanced protections for the vulnerable) but are also relevant to Fair Prices (broader price regulation) and Low-Cost Transition (promoting innovation). Our work to deliver outputs from the Strategy, such as the Vulnerability Focus Sessions and progress Report (see section 3) are also relevant to Resilience (consumer trust).

Consumer Confidence and wider licensing framework

Whilst we are seeing early signs of improvement in domestic customer satisfaction, we believe more progress is needed to ensure that energy consumers receive the best possible service. In 2024 we launched our Consumer Confidence package of work to help with this [Consumer confidence: a step up in standards | Ofgem](#). This work will help deliver our ambition that the energy sector becomes one of the top performing industries for customer service. This will help drive good outcomes for consumers in vulnerable situations too.

Government's review of Ofgem

We welcome government's review of Ofgem. We have a shared goal with government to drive a culture change in customer service for both domestic and non-domestic consumers, and we will work closely with government to look at various options to help deliver on this ambition.

Prioritisation of our work

In our consultation, under each theme we set out Ofgem work relevant to the successful delivery of the outcomes in the Strategy. We have updated this based on internal factors such as prioritisation and resourcing constraints, external factors such as changing government priorities, or to reflect where the work has already been delivered. We set this out in more detail in chapter 3.

Keeping stakeholders informed

Transparency of our work to deliver improved outcomes for consumers in vulnerable situations and the outcomes it has achieved remains a core part of this Strategy. We will be proceeding with the decision to keep the Strategy and relevant information, such as workplans, up to date on our website. This is currently under construction and will be shared with stakeholders once live. Stakeholders can keep up to date with publications, including those focused on vulnerability, by subscribing to our news services, where you can set preferences on the types of information you wish to be informed of and when.

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The Strategy at a glance

1. The Strategy at a glance

Theme 1: Improving identification and smarter use of data



Outcome 1: Consumers in vulnerable situations should have their needs identified, be able to easily notify and update their circumstances, and have a good understanding of and access to support services designed to suit their circumstances and meet their needs.

Theme 1 work programmes:

- Working with energy and water on data sharing
- Consumer consent for data
- Data sharing infrastructure
- Working with government on broader data sharing

Theme 2: Supporting customers struggling to pay their bills



Outcome 2: Consumers in vulnerable situations who are struggling to pay their bills should receive accurate bills that are easy to understand. They should receive compassionate, consistent and affordable support, and flexibility in payment methods and frequencies

Theme 2 work programmes:

- Review the rules Ofgem has on debt and arrears
- Work with government on financial rules on debt
- Standing charges
- Accurate billing
- Continue to work with government on Future Price Protection
- Heat Networks regulation
- Smart metering and Radio Tele-switch meters
- Administration of government fuel poverty schemes

Theme 3: Driving improvement in customer service for vulnerable groups



Outcome 3: Consumers in vulnerable situations should be provided with tailored communications that are easy to understand. They should be able to engage with their energy company with ease and not face exclusion based on their circumstances.

Theme 3 work programmes:

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- Network RII0-3
 - Networks ED-3
 - Consumer Confidence
 - Review of Guaranteed Standards of Performance (GSOPs)
 - Consumer Outcomes monitoring and Ofgem consumer research

Theme 4: Encouraging positive and inclusive innovation



Outcome 4: Consumers in vulnerable situations should have access to inclusively designed innovative solutions that deliver the benefits of the transition to a digitalised, decarbonised and decentralised energy system.

Theme 4 work programmes:

- Heat Networks regulation
- Retail innovation consultation
- Continue to work with government on Future Price Protection
- AI strategy

Cross-cutting theme: Working with others to solve issues that cut across sectors



Consumers in vulnerable situations will face similar issues across different markets, such as payment difficulty. Addressing the challenges of vulnerability requires collective action by policy makers, consumer bodies and industry, including across sectors. We will continue to hold our regular stakeholder sessions and use our influence with government and other regulators (including through the UK Regulators Network) to deliver against this theme.

Vulnerability Definition

We define vulnerability as:

Where the personal circumstances and characteristics of each Domestic Consumer create a situation where he or she is:

- Significantly less able than a typical Domestic Customer to protect or represent his or her interests; and or
- Significantly more likely than a typical Domestic Customer to suffer detriment or that detriment is likely to be more substantial.

Our Vulnerability definition provides a framework for energy companies and other participants in the energy market to consider how to:

- i. Identify vulnerability
- ii. Respond to vulnerability
- iii. Embed consideration of vulnerability into the design and delivery of products and services

Since introducing our definition of vulnerability, we have published a number of strategies and guidance documents to support companies in addressing vulnerability, including financial vulnerability and to demonstrate what good looks like.

Our overarching principles-based approach means that energy companies must consider and respond to the needs of consumers in vulnerable situations, ensuring accountability and flexibility in their approaches. In some areas, where harm has been observed, the principles are strengthened by prescriptive rules, to ensure a higher level of protection.

Vulnerability is influenced by individual circumstances and market interactions, making it complex and multidimensional. Consumers in vulnerable situations can face higher costs, less access and greater risks when participating in the energy market. Markets themselves can exacerbate vulnerability through actions of companies and the design of goods and services.

We have seen economic factors exacerbate and stretch the nature of vulnerability over recent years. The Covid pandemic has contributed to an increase in long term health conditions and the cost-of-living crisis, including soaring energy prices, have contributed to an increase in customers struggling to pay their bills, which in turn can create and exacerbate health and mental health conditions.

We recognise that there are some key areas where the outcomes being delivered for consumers in vulnerable situations are inconsistent or in some cases poor. While we want to see improvements from energy companies in delivering the right outcomes, we also recognise that there are market and regulatory factors that make it challenging for energy companies to do this in practice.

The aim of this Strategy and its themes and outcomes is to set out a plan of action that helps define our goals and how to achieve them.

We discuss our vulnerability definition and the expected approach in greater detail in Chapter 4.



The Strategy in detail

2. The Strategy in detail

This section sets out each theme and the related outcomes. We recognise our role in improving outcomes in these areas and set out our work to support delivery for each theme, including already delivered, ongoing and future work programmes. We expect all licenced energy companies to comply with licence conditions and other regulatory requirements. We have also identified good practice approaches that we would like suppliers and network companies to consider adopting.

Theme 1: Improving identification and smarter use of data

Summary Outcome 1

Consumers in vulnerable situations should have their needs identified, be able to easily notify and update their circumstances, and have good understanding of and access to support services designed to suit their circumstances and meet their needs.

Outcome 1.1

Consumers in vulnerable situations should have minimal burden in notifying and updating energy companies of their circumstances.

Outcome 1.2

Consumers in vulnerable situations should have good understanding of, and easy access to, the support and services available to them, including via the Priority Services Register (PSR).

Our work to support delivery

To help achieve these outcomes we will be taking forward:

- **Working with energy and water on data sharing:** we will continue to work with Energy Networks Association, Water UK, Energy UK and Ofwat on the energy-water data sharing project. This includes continued work towards an automated solution.
- **Working with government on better access to public authority data:** we will continue to work with industry and government on how public authority data can better support energy consumers. This is particularly relevant for our work on the Debt Relief Scheme.
- **Consumer Consent Solution for data:** We are examining improvements to standardise the way consumers can grant consent to share their energy data, allowing consumers greater visibility and control of who has access to their

energy data. The digital solution will provide clear information about which third parties have access to their data, what type of data is being shared, and for what purpose. This enables access to tailored support to lower their bills and reduce their carbon footprint. We are working towards publishing a decision document in the Spring on who will own, build and develop the solution ahead of its launch in late 2026 [Consumer Consent Solution consultation | Ofgem](#)

- **Data Sharing Infrastructure:** We will continue to explore different uses for the Data Sharing Infrastructure which is a proposed digital asset that allows for information exchange at scale across the energy sector. The Data Sharing Infrastructure has the potential to support the sharing of PSR data between trusted participants, allowing for better access to services for vulnerable consumers.

Work that has been delivered, paused or withdrawn:

- Our planned work to support the Department for Business and Trade (DBT) with their proposals for a Share Once Support Register (or multi-sector Priority Services Register) across energy, water and telecoms is currently paused while DBT considers its next steps. [Smarter regulation: delivering a regulatory environment for innovation, investment and growth - GOV.UK](#)
- We sought views on **reviewing the energy PSR** and said that we may take forward work on it this year if we saw a need and deemed it a priority. While a majority of stakeholders supported a review, we have paused any immediate work on the PSR to focus our efforts on delivering our Debt Strategy. We will keep this decision under review.

How we want energy companies to approach this theme

Licence conditions in relation to the use of data set obligations for **energy suppliers** and **network companies** in identifying consumers in vulnerable situations and on having and maintaining a PSR and for **network companies** to provide proactive advice in the event of supply interruption for consumers who are on PSR, including providing timescales of when supply is likely to be restored.

There is a lot of good practice and collaboration in this area to learn from and we encourage **all companies** to access open data and utilise existing digital solutions and platforms to identify, understand and support consumers in vulnerable circumstances. We also encourage companies to participate in cross sector data sharing beyond water, particularly where we face overlapping issues, e.g. with telecoms on the Public Switched

Telephone Network switch-off. This includes understanding consumers' circumstances and providing appropriate support to those who need it.

For Network companies, this could include consideration of how they can improve awareness of PSR to support identification of consumers in vulnerable situations, in particular for those who are eligible for PSR services. It could also include utilising available data to proactively identify consumers in vulnerable situations and to map key areas of vulnerability that may support identification of risks to consumers as part of the energy transition.

For suppliers, this means striving to continuously improve their targeting of support for customers on the PSR or who have been identified as in a vulnerable situation. Best practice includes carefully exploring new digital solutions, such as AI, to support understanding consumer behaviour and intervene early and, where possible, removing barriers to self-identification and encourage open disclosure of circumstances to offer support. It also includes prioritising PPM households in vulnerable situations when they are replacing traditional meters with smart meters, where consumers have provided consent so that they can better manage their spend. Smart meters can also help energy companies identify consumers that are self-disconnecting and target them with offers of support. ([Smart Meter Rollout: Open Letter on the roll out of smart meters for Prepayment and Radio Teleswitch \(RTS\) customers \(ofgem.gov.uk\)](#))

Lastly, we encourage **all companies** to work with the Government and third parties to improve education and promotion of support available so that consumers receive the support they need and are entitled to.

Theme 2: Supporting those struggling to pay their bills

Summary Outcome 2:

Consumers in vulnerable situations who are struggling to pay their bills should receive accurate bills that are easy to understand. They should receive compassionate, consistent and affordable support, and flexibility in payment methods and frequencies.

Outcome 2.1:

Consumers in vulnerable situations should have accurate, easy to understand bills that support flexible payment methods and frequencies.

Outcome 2.2:

Consumers in vulnerable situations who are struggling to pay their bills, or are indebted, should have proactive and consistent support, based on their ability to pay, that is delivered with compassion and understanding.

Our work to support delivery

- **Debt Standards:** as part of the Debt Strategy and wider Consumer Confidence work programme, we are committed to raising standards for consumers in debt and arrears. We will continue our work on Debt Standards and will update stakeholders on our proposals in due course. This could include a Debt Outcome as part of the wider Consumer Outcomes work and a consumer-facing Debt Guarantee. It could also include a Code of Practice on how suppliers can work more effectively with consumer groups, and a consultation on ensuring affordable and flexible (re)payments. In the medium to long term, we will review billing, and may also look at access to credit, including our involuntary PPM rules, Additional Support Credit, and Change of Tenancy.
- **Debt Relief Scheme:** We will continue to work with Government on options to help consumers in debt and arrears including delivery of a Debt Relief Scheme.
- **Accurate bills:** We will review supplier billing practices and billing accuracy, including on backbilling, to understand where improvement is needed and whether compliance action is required. We will also look to identify best practice.
- **Continue to work with Government on Future Price Protection:** We will continue to work with Government to ensure that the price cap continues to protect consumers who are not able to engage, and that it can adapt to a changing market, with more options for consumers to take advantage of different pricing and to flex their usage accordingly.
- **Heat Networks regulation:** Later this year we plan to publish our response to our joint consultation with DESNZ on implementing consumer protections for the sector, these include proposals on supporting those struggling with bills. [Heat networks regulation - implementing consumer protections: consultation document](#) We plan to further consult later in the year on the pricing protections and guidance supporting the consumer protection obligations. Our aim is to deliver improvements in customer outcomes and build confidence that heat networks can provide fairly priced, reliable, and low carbon heating and cooling.

Other projects relevant for this theme include:

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- **Smart metering and Radio Teleswitch (RTS) meters:** We will continue to work with Government to progress the smart meter rollout and ensure that smart meters are working effectively. We will also work with Government and suppliers to ensure that RTS meters are replaced to prevent adverse consequences for consumers in vulnerable situations.
 - We will continue to administer several schemes on behalf of Government that are specifically targeted at consumers in vulnerable situations, and mitigating fuel poverty, including the **Energy Company Obligation 4** and **Great British Insulation Scheme**. These schemes are funded by licensed gas and electricity suppliers and require the installation of measures that improve the ability of low-income, fuel-poor and households in vulnerable situations to heat their homes.
 - We will also continue to administer the **Warm Home Discount**, which provides bill rebates for consumers who are on a low-income, vulnerable to cold-related illness or living wholly or mainly in fuel poverty. We remain committed to continuously improving our understanding of consumer experiences, informing our administration of the schemes and feeding back to government on policy design decisions.
 - We will continue to provide **focused support for consumers in vulnerable situations** and circumstances through our various delivery functions, including our Enquiries function. We actively monitor interactions with consumers in vulnerable situations across our helplines and ensure our team members are trained to identify potential vulnerabilities and provide appropriate support.
 - **Standing charges:** In February 2025 we published a consultation on a zero price cap variant in the domestic retail market. We set out options on a variant which could improve consumer choice in how they pay for fixed costs and improve consumers ability to control their energy bills, and in some cases, give more direct control over expenditure. However, the variant should not be considered an affordability measure, which is a consideration for Government and we are working with them.

How we want energy companies to approach this theme

Licence conditions set obligations for energy **suppliers** in proactively identifying and offering support to customers that are struggling with their bills, and also in providing support to customers in payment difficulty to ensure it is easy to contact them.

Energy suppliers have made progress in providing support to those struggling with their bills. We would expect that staff representatives are trained to deliver support with

compassion for customers struggling to pay. Best practice is where suppliers go further and are proactive in their approach to improving analysis of consumption and spend to identify customers who may be struggling in order to prevent debt build up. This includes collaboration with, and offering support to, third party debt organisations to ensure consumers have appropriate help.

There are licence conditions to issue accurate bills and tailor communications to the needs of the consumer. Suppliers who adopt best practice will be going a step further to design bills inclusively to make them easier to understand and ensure that they are flagging clear routes for support that consumers in vulnerable situations can access.

As part of the Vulnerability and Carbon Monoxide Allowance (VCMA), **Gas Distribution Networks** should consider how their activities can support in tackling fuel poverty and energy affordability. This includes but is not limited to funding fuel vouchers in situations where a customer is at risk of self-disconnecting, providing emergency and affordability support such as energy efficiency advice and income maximisation.

Theme 3: Driving significant improvements in customer service for vulnerable groups

Summary Outcome 3

Consumers in vulnerable situations should be provided with tailored communications that are easy to understand. They should be able to engage with their energy company with ease and not face exclusion based on their circumstances.

Outcome 3.1

Consumers in vulnerable situations and their representatives should be able to contact their energy company easily, have their needs accommodated with appropriate resolutions, and should not be excluded due to their circumstances, e.g. language barriers or capability with digital tools.

Outcome 3.2

Consumers in vulnerable situations should receive communications that are easy to understand and tailored to suit their needs.

Our work to support delivery

- **Networks RIIO-GD3:** We will continue to collaborate with stakeholders and partners to address issues of consumer vulnerability and ensure that consumers

in vulnerable situations are protected and treated fairly. We will retain the Vulnerability Minimum Standards and the requirement for the Gas Distribution Networks (GDNs) to maintain and update individual GDN consumer vulnerability strategies. We will introduce a requirement for the GDNs to maintain and update a high-level joint GDN vulnerability strategy to facilitate a collaborative approach (both with each other and wider stakeholders) to identifying, anticipating and responding to emerging issues of consumer vulnerability. We will retain the Vulnerability and Carbon Monoxide Allowance (VCMA) as a use-it or lose-it allowance and consider funding certain vulnerability and carbon monoxide activities, which are now considered business as usual, through baseline allowances. We will also require GDNs to separately report on their Customer Satisfaction Survey and Complaints Metric performance for customers on the PSR.

- **Networks ED3:** In ED2 we introduced a new principles-based licence obligation for DNOs to treat domestic customers fairly, which includes those in vulnerable situations. ED3 is the price control for the electricity distribution sector that will commence in 2028. The process of setting the new price control started last year with the publication of a framework consultation in November 2024. Through the ED3 price control review process we will continue to consider the role of DNOs in supporting consumers in vulnerable situations, particularly given the broader policy objectives around net zero and the transition to electric heating and transport; ensuring consumers in vulnerable situations are not left behind.
- **Consumer Confidence:** In September 2024, we launched a programme of work to drive up consumer standards. This work will focus on being clear about the outcomes we want the retail market to deliver for consumers, assessing the regulations and incentives to best deliver those outcomes, and ensuring Ofgem has the right powers – also a focus for DESNZ’s Review of Ofgem. Further, we will also consider what data we publish and how we do it.
- **DESNZ Review of Ofgem:** In December 2024, DESNZ announced a Review of Ofgem’s duties, mandate, powers, approach to enforcement and ways the regulator drives consumer outcomes in the energy sector. Once the Review is finalised, Ofgem will review DESNZ’s findings and work to implement recommendations arising from the Review.

Work that has been delivered, paused or withdrawn

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- **Delivered: Supplier GSOPs:** In November 2024 we published our decision to increase the supplier Guaranteed Standards of Performance (GSOP) payment levels from £30 to £40 to take account of the fiscal and market developments since these payments were set in 2015. ([Supplier Guaranteed Standards of Performance \(GSOP\) Payment Uplift | Ofgem](#)). These are payments that suppliers must pay directly to a customer when it fails to meet a certain standard of performance set by Ofgem, such as fixing faulty meter or refunding a customer's credit balance. The new payment level of £40 per failure took effect from January 2025. We will also shortly be starting a more fundamental review of the scope of GSOP framework to ensure they are driving the best outcomes for consumers and the level of compensation is effective in improving suppliers' performance.
 - **Delivered: 24/7 emergency contact:** On 10 April 2025 we published our decision to activate dormant supplier licence condition SLC 31G.3A(c), taking effect from 1 August 2025. This will require suppliers' enquiry services to be available 24/7 to receive enquiries from domestic customers that are off-supply due to meter faults and offer them assistance, guidance, or advice. This decision will ensure that all domestic consumers, especially those in vulnerable situations, are able to receive appropriate support from their supplier when they lose supply of electricity or gas due to a meter fault outside of the suppliers' regular contact hours.

How we want energy companies to approach this theme

Licence conditions set out obligations for **suppliers** and **network companies** to treat consumers, including consumers in vulnerable situations, fairly. This includes behaving in a fair, honest, transparent, appropriate, and professional manner, and providing information that is complete, accurate and not misleading. **Suppliers** and **network companies** also need to make an extra effort to identify and respond to the needs of domestic customers who are in vulnerable situations.

It is important that consumers are appropriately supported, and experience high quality services that are accessible and responsive. We would expect that **all companies** utilise multi-channel communication methods to deliver various engagement routes for consumers. We also encourage staff and representatives to have been trained to identify and support consumers in vulnerable situations. There are licence conditions which require **suppliers** and **network companies** to design their communications to be as simple, clear and easily understandable as possible. We encourage **all companies** to

design their communications to be as accessible as possible, with inclusivity in mind, and appropriate to the needs of consumers in vulnerable situations.

Network companies also have obligations under licence conditions to report to Ofgem on their customer service satisfaction and complaints performance, and to publish annual vulnerability progress reports. They must also seek to identify consumers in Vulnerable Situations in an appropriate and effective manner, and to take account of any consumer vulnerability when interacting with these consumers. We expect network companies to ensure that where a representative is engaging in face-to-face interactions with customers, representatives be provided with appropriate training, knowledge resources and access, to provide support required in the home.

Theme 4: Encouraging positive and inclusive innovation

Summary Outcome

Consumers in vulnerable situations should have access to inclusively designed innovative solutions that deliver the benefits of the transition to a digitalised, decarbonised and decentralised energy system.

Outcome 4.1

Consumers in vulnerable situations should be encouraged and supported to participate in or adopt innovative products and services, particularly those that can help them participate in the transition to a digitalised, decarbonised and decentralised energy system.

Outcome 4.2

Innovative solutions should be inclusively designed to limit the barriers to take up. Where consumers in vulnerable situations are either able or unable to adopt innovative solutions, they should be protected from adverse outcomes.

Our work to support delivery

- **Heat Networks regulation:** Heat networks will play a key role in decarbonising heat. They offer the potential to use everything from biomass boilers, heat pumps, geothermal energy, or waste heat from data centres to deliver low cost, low carbon, heat and hot water to people's homes. Later this year we plan to consult on guidance that will support the new consumer protections proposed for the sector, this will include areas such as, quality of service, information transparency, and protections for consumers in vulnerable situations. Our aim is to deliver significant improvements in customer outcomes. Regulation needs to

strike the right balance between consumer protections and supporting the expected growth of the market which should contribute to net zero targets.

- **Retail Innovation:** Innovation could unlock real benefits for all consumers. For example, lower bills, better service and facilitation of the delivery of net zero at lowest cost. We are keen to ensure that our approach to regulation does not create barriers to innovation that delivers these benefits. We are working with industry to better understand the barriers and how we may be able to unlock more innovation for, and protect consumers in, vulnerable situations.
- **Future Price Protection:** we are working with the government on options for reforming the price cap, especially as the market prepares for the implementation of Market Half Hourly Settlement (MHHS) from 2025. MHHS is crucial to enabling the flexibility needed for the lowest possible cost transition to net zero which will benefit all energy customers. We will consider whether and how price protection has a role to support customers in vulnerable situations as part of this transition and set out next steps for future price protection in due course.
- **AI strategy:** We will continue to develop and consult on guidance for energy sector licensees on AI use in the sector. This includes with the energy sector, energy consumers (including consumers in vulnerable situations and the digitally excluded), technology developers, academia and wider stakeholders, including consumer groups and other regulators too. We will continue to develop and iterate our AI guidance to enable safe and fair innovation, supporting increased confidence on AI use within the energy sector.

How we want energy companies to approach this theme

Innovation in energy is a relatively new, and rapidly developing area, but **suppliers** have a range of existing rules, including preventing mis-selling and ensuring consumer understanding of contract arrangements, which ensure consumers are protected from harm and experience fair practices. Still, we encourage **all energy companies** to pay attention to the most recent conditions on our Electronic Public Register (ePR) website ([EPR 2013 - Index](#)).

Energy companies should collaborate with a broad range of stakeholders to promote the accessibility of their products to consumers in vulnerable situations.

Energy companies should adopt digital innovation to support customers in vulnerable situations, ensuring that risks are mitigated, and opportunities maximised for consumers.

Consumers in vulnerable situations often may have additional needs and require adjustments. Companies are strongly encouraged to incorporate inclusive design at the earliest feasible stage to prevent exclusion or adverse outcomes for consumers in vulnerable situations. It is imperative innovative solutions are, where possible, inclusive for all consumers and that innovation is used to better meet the specific, more complex needs of consumers in vulnerable situations.

Where inclusively designed innovative solutions are unable to ensure that all consumers will be able to engage fully in newer transition activities, **energy companies** should ensure those consumers in vulnerable situations remain protected from unintended consequences.

All **network companies** should consider taking advantage of industry mechanisms (such as Network Innovation Allowance (NIA) and Strategic Innovation Fund (SIF)) that support companies to focus on innovative solutions for consumers in vulnerable situations.

All **network companies** should also work collaboratively to understand where there are broader gaps in approaches to protecting consumers in vulnerable situations.

As part of the VCMA, **Gas Distribution Networks** should evaluate their projects to ensure continuous improvement and effective best practice sharing.

Cross-cutting theme: Working with others to solve issues that cut across sectors

We consider that a collaborative approach will be critical to protecting consumers in vulnerable situations and successful delivery of the other themes and outcomes in the Strategy. Stakeholders broadly agreed with our proposals, however, some requested additional information and clarity over how Ofgem intend to operationalise this theme, and our expectations on companies.

Working with others in energy and across sectors

Consumers in vulnerable situations will face some similar issues across different markets, such as payment difficulty. Addressing the challenges of vulnerability requires collective action by policy makers, consumer bodies and industry, including across sectors. We will continue to:

- Seek data and information to inform policy and compliance action from organisations including consumer groups and charities, Energy Ombudsman, government, suppliers and networks

-
- Provide our own data and analysis from our delivery of government schemes to help government achieve good outcomes for consumers in vulnerable situations
 - Work with government on its review of Ofgem and its review of the Fuel Poverty Strategy
 - Work with Energy UK, particularly on its Vulnerability Commitment, to ensure we can work together to identify best practice and areas for improvement
 - Play an active part in UKRN to understand cross-cutting issues affecting consumers in vulnerable situations, including regulatory and industry best practice, emerging issues, and shared areas of interest or concern.

Working with consumers directly

Our research programme helps us to understand a wide range of consumers, including consumers in vulnerable situations. We develop this understanding further by:

- Speaking regularly to consumers in vulnerable situations. This includes calls members of our senior leadership team have with consumers as well as monthly visits to speak with frontline advisers and consumers
- Carrying out and commissioning qualitative and quantitative consumer research and using behavioural science expertise
- Provide information and signposting on support available to consumers that contact us

In addition to our research, we interact directly with consumers through a number of areas of our work:

- **Consumer Affairs:** responding to general enquiries and signposting to other organisations for further support or assistance
- **Government schemes:** interacting with consumers directly to offer support and guidance
- **Senior leadership:** regular facilitated discussions directly with consumers to understand consumers lived experience and needs

How we want energy companies to approach this theme

We encourage **suppliers** and **network companies** to consider what each are doing to support consumers in vulnerable situations. Across Ofgem, industry and third party publications, there are many best practice examples out there and we encourage **all**

energy companies to take advantage of these to effectively invest in adequate support for consumers in vulnerable situations.

Suppliers and **network companies** can also consider what they can learn from other industries. Further, we encourage companies to consider how firms in other regulated sectors can support to make better use of all the available data to better identify consumers who are in vulnerable situations and ensure they receive a positive consumer experience. The sharing of non-financial vulnerability data will help limit the need for consumers to have the same, potentially stressful, conversation regarding their vulnerable circumstance on repeated occasions.

We have seen good examples of **suppliers** working closely in partnership with specialist organisations that support consumers in vulnerable situations.

These organisations can offer insight to help suppliers approach their engagement in the most appropriate way. In some instances, we have seen suppliers refer customers to these partners, where the customers are then able to find a solution by working together with an organisation. It is positive to see more and more suppliers use external expertise to support their customers in vulnerable situations. We encourage suppliers to assess which organisations would best be able to support their customers.

We encourage **network companies** to proactively identify and engage with a range of stakeholders, not just customers, to understand consumer vulnerability issues. We also expect the initiatives companies put in place to address these issues to be innovative and result in measurable benefits for consumers in vulnerable situations.



**Driving good practice in industry and
increasing transparency of our work**

3. Driving good practice in industry and increasing transparency of our work

This section provides detail on how we will engage with energy suppliers on their work to deliver outcomes for consumers in vulnerable situations, how we will monitor and provide transparency around progress and how we will keep stakeholders up to date with any changes as the Strategy evolves.

Vulnerability Focus Sessions

In our consultation we proposed introducing annual presentations from supplier senior staff who have responsibility for consumers in vulnerable situations, to an Ofgem led panel that would include representatives from stakeholders including consumer groups and charities.

We are proceeding with an adapted version of our proposals. Our engagement with suppliers on their activities will be integrated into existing senior supplier meetings, with time carved out for **Vulnerability Focus Sessions**. We will use information we already have from regular reporting or from Energy UK to help inform these sessions. Where there are gaps in the information we need, we will factor that into our work on outcomes monitoring so it becomes part of our regular data gathering.

Further, we will work closely with Energy UK to harmonise the process of its Vulnerability Commitment evidence gathering and our own Vulnerability Focus sessions. This is likely to involve, for example, holding our Sessions after its Commitment panel hearings, so that we can build on the evidence it gathers from suppliers through that process.

Objective

We consider that this adapted version of our proposals retains our ambition to have a reset conversation with suppliers on consumer vulnerability. It also still enables suppliers to show how they are operationalising licence conditions to deliver good outcomes for consumers in vulnerable situations. This approach supports our aims in five ways:

1. Promote the good work that suppliers do to support consumers in vulnerable situations, to help rebuild trust in the sector and encourage adoption of good practices.
2. Challenge in areas where we think they can go further.

-
3. Improve understanding of how the licence conditions are working in practice and how they contribute to delivery of good consumer outcomes. We will also aim to identify any barriers they create, or where they can be improved.
 4. Complement our ongoing monitoring, compliance and enforcement activities and create distinction between regulatory obligations and going beyond licences.
 5. Hold suppliers to account for their activities to deliver good outcomes for vulnerable consumers and maintain focus on continuous improvement internally and externally.

Monitoring and reporting against progress

In line with our consultation proposals, we will synthesise and publish our findings in an annual **Consumer Vulnerability Strategy: Progress update** report.

This will:

- Combine existing, previously reported on measures, such as those captured in Social Obligations Reporting, alongside any new data gathered to provide a clearer picture of the vulnerability landscape
- Highlight the good practice observed from Vulnerability Focus sessions and
- Identify areas where we think suppliers can go further

The report will also provide updates on our delivery against the Strategy themes and outcomes and update on our upcoming workplans.

Compliance and Enforcement

We will monitor suppliers' compliance with their obligations to consumers in vulnerable situations as part of our regular monitoring and compliance work, looking at performance data we collect from suppliers, information we receive from consumer bodies, and other relevant sources. Where we identify potential non-compliance or poor consumer outcomes, we will engage with suppliers to drive improvement. Our primary focus will be on putting things right for consumers and to ensure they are compensated when needed. We will work with suppliers to help facilitate fair, effective and timely consumer outcomes. We will pursue enforcement action in line with our Enforcement Guidelines [The Enforcement Guidelines | Ofgem](#) where there is serious harm that requires a strong deterrent signal, a consistent pattern of poor conduct, or where companies refuse to cooperate.

Strategy and workplan updates

In order to facilitate easier access to our Vulnerability Strategy and workplan progress, we will also be proceeding with plans to publish updates to the Strategy on our website. These pages will be introduced as part of our work to improve our website. Our workplan will be set out against the themes and outcomes in the Strategy, and will aim to clearly show stakeholders relevant projects under each and where you will find updates on the progress of the work and projects we have set out underneath the themes and outcomes.

We are working with our content design team to update vulnerability content, with the aim of providing an easily accessible, up-to-date Strategy, which clearly shows updates as we deliver projects or change priorities.

We do not intend to publish a revised Strategy every year, but will direct stakeholders to our website to see any revisions we make to the Strategy, projects and other work.

How we will monitor progress

We will monitor progress against delivery of the outcomes using a combination of new and existing methods. This will include existing quantitative and qualitative information, as well as new information from sources such as the Vulnerability Focus sessions with suppliers. We will also ensure alignment with our broader monitoring work on Consumer Outcomes.

Measuring progress against some outcomes will be more challenging than others - innovation for example is difficult due to its intangible nature and in some cases we do not have sufficiently granular data to monitor the Consumer Vulnerability Strategy outcomes to the degree we would like to. We will aim to improve the quality of data that we use to monitor progress in the coming months and years.

The section below sets out our success measures, and examples of monitoring measures we will use for each outcome. To note, this is not exhaustive, and where we consider that more information is required to understand specific policy or Strategy areas, we will act accordingly.

More information about the qualitative and quantitative information we do or will gather to inform monitoring can be found in annex 3.

Theme 1: Improving identification and smarter use of data

We will define and measure success of this outcome with:

-
1. **Improved awareness, take up and experience of support services amongst consumers in vulnerable situations:** tracked with consumer research, SOR data and energy company-led data from Vulnerability Focus sessions.
 2. **Delivery of PSR data sharing project between energy and water companies:** tracked with update reports from working group and finalisation of project.
 3. **Improved data sharing across industry:** tracked with outcomes of delivered projects such as the Debt Relief Scheme, which aims to enhance access to government data for the purposes of the Scheme. Government has also committed to retaining focus on improving effective, targeted data sharing across sectors in its Fuel Poverty Strategy Review.

Theme 2: Supporting those struggling to pay their bills

We will define and measure success of this outcome with:

1. **Improvements in the number of customers engaging with suppliers and paying off their debt:** tracked using Social Obligations Reporting data and energy company led data from Vulnerability Focus sessions
2. **Improved satisfaction with affordability support:** tracked using consumer research and energy company led data from Vulnerability Focus sessions
3. **An increase in accurate bills provided:** tracked using RFI data
4. **Improved customer understanding of bills:** tracked using consumer research

We published our Debt Strategy in December 2024 setting out four components of work to reduce debt and arrears in the domestic energy market. These are 1) resetting debt through a proposed Debt Relief Scheme 2) Reforming how suppliers manage debt by increasing Debt Standards 3) Helping to prevent debt from occurring by looking at billing and access to credit and 4) Energy affordability support. We will need all four components to reduce debt and arrears, and it is likely they will involve both short and longer term work.

Theme 3: Driving significant improvements in customer service

We will define and measure success of this outcome with

1. **Improvements in customer service key performance indicators:** tracked using RFI data, consumer research and energy company led data from Vulnerability Focus sessions

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2. **Improved customer understanding of communications from their energy company:** tracked using consumer research
 3. **Improved solutions for consumer engagement:** tracked using consumer research, third-party intelligence and energy company led data from Vulnerability Focus sessions

The launch of our Consumer Confidence package of work last year set out our strategy and ambition to drive further improvements and culture change in customer service. Whilst we are seeing early signs of improvement in overall domestic customer satisfaction, we want the sector to go further drive up standards for customers. We want to see a step change in supplier culture moving towards a more consumer-centric approach. We believe this will go a long way to creating standards of service that will also support consumers in vulnerable situations. [Consumer confidence: a step up in standards | Ofgem](#)

Theme 4: Encouraging positive and inclusive innovation

This is more challenging to measure. As well as our own proposals below, we particularly welcome contributions from others on how best to measure progress against this outcome. Nonetheless we will define and aim to measure success of this outcome with:

1. **Lowering of barriers to entry for consumers in vulnerable situations to innovative products and services:** tracked using consumer research and energy company led data from Vulnerability Focus sessions
2. **Uptake of new products and services by consumers in vulnerable situations:** consumer research and energy company led data from Vulnerability Focus sessions
3. **Aim to ensure that consumers in vulnerable situations are no more disadvantaged than a typical domestic consumer, in their access to innovative products and services:** measured using consumer research and energy company led data from Vulnerability Focus sessions.



Our approach to defining vulnerable situations

4. Our approach to defining vulnerable situations

This section sets out key statistics on prevalence of vulnerability in Great Britain and sets out how we define vulnerability. It includes comprehensive guidance of our expectations, consolidated from existing published information to set out a clear picture of how the definition should be operationalised by energy companies.

It also sets out guidance on the Standards of Conduct and the Priority Services Register.

Millions of people in Great Britain are vulnerable to receiving potentially poor outcomes in the energy market. We have included a snapshot of some key statistics to demonstrate the prevalence of people's situations that could cause this vulnerability:



One in three, 18 million adults in the UK are deaf, have hearing loss or tinnitus.



An estimated 16.1 million people in the UK had a disability in 2022/ 2023, accounting for 24% of the total population.



There are over 2 million people in the UK living with sight loss.



For disabled working-age adults, 47% reported a mental health impairment.



In April 2024, 15% of respondents aged 65+, with a household income of £15,000 or less, reported being in debt to their energy company.



By end of September 2024, individuals in arrears without a repayment plan owed an average of £1,568 for electricity and £1,324 for gas.



As of March 2025, around 7 million UK adults were behind on at least one household bill, with approximately 1.4 million adults behind on their energy, council tax, and water bills.



As of July 2024, approximately 5.6 million households are in fuel poverty in the UK.



Around 41% of adults reported finding it very or somewhat difficult to afford energy bills in early 2024.



44% of adults are using less fuel, such as gas or electricity, due to the high cost of living.



About 19% of adults have occasionally, hardly ever, or never been able to keep comfortably warm in their homes.



8% of adults in the UK and 32% of those over 75, lack some of the 'essential digital skills for life'.



11.9 million people do not have the digital skills needed for everyday life in the UK.



By 2030 it is predicted that 4.5 million people will remain digitally disengaged.

Sources: Annex 4

Vulnerability Definition

Our principal objective, as part of our statutory duty, is to protect current and future consumers. The duty requires us to consider the needs of people with disabilities, who are chronically sick, of pensionable age, on low income or living in rural areas. This list is not exhaustive, statute also allows us to consider the specific needs of other groups of consumers.

We have published information and guidance to speak to how we have interpreted this statutory duty in our decision making and how we have given it effect in licence conditions. We have also published information on many of the risk factors that can be considered in vulnerability, including financial vulnerability. This includes our first and second Vulnerability Strategies in 2013 and 2019 and guidance to support our broader Standards of Conduct. [Consumer Vulnerability Strategy 2025](#) [SLC0 Guidance 2017](#)

However, we are mindful that much of this information has been published sporadically, over an extended period. We have therefore set out below, a condensed and consolidated version of **existing** information and guidance.

The vulnerability definition is set out on page 12 and sits within our standard supply licence conditions (SLCs) as part of a broad vulnerability principle, that means energy companies must consider and respond appropriately to the needs and circumstances of customers in vulnerable situations. It is a principles-based approach that

1. Sets a clear expectation on licensees to treat their customers in vulnerable situations according to their individual circumstances
2. Puts an onus on accountability for vulnerability at all levels of their organisation
3. Allows innovation and flexibility within supplier's approaches to achieving the Standards of Conduct.

We are still of the view that our definition should remain intentionally broad, to ensure the energy sector focuses on all aspects of vulnerability. As set out in our September 2024 consultation, we consider that any work on financial vulnerability is best taken forward as part of our and government's affordability and debt workstreams. This is particularly the case when considering eligibility for targeted support. We will still consider consumers on a low income as part of our statutory duty.

Vulnerability lends itself to a principles-based approach because it requires energy companies to exercise judgment about how best to handle individual circumstances and find effective (and where possible innovative) ways to support consumers in vulnerable situations. [Working paper on broad principles](#)

We recognise that the vulnerability definition still uses gendered language in referring to he/she. We are required to undertake a statutory consultation to change wording in the licence, which we are committed to doing at the earliest opportunity.

Definitions

Our definition of vulnerability set out on page 12 and accompanying guidance provides a framework for supply companies, distribution companies and other players in the energy market (such as third-party intermediaries) to consider how to:

- i. identify vulnerability
- ii. respond to vulnerability
- iii. embed consideration of vulnerability into the design and delivery of products and services.

Fair and cognate expressions

The licensee or any Representative would not be regarded as treating a Domestic Customer Fairly if their actions or omissions give rise to a likelihood of detriment to the Domestic Customer, unless the detriment would be reasonable in all the relevant circumstances

Licences can be found here [EPR 2013 - Index](#)

Vulnerability Definition consolidated guidance

Risk factors

Vulnerability is about the situations in which consumers are in, rather than about the individual per se. Risk factors can stem from individual circumstances and the market, and how they interact. The range of risk factors means that vulnerability can often be complex and multidimensional. Vulnerability can be transitory as circumstances change.

Detrimental situations in the energy market may include:

- struggling to afford bills
- living in a cold inefficient home
- facing pressure sales tactics
- struggling to understand and act upon information or choices (such as getting the best deal)
- or lacking the confidence or ability to pursue a query or complaint.

These situations can impact on an individual's ability to pay, quality of life, and/or their physical or mental well-being. Detriment may be ongoing or long-term, or it may only occur in a particular instance. The causes of vulnerability are complex and multidimensional and as such the impacts often are complex and multidimensional too.

In practice there may be a range of characteristics that put a consumer or member of a household at greater risk of detriment, and/or impact in different ways their ability to represent their interests. These include, but are not limited to:

- living with physical health issues or mental illness
- cognitive impairment
- literacy or numeracy difficulties
- having a speech impairment
- not speaking English as a first language
- being a child
- low confidence.

The extent to which an individual is aware of their vulnerability may also impact the depth and likelihood of any detriment they suffer, and their ability to limit that impact.

There are also a range of circumstances or situations that can make consumers with vulnerable characteristics more likely to suffer detriment. These risk factors include but are not limited to:

Personal circumstances

- living alone
- not having internet access
- being on a low income
- being unemployed or being made redundant
- being a full-time carer
- being a lone parent

-
- leaving care
 - experiencing relationship breakdown
 - experiencing bereavement.

Wider circumstances

- living in a rural area
- living off the gas grid
- living in private rented accommodation
- living in a cold, energy-inefficient home
- having a certain meter type eg prepayment, dynamic tele-switching meter.

The lists above are not exhaustive, nor do they indicate that a consumer in such circumstances will always experience detriment. However, these circumstances can make a customer more vulnerable to detriment and the likelihood and impact of the detriment tends to increase if consumers have more than one of these risk factors. We also recognise that individual characteristics or circumstances can change over time.

Vulnerability can affect anyone at any time and for many different reasons. It may be permanent or long-term, but equally it can be transitory following a bereavement or relationship breakdown.

A consumer can quickly fall into a vulnerable situation, but it may take them time to recover from it. For example, if someone is made redundant, their vulnerability may continue even once they have a new job if they have accumulated debt during that time

The role that markets play

Markets themselves can cause or exacerbate vulnerability. This includes the action or behaviour of suppliers, network companies or third parties. The nature, design and delivery of goods and services for example, can put some consumers with vulnerable characteristics at greater risk of detriment.

For example:

- lack of affordable phone access can result in an increased likelihood of detriment for consumers without internet access on low incomes.
- complex information on products or services can limit any consumer's ability to make appropriate decisions, but this may particularly cause problems for customers with cognitive impairments.

-
- consumers with sight, hearing or speech impairments may struggle to communicate with a company if their written communications or customer services are not designed to be accessible and inclusive.

Consumers in some vulnerable situations may also be served less well by competitive markets because, for example:

- they may be more expensive to serve
- they have less market access
- they are a higher debt risk so greater risk to the company
- it is not cost-effective to meet their needs.

The market can also help to avoid or provide solutions for such situations.

Operationalising the Vulnerability Definition

We expect all companies operating in the energy market to think broadly about the potential for their business to create risk factors that may cause or exacerbate vulnerability, whether this is directly apparent from their interactions with individual consumers, or less direct such as in the design of products, the mediums through which they communicate or the knowledge and skill of their staff. We expect companies to provide an inclusive, responsive and effective level of service recognising that consumers have different needs, abilities and personal circumstances that can give rise to detriment when interacting with a market.

We encourage energy companies to adopt Citizens Advice' recommended approach across their businesses:

"Adopt a proactive and anticipatory approach, in which equality and inclusivity are integral to the design of service provision; where systems are in place to identify vulnerable users; and where follow-up procedures are robustly applied to give the best service to the individual. "

As a guiding principle we believe that companies should commit to recognising and appropriately dealing with vulnerability through-out the customer life cycle. Avoiding or missing clear signs of vulnerability or operating a business model that only focuses consideration of vulnerability in one distinct area, not only contributes to consumer detriment but can create a more significant problem for the organisation when the situation facing the consumer is finally recognised.

We expect companies to establish their practices, processes and products with vulnerable consumers in mind, and to keep this under review. Identifying and

considering standards in this area is one approach companies can use to review and develop their processes over time and demonstrate those improvements. One tool available to help to companies consider their systems, and demonstrate they have a process of review and improvement in place, is the British Standard Institute Standard 18477 for Inclusive Services. [BSI. Fair, flexible services for all](#)

Standards of Conduct

The Standards of Conduct (SoC) obligate energy companies to treat customers fairly. Suppliers are required to embed the SoC in all aspects of their engagement with consumers and ensure that have management and business systems as well as processes to achieve this.

In practice, in order to treat customers fairly they may need to be treated differently, according to their needs or circumstances. Establishing principles-based regulation puts an emphasis on the outcomes for consumers and allows suppliers some flexibility regarding how they meet these needs. [EPR 2013 - Index](#)

Further guidance on SoC can be found in Annex 5.

Priority Services Register

Energy companies must establish and maintain a Priority Services Register (PSR) of domestic customers who may need **priority services** because they are in a vulnerable situation. (SLC 26 Gas and Electricity supply licences; SLC 17 Gas transporter licence, SLC 10 Electricity distribution licence)

The SLC sets out factors that may indicate someone should be on the PSR, and the priority services that suppliers must offer these customers for free, e.g. communicating with the customer in an accessible format, and conducting meter readings if the customer is unable to do. [Licence guide: safety and vulnerable consumer protections | Ofgem](#)

The intended purpose of the PSR was to identify and support people who might need additional assistance during energy disruptions, such as those with health conditions, young children, or reliance on medical equipment.

While the requirements on energy companies are set out as obligations in the licences, the practical and technical aspects of data sharing with networks are managed via industry mechanisms.

The PSR has long been used as a proxy for identifying consumers in vulnerable situations. However, with limited/specific needs codes, relevant to safety and off supply situations, many circumstances or characteristics are not captured by the PSR.

We have observed in some cases, suppliers operate their own 'PSR+' which goes above and beyond the industry agreed needs codes however, this isn't a common or standardised mechanism.

The needs codes used by energy companies to identify consumers who require priority support services can be found in annex 6.



Appendices

Appendices

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Appendix 1 - Our decision-making process

Our decision-making process

We published a consultation on 10 September 2024 on proposed changes to refresh our Consumer Vulnerability Strategy. We received 67 responses, which we have considered to help shape the final refreshed Strategy. Alongside this document, we have published a summary of responses for the Consumer Vulnerability Strategy consultation. We have also published non-confidential responses we received from stakeholders in response to the consultation. [Refreshing our Consumer Vulnerability Strategy](#)

Decision-making stages

Date	Stage description
10/09/2024	Stage 1: Consultation open
05/11/2024	Stage 2: Consultation closes (awaiting decision), Deadline for responses
15/04/2025	Stage 3: Responses reviewed and published
15/04/2025	Stage 4: Consultation decision/Strategy published

Appendix 2 - Changes to Strategy outcomes wording

Improving identification and smarter use of data

All outcomes have been updated to show 'consumers in vulnerable situations'

Outcome area: summary

Consulted on outcomes	Vulnerable customers should have their needs identified, be able to easily notify and update their circumstances, and have better understanding of and access to support services designed to suit their circumstances and meet their needs.
-----------------------	--

New outcome	Consumers in vulnerable situations should have their needs identified, be able to easily notify and update their circumstances, and have good understanding of and access to support services designed to suit their circumstances and meet their needs.
-------------	--

Outcome area: 1.1

Consulted on outcomes	Vulnerable customers should have minimal burden in notifying and updating energy companies of their circumstances.
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New outcome	Consumers in vulnerable situations should have minimal burden in notifying and updating energy companies of their circumstances.
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Outcome area: 1.2

Consulted on outcomes	Consumers in vulnerable situations should have sufficient understanding of, and easy access to, the support and services available to them, including via the PSR.
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New outcome	Consumers in vulnerable situations should have good understanding of, and easy access to, the support and services available to them, including via the PSR.
-------------	---

Supporting customers struggling to pay their bills

Change made to ensure that support is affordable in line with ability to pay rules. Consider that use of the word 'consistent' is self-explanatory: consumers should receive the same advice, compassion and opportunities no matter who they speak to, how they engage or their level of indebtedness.

Outcome area: summary

Consulted on outcomes	Vulnerable customers should have their needs identified, be able to easily notify and update their circumstances, and have better understanding of and access to support services designed to suit their circumstances and meet their needs.
-----------------------	--

New outcome	Consumers in vulnerable situations should have their needs identified, be able to easily notify and update their circumstances, and have good understanding of and access to support services designed to suit their circumstances and meet their needs.
-------------	--

Outcome area: 2.1

Consulted on outcome	Vulnerable customers should have accurate, easy to understand bills that support flexible payment methods and frequencies.
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New outcome	Consumers in vulnerable situations should have accurate, easy to understand bills that support flexible payment methods and frequencies.
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Outcome area: 2.2

Consulted on outcome	Vulnerable customers who are struggling to pay their bills, or are indebted, should have proactive and consistent affordability and debt support, that is delivered with compassion and understanding.
----------------------	--

New outcome	Consumers in vulnerable situations who are struggling to pay their bills, or are indebted, should have proactive and consistent support, based on their ability to pay , that is delivered with compassion and understanding.
-------------	---

Driving improvements in customer service for vulnerable groups

Change for consistency with 'be' and 'are'. Change to ensure that representatives are included. Change to include that consumers receive appropriate resolutions. Change to broaden exclusions to circumstances, with examples.

Outcome area: summary

Consulted on outcome	Vulnerable customers should be provided with tailored communications that are easy to understand, are able to engage with their energy company with ease and do not face exclusion based on their circumstances.
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New outcome	Consumers in vulnerable situations should be provided with tailored communications that are easy to understand. They should be able to engage with their energy company with ease and not face exclusion based on their circumstances.
-------------	--

Outcome area: 3.1

Consulted on outcome	Vulnerable customers should be able to contact their energy company easily, their needs are accommodated and that they are not excluded due to language barriers or capability with digital tools.
New outcome	Consumers in vulnerable situations and their representatives should be able to contact their energy company easily, their needs accommodated with appropriate resolutions , and should not be excluded due to their circumstances , i.e. language barriers or capability with digital tools.

Outcome area: 3.2

Consulted on outcome	Vulnerable customers should receive communications that are easy to understand and tailored to suit their needs.
New outcome	Consumers in vulnerable situations should receive communications that are easy to understand and tailored to suit their needs.

Encouraging positive and inclusive innovation

Net zero wording amended to take into account the different aspects of the transition that customers can participate in. Change to avoid repetition. Change to ensure that we are clear that consumers in vulnerable situations who do not adopt new technologies are not adversely impacted.

Outcome area: summary

Consulted on outcome	Vulnerable customers should have access to inclusively designed innovative solutions, particularly those that can help them participate in the transition to Net Zero.
New outcome	Consumers in vulnerable situations should have access to inclusively designed innovative solutions that deliver the benefits of the transition to a digitalised, decarbonised and decentralised energy system .

Outcome area: 4.1

Consulted on outcome	Vulnerable customers should have access to inclusively designed innovative solutions, particularly those that can help them participate in the transition to Net Zero.
New outcome	Consumers in vulnerable situations should be encouraged and supported to participate in or adopt innovative products and services , particularly those that can help them participate in the transition to a digitalised, decarbonised and decentralised energy system .

Outcome area: 4.2

Consulted on outcome	Innovative solutions should be inclusively designed to limit the barriers to take up or adverse outcomes for vulnerable customers.
New outcome	Innovative solutions should be inclusively designed to limit the barriers to take up. Where consumers in vulnerable situations are either able or unable to adopt innovative solutions, they should be protected from adverse outcomes.

Appendix 3 – Sources of quantitative and qualitative information

Existing sources of quantitative and qualitative information

Quantitative data includes Social Obligations Reporting (SOR) [Consumer vulnerability protections | Ofgem](#), complaints (where we can determine indicators of vulnerability from these [Guidance on submitting customer complaints data | Ofgem](#)), other rolling requests for information (RFIs) and adhoc requests.

We will also capture qualitative and quantitative data through our regular consumer surveys such as Energy Satisfaction survey [Energy Consumer Satisfaction Survey: January 2025 interim findings | Ofgem](#), and our Consumer Impacts of Market Conditions survey [Consumer impacts of market conditions survey: wave 5 \(January to February 2024\) | Ofgem](#). Again we will draw out indicators of vulnerability from these where we can.

We also welcome and utilise the many reports published and provided by interested third parties, in particular consumer groups and charities who provide insights targeted at specific groups of consumers in vulnerable situations. This, along with other intelligence

is vital in supporting our thinking when prioritising work, making policy decisions and improving outcomes for consumers in vulnerable situations.

New sources of quantitative and qualitative information

We are working to understand how to best expand our existing data collection activities to cover more granular vulnerability data effectively. We are in the process of designing a new Flexibility and Net Zero Survey, with data collection commencing early summer. We will also consider what, if any, additional research is required to help understand consumer views on individual projects that support delivery of our workstreams and the Strategy.

Our expanded quantitative data collection will support other information collected as part of our **Vulnerability Focus Sessions**, which will also include qualitative asks on suppliers to demonstrate how they achieve outcomes for consumers in vulnerable situations, aligned to their obligations, and outcomes within the Strategy.

Appendix 4 - Consumer Vulnerability Statistics Sources

The sources listed below are in order of the statistics displayed above on pages 38 – 40.

Statistic 1	Prevalence of deafness and hearing loss - RNID
Statistic 2	UK disability statistics: Prevalence and life experiences - House of Commons Library
Statistics 3 & 4	Family Resources Survey: financial year 2022 to 2023 - GOV.UK
Statistic 5	More than three quarters of pensioners - equivalent to 9.2 million - spent their Winter Fuel Payment on fuel related costs last year
Statistic 6	Energy bills and debt are rising yet again News and events Loughborough University
Statistic 7	7 million people behind on household bills as costs set to rise further this April Money Advice Trust
Statistic 8	Energy crisis timeline: how the energy crisis unfolded - National Energy Action (NEA)
Statistic 9 & 11	The impact of winter pressures on different population groups in Great Britain - Office for National Statistics

Statistic 10	Cost of living insights - Office for National Statistics
Statistic 12	Essential digital skills framework - GOV.UK
Statistic 13 & 14	What we mean by digital inclusion - NHS England Digital

Appendix 5 – Standards of Conduct guidance

SoC – Supply licence guides

Suppliers should be continually striving to adopt and embed a consumer-centric culture and ensure their conduct results in all customers being treated fairly.

The broad principles relate to how suppliers behave, provide information, and carry out customer service processes. In the case of domestic consumers, the Standards also relate to how suppliers seek to identify each consumer in a vulnerable situation and respond to their needs.

The Standards of Conduct are about the relationship between energy suppliers and consumers. We expect the Standards to be embedded throughout each supplier, driven by the Board and senior management, and understood by all staff. We expect these principles of fairness to be factored into the design, monitoring and revision of all products, policies and processes. This is to help ensure that suppliers have the appropriate culture in their businesses to consistently deliver fair outcomes for all energy consumers. We also expect suppliers to consider innovative approaches to delivering fair treatment.

The Domestic Standards have an overarching objective and then four 'limbs' (three for the Non-Domestic Standards). Suppliers (and their representatives, in the case of domestic consumers) must achieve the 'limbs' in a manner consistent with the overarching objective. The information below sets these 'limbs' out and gives some examples of what they mean in practice. This can also be viewed as a table in [Licence guide: Standards of Conduct | Ofgem](#)

SoC: Broad Principles

Limb: Behavior towards consumers

Which customer does it apply to? Applies to domestic and non-domestic suppliers.

What this means in practice: Suppliers must behave and carry out any actions in a fair, honest, transparent, appropriate, and professional manner.

Consumer outcome: Consumers have a positive experience when dealing with their supplier and are not put off future engagement.

Limb: Providing customers information

Which customer does it apply to? Applies to domestic and non-domestic suppliers.

What this means in practice: Suppliers must provide information (whether in writing or orally) which, among other things, is complete, accurate, not misleading and displayed in a way that is intelligible and timely, and appropriate for its audience.

Consumer outcome: Consumers receive the right information – at the right time – in a suitable format to make decisions about their energy supply.

Limb: Customer service processes

Which customer does it apply to? Applies to domestic and non-domestic suppliers.

What this means in practice: Suppliers must make it easy for consumers to contact them, act promptly to put things right when they make a mistake and ensure customer service arrangements are fit for purpose.

Consumer outcome: Consumers' expectations are met by the supplier's processes and their issues are resolved appropriately.

Limb: Considering vulnerable domestic customers

Which customer does it apply to? Applies to domestic suppliers.

What this means in practice: Suppliers must identify and understand the characteristics, circumstances and needs of vulnerable customers and satisfy themselves that their actions are resulting in vulnerable consumers being treated fairly.

Consumer outcome: Consumers' vulnerable situations are taken into account by a supplier so all consumers can participate effectively in the market.

SLC

0A.3 The Standards of Conduct are that the licensee: a) behaves and carries out any actions in a fair, honest, transparent, appropriate, and professional manner;

b) provides information (whether in Writing or orally) to each Non-Domestic Customer which:

i. is complete, accurate and not misleading (in terms of the information provided or omitted);

ii. is communicated (and, if provided in Writing, drafted) in plain and intelligible language with more important information being given appropriate prominence;

iii. relates to products or services which are appropriate to the Non-Domestic Customer to whom it is directed; and

iv. in terms of its content and in terms of how it is presented, does not create a material imbalance in the rights, obligations or interests of the licensee and the Non-Domestic Customer in favour of the licensee;

Examples of poor behaviours

Examples of poor behaviours include:

- Customers were not communicated appropriately with by their supplier, who had made billing errors that consequently gave rise to a likelihood of detriment (and actual detriment) to those customers, including significant catch-up bills, which was not reasonable in all the relevant circumstances.
- Customers in new premises going through lengthy change of tenancy processes were simultaneously threatened with disconnection if they did not pay off the debt from the previous tenant. These circumstances were aggravated by the change of tenancy process being protracted due to delays by the supplier and requests for documents a new tenant could not be reasonably expected to hold, while at the same time the supplier did not delay pushing ahead with threats of disconnection if outstanding debt from the previous tenant was not paid.
- Telling a customer who has completed a debt repayment plan that they cannot switch due to a further debt on the account that they had not been made aware of.

Examples of poor behaviours include:

- Customers were not provided with information clearly, or at all, by their supplier in relation to credit balances on closed accounts, either on final bills issued, or in any other communication.
- Micro Business Consumers were not issued with Statement of Renewal Terms by their supplier that gave important information appropriate prominence.
- Customers signed contracts with a supplier believing that they had been sold a fixed price contract. However, prices increased within the contracted period. When they asked their supplier, the supplier pointed out that there was a clause within the contract that allowed them to increase prices in certain circumstances. The principal terms of contract relating to charges had not been made sufficiently clear to the customer before they signed up to the deal.

c) in relation to customer service arrangements:

- i. makes it easy for a Non-Domestic Customer to contact the licensee;
- ii. acts promptly to put things right when the licensee makes a mistake; and
- iii. otherwise ensures that customer service arrangements and processes are fit for purpose and transparent.

Examples of poor behaviours include:

- A customer raised a complaint with their supplier, but the supplier made little or no attempt to contact the customer to discuss their case or attempt to put any issues right.
- A customer had moved into a business premises where the previous tenant had accumulated a debt. Despite being presented with compelling evidence that there was a material change in circumstances (i.e., a new tenant had taken over the building), the supplier continued with the disconnection and did not act in a reasonable timeframe to put things right and reconnect the new tenant.
- A customer was advised they were only able to contact a supplier by web chat or web form, that was not saved or sent to the customer afterwards. This did not give the customer visibility of what they had raised and when, which made it more difficult for the customer to evidence the raising of a subsequent complaint.

SoC – Formal guidance

In 2017 we reissued guidance on the Standards of Conduct. This meant that suppliers would need to have regard to the guidance in their interpretation and application of standard licence conditions 0 and 0A. [Standards of Conduct final decision & guidance](#)

Expression**Illustrative guidance**

'honest' and
'transparent'

The requirements to be honest and transparent encapsulate the following:

Honesty requires that the actions and omissions of a supplier are truthful, free of any form of deceit, and sincere. Transparency requires that information about a product (including the terms and conditions) is expressed fully, and in a manner which is clear and easy to understand and which avoids concealed pitfalls or traps.

When communicating directly with consumers, acting in a transparent manner would include (but not be limited to) proactively providing consumers with appropriate and/or relevant information (orally or in writing) to make them aware of their rights and the supplier's obligations. It would also encapsulate actively responding to any questions.

Transparency and honesty would require appropriate and prominent signalling to be given to aspects of a product or contractual rights which might operate to the disadvantage of the customer. It also requires that a supplier does not, whether deliberately, recklessly or negligently, take advantage of the customer's necessity or desperation, lack of experience or knowledge, unfamiliarity with the subject matter of the product, or weak bargaining position.

An example of transparency and honesty would be for the supplier to disclose all relevant information the supplier has in response to a consumer's query via telephone even if this information does not favour the supplier. This query may relate to the price of the product or the quality of service provided by the supplier.

'appropriate'

Encapsulates adapting behaviour to take into account particular circumstances arising in a given situation, including but not limited to: cultural or other sensitivities, the position of vulnerability, disabilities, or intellectual and technical (including IT skills and access to the internet) capabilities of consumers.

Examples of when a supplier may be insensitive to a consumer's circumstances when they are in a vulnerable position may include scenarios where a consumer is in financial difficulty, are suffering from stress and/or are in debt. An example of inappropriate behaviour in this scenario would involve the supplier's customer service representative adopting an aggressive/rude tone when speaking to a consumer on the phone.

'professional
manner'

Encapsulates acting with reasonable care and skill, having good knowledge of the product and relevant aspects of the energy sector, dealing with consumers in a courteous manner and having relevant knowledge of the rights of consumers' and suppliers' obligations.

It also covers matters of taste and decency. The behaviour should not put the industry in disrepute. Aggressive, intimidating, rude or condescending behaviour would be examples of acting contrary to this requirement.

'plain and intelligible language'

As per the SLC 7A guidance, we would look to the interpretation the courts and the Office of Fair Trading (OFT) have taken in the context of the Unfair Terms in Consumer Contracts Regulations 1999.

For example, plain and intelligible language requires:

"...not only that the actual wording of individual clauses or conditions be comprehensible to consumers, but that the typical consumer can understand how the term affects the rights and obligations that he and the seller or supplier have under the contract...I would consider it proper when assessing whether terms are in plain intelligible language to take into account clear and accessible presentation with, for example, useful headings and appropriate use of bold print, which can contribute to the intelligibility to the typical consumer of the language."

(Smith J, OFT v. Abbey National [2008] EWHC 875 (Comm))

Appendix 6 – PSR Needs Codes

Code	PSR Need
1	Nebuliser and apnoea monitor
2	Heart, lung & ventilator
3	Dialysis, feeding pump and automated medication
4	Oxygen concentrator
8	Blind
9	Partially sighted
10	Do Not Use
12	Stair lift, hoist, electric bed
14	Pensionable age
15	Physical impairment
17	Unable to communicate in English
18	Developmental condition
19	Unable to answer door
20	Dementia(s)/Cognitive impairment
22	Chronic/serious illness
23	Medically dependent showering/bathing
24	Careline/telecare system
25	Medicine refrigeration
26	Oxygen Use
27	Poor sense of smell/taste
28	Restricted hand movement
29	Families with young children 5 or under
30	Mental health
31	Additional presence preferred
32	Temporary - Life changes
33	Temporary - Post hospital recovery
34	Temporary - Young adult householder (<18)
35	Hearing impairment (inc. Deaf)
36	Speech impairment

37	Water dependent
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