

# Consultation

## Renewal of Ban on Acquisition-only Tariffs (BAT) After March 2026

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Response deadline:	24 September 2025
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Standard Licence Condition (SLC) 22B, the Ban on Acquisition-only Tariffs ("BAT"), is due to expire by default on 31 March 2026 unless renewed as per our existing licence powers. We are consulting on our proposal to extend the BAT for 12 months, until 31 March 2027, unless new and compelling evidence is provided to support its removal. We are also inviting views on the merits of extending the BAT's associated Market-wide Derogation for the same time period.

To clarify, this consultation is limited to the renewal or removal of SLC 22B in its current form as a **short-term market measure**. It is not concerned with the merits of retaining the BAT as a longer-term, permanent feature of the market. This is being considered separately as part of our ongoing work on future price protection and would be the subject of a separate statutory consultation to amend the existing standard licence conditions.

We would like views from people with an interest in the domestic retail energy supply market. We particularly welcome responses from energy suppliers, third party intermediaries and consumer groups. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly

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mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your responses.

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## 1. Introduction

### Section summary

This section sets out the context of this policy consultation alongside the recent BAT Consultation and Decision documents which preceded the latest extension until March 2026. Furthermore, it sets out our latest policy position on the renewal of the BAT until March 2027, which forms the basis of our consultation.

### Background

- 1.1 The BAT was introduced in April 2022 alongside the Market Stabilisation Charge (MSC) as a temporary response to extreme market volatility and high prices. Together these measures helped strengthen the GB domestic energy market's resilience against sharp wholesale price movements at a time of acute uncertainty for customers and suppliers alike. The BAT's Market-wide Derogation, which was introduced at the same time as the BAT, enables suppliers to offer bespoke, retention-only deals to their existing customers when they are coming to the end of a fixed-term deal.
- 1.2 While the MSC ended on 31 March 2024, the BAT was retained on the basis that it may provide consumer benefits beyond market stability. These broader merits of the BAT were first explored in our [October 2023 Call for Input](#) and further assessed in our [May 2024 Statutory Consultation](#), where Ofgem proposed removing the BAT from October 2024 (i.e. 6 months ahead of its scheduled expiry). However, we changed our minded-to position to remove the BAT in our [July 2024 Decision](#) following careful consideration of stakeholder feedback and ongoing energy market conditions. Our decision to retain the BAT reflected a balanced consideration of multiple factors, including some direct benefits to consumers and the opportunity to better assess its effectiveness under more stable conditions. Additionally, we weighted arguments regarding confidence in the market and consumer trust over modelled gains to active consumers. We also announced that we would extend the BAT's associated Market-wide Derogation for retention tariffs for the same time period.
- 1.3 Our [October 2024 Consultation](#) and associated [November 2024 Decision](#) concluded that the existing BAT would be extended for a further year, until 31 March 2026. It was also decided that the Market-wide Derogation from SLC 22B for fixed retention tariffs would remain in force alongside SLC 22B at least for that period. This decision also made clear that we would continue to extend the BAT annually until such a time as we had taken strategic decisions on longer-term reform of price protection. As set out in our [Forward Work Programme 2025/26](#) for 2025/26, we intend to consult on the case for reform of price protection, which we intend to also be the vehicle for a substantive debate on the long-term future of the BAT.

What are we consulting on

- 1.4 We consider the rationale that supported the previous extension of the BAT and its associated Market-wide Derogation (until March 2026) continues to apply to this proposed extension. We are therefore recommending a further annual extension of the BAT, and the Market Wide Derogation, until 31 March 2027

(whilst longer term decisions on the future of the BAT are being made), and seek feedback on our proposal based on the points set out below.

- 1.5 In doing so, we would encourage stakeholders to indicate, as part of their response, any new or additional evidence that they are providing, over and above information provided as part of previous consultations on the BAT, to help us clearly assess all views.
- 1.6 **Section 2** considers and invites views on whether the BAT should be renewed in its current interim status until 31 March 2027, whilst longer term decisions on the permanent future of the BAT are being considered.
- 1.7 **Section 3** considers and invites views on whether the BAT's associated Market-wide Derogation should be retained until 31 March 2027, alongside the BAT.

## Next steps

- 1.8 Please submit all responses by 24 September 2025 to [retailmarketinterventions@ofgem.gov.uk](mailto:retailmarketinterventions@ofgem.gov.uk). We encourage concise, detailed, and specific feedback and welcome any additional concerns stakeholders may wish to provide.
- 1.9 Following this deadline, we will issue a further statement in the coming months on the future of the temporary BAT scheme and the associated Market-wide Derogation (explicitly setting out whether we will extend these for a further year, until at least 31 March 2027).

## Related publications

- 1.10 The main documents related to this Consultation are:
- October 2024 Policy Consultation - [Future of the Ban on Acquisition-only Tariffs \(BAT\) after March 2025 | Ofgem](#)
- November 2024 Decision - [Future of the Ban on Acquisition-only Tariffs after March 2025 | Ofgem](#)

## 2. Renewal of BAT until 31 March 2027

### Section summary

The current, temporary BAT is due to expire on 31 March 2026. This section sets out the key reasons for our proposal to renew SLC 22B for a further 12 months, until 31 March 2027, on which we are seeking stakeholder views.

### Questions

- Q1. Should the temporary BAT (SLC 22B) be renewed until 31 March 2027?
- Q2. If you consider that SLC 22B should be removed from 31 March 2026, please share specific evidence to support your arguments.

### Context

- 2.1 The BAT in its current temporary form expires on 31 March 2026, unless extended using our existing licence powers. The decision to extend the BAT and the Market-wide Derogation until its current expiry was discussed in our [October 2024 Consultation](#) and subsequent [November 2024 Decision](#). In so doing, we set out our expectation 'that the BAT will remain in place as a feature of the market until substantive decisions are made on its permanent status'.
- 2.2 We are recommending a further renewal of the BAT until 31 March 2027 (whilst longer term decisions on the future of the price protection are being consulted on) as well as extending the BAT's associated Market-wide Derogation for the same time period, on the basis that many of the pre-existing arguments in favour of its retention continue to apply, and are seeking feedback on our proposal.

### Provide regulatory certainty ahead of longer-term decisions

- 2.3. We are keen to provide consistency and reliability for market participants in light of the volatility and upheaval of recent years. We used our previous November 2024 extension decision to signal 'our expectation that the BAT will remain in place as a feature of the market until substantive decisions are made on its permanent status.' More explicitly, we stated that 'if we are still not clear on the BAT's permanent status by the end of the extension announced today (i.e. on or shortly before March 2026), as things stand our intention would be to renew the (current, temporary) BAT for a further year'.

- 2.4. Those are the circumstances at present. We are continuing to progress longer-term work on the future of price protection (see section below). In the meantime, our default position remains that the BAT should be extended, as much to provide certainty for market participants as to its other benefits, unless there is compelling evidence that it would be actively damaging to the retail market for us to do so. We are not aware of any compelling evidence that the latter is true, however we would welcome any evidence which supports this.

### **Extended BAT observation to guide future decisions**

- 2.5. We have been taking forward longer-term work on the future of price protection. We published a wide-ranging [discussion paper](#) and [summary of responses](#) to it in 2024. We have followed this up with a series of more focused stakeholder meetings in recent months and expect to set out our perspective on the future of the market in the coming year. This will include our position on the permanent future of the BAT.
- 2.6. In the meantime, and as per our October 2024 Consultation, we have welcomed the opportunity to observe the current temporary BAT as a standalone feature of the market, independent of the MSC and in more stable conditions than when it was originally introduced. This is helpful both at a strategic level, in establishing whether the BAT should play a substantive price protection role for the long-term, and operationally in understanding any practical concerns with how the BAT operates in its current temporary form and how these might be improved as part of any permanent replacement (should we decide to introduce one). It is our view that keeping the BAT in place while this work continues should improve our understanding of its potential impact and help improve the quality of longer-term decisions on both its future and that of the wider retail market.

### **Safeguard vulnerable and indebted consumers and build trust**

- 2.7. As part of our May 2024 consultation, consumer groups and suppliers both made the case that retention of the BAT could help sustain consumer trust in the market by ensuring that suppliers' existing customers are able to access their own best deals. If the BAT was removed, then the most attractive deals on the market would likely be acquisition-only deals, where customers need to move to a different supplier. Vulnerable or indebted customers, who may be unable or not



permitted to switch suppliers in the first place, may therefore be unable to access the best available deals by default.

- 2.8. In addition, we considered that retaining the BAT in the short-to-medium term, until longer term decisions are made on the BAT's permanent status, may help prevent vulnerable and indebted customers from facing higher price increases used to subsidise cheaper acquisition-only deals that they could not access.
- 2.9. The strength of stakeholder feedback on this point was an important factor in our decision to retain the BAT in July 2024. It also formed part of our basis for the further extension of the BAT via our October 2024 Consultation and November 2024 Decision. Our assumption is that the majority of consumer groups and suppliers continue to hold this view, however we would welcome any additional views on this point.
- 2.10. We also welcome any helpful evidence demonstrating the BAT's impact on consumer trust. This is often difficult to draw out, given the many elements affecting consumer satisfaction with the market, and a longer timeframe and more specific analysis may be needed in order to gauge a true understanding of the BAT's impact on consumer trust.
- 2.11. We also note recent evidence (as set out in [Ofgem's State of the Market report](#)) which points to positive improvements in both consumer engagement and satisfaction with the retail market at present. This indicates that the number of tariffs in the market has increased and that switching and fixing rates have continued to rise. Consumer satisfaction rates have been increasing: 81% of domestic customers reported satisfaction with their energy supplier, the highest level our survey has recorded. Domestic complaint volumes have decreased, reaching their lowest levels since 2022.
- 2.12. While we do not directly attribute these to the BAT's continued place in the market, we welcome any stakeholder views or insights on the impact it is having, particularly in relation to consumer trust.
- 2.13. As it stands, we have not seen any new evidence to suggest that the underlying circumstances supporting these arguments have changed in the past year. We

therefore believe they remain persuasive arguments in favour of the BAT's retention until 31 March 2027, or at least until a decision on a more permanent version of the BAT has been made. Again, we would welcome any evidence from stakeholders on these points or which otherwise demonstrate the BAT's impact on vulnerable groups.

### **Supporting supplier stability**

- 2.14. Since March 2025, domestic suppliers have been required to meet minimum capital requirements, including a Capital Floor and Capital Target. These have been introduced to ensure that suppliers hold sufficient capital to absorb losses, as part of our wider suite of financial resilience requirements. In our November 2024 Decision, we noted that retaining the BAT beyond March 2025 could support the rollout of minimum capital requirements by enhancing stability and monitoring accuracy during the transition while these measures took effect.
- 2.15. Our [Powering Trust: protecting consumers through financial resilience](#) report noted that, by end-March 2025, suppliers had moved from net negative assets during the crisis to £7.5 billion in positive Adjusted Net Assets. The cost of supplier failure to consumers also dropped from £64 in 2022/23 to £0 in 2025/26. However, challenges remain, and further targeted reforms are also being developed.
- 2.16. Whilst the BAT's contribution towards compliance with our financial resilience measures is indirect, we consider that its ongoing presence in the market has provided certainty for suppliers while they have been delivering these new requirements in the past year. We believe there is merit in retaining this consistency beyond March 2026, at least until longer-term decisions have been made on the future of price protection. Further we welcome any evidence either supporting or opposing this position.

### 3. Retention of Market-wide Derogation until 31 March 2027

#### Section summary

The Market-wide Derogation from SLC 22B currently expires by default on 31 March 2026, i.e. the same time as the BAT expiry, unless the BAT is renewed using existing licence powers. In this section we set out our proposals to retain the Market-wide Derogation, alongside the BAT, for another 12 months until 31 March 2027. We are seeking stakeholder views on our proposal.

#### Questions

- Q3. Should the BAT's associated Market-wide Derogation be retained until 31 March 2027, alongside our proposals to extend the BAT for the same time period?
- Q4. If you consider that the Market-wide Derogation should be removed after 31 March 2026, please share specific evidence to support your arguments.

#### Context

- 3.1 The Market-wide Derogation from SLC 22B allows suppliers to offer tailored 'retention-only' deals to customers nearing the end of fixed-term contracts. This derogation is set to expire on 31 March 2026—aligned with the BAT's expiry—unless the BAT is extended through the existing renewal process.
- 3.2 Responses to our October 2024 Consultation showed that stakeholders were largely in favour of our proposal to retain the Market-wide Derogation alongside the BAT. We also welcomed suggestions for how the derogation might be amended, to ensure it delivers effective and transparent outcomes for all consumers.
- 3.3 We have noted and taken on board all suggestions raised; rather than implement any changes as part of this temporary version of the BAT, we consider it best that these are taken forward holistically as part of our wider work on future price protection, which includes consideration of a permanent BAT.
- 3.4 In the interim, we consider that our rationale for retaining the Market-wide Derogation remains valid and are therefore proposing to extend it alongside the BAT until 31 March 2027. A summary of our key reasons is set out below:
- (a) **Supporting the interests of consumers:** In allowing suppliers to offer tailored 'retention' deals to their existing customers, we expect those

customers to be able to benefit from lower tariffs. This reflects the economic rationale that serving existing customers involves lower costs—such as reduced marketing and acquisition expenses—which can reasonably be passed on through cheaper pricing.

- (b) **Providing better deals for vulnerable or indebted customers:** Our view is that retaining the existing derogation will result in cheaper deals for vulnerable or indebted customers (who may be unable to switch suppliers) compared against circumstances where the derogation is removed and acquisition costs are shared across all tariffs.
- (c) **Regulatory certainty:** As per our position on the BAT itself, we believe that retaining the derogation provides a degree of regulatory certainty that will both help to foster market stability and enable suppliers to plan their finances and tariff-setting more clearly for the year to come. This may provide some additional stability as new financial resilience requirements are bedding in.

- 3.5 We have not seen substantial evidence of the Market-wide Derogation's wider impact on pricing and tariffs in the market, since the BAT was made a standalone market measure in 2024. This is partly attributable to the relatively low number of customers on fixed term tariff deals in recent years following the wholesale price crisis. We expect the derogation's impact to increase in the coming year, given the steady growth in available FTC deals and also the higher number of people who will be reaching the end of their existing deals.
- 3.6 We will obviously welcome any new and compelling evidence from stakeholders on the Market-wide Derogation's role in the market, whether in support or opposition to this position.

## **4. Your response, data and confidentiality**

### **Consultation stages**

- 4.1 The consultation will be open until 24 September 2025. Responses will be reviewed and subject to the feedback received, we intend for the consultation decision to be published in November 2025.

### **How to respond**

- 4.2 We want to hear from anyone interested in this consultation. Please send your response to [retailpolicyinterventions@ofgem.gov.uk](mailto:retailpolicyinterventions@ofgem.gov.uk).
- 4.3 We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 4.4 We will publish non-confidential responses on our website at [www.ofgem.gov.uk/consultations](http://www.ofgem.gov.uk/consultations).

## **Your response, your data and confidentiality**

- 4.5 You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 4.6 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.
- 4.7 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.
- 4.8 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

## **General feedback**

4.9 We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to [stakeholders@ofgem.gov.uk](mailto:stakeholders@ofgem.gov.uk)

## How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Choose the notify me button and enter your email address into the pop-up window and submit.

[ofgem.gov.uk/consultations](https://ofgem.gov.uk/consultations)

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Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

**Upcoming** > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

## **5. Privacy notice on consultations**

### **Personal data**

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

#### **1. The identity of the controller and contact details of our Data Protection Officer**

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at [dpo@ofgem.gov.uk](mailto:dpo@ofgem.gov.uk)

#### **2. Why we are collecting your personal data**

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

#### **3. Our legal basis for processing your personal data**

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

#### **4. With whom we will be sharing your personal data**

We will not share personal data contained in confidential consultation responses with any organisation outside of Ofgem unless legally obligated to do so. Unless you indicate otherwise, we will make your response, as provided, available online.

#### **5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for as long as an audit trail on decision-making relating to the questions discussed in this document should reasonably be available.

#### **6. Your rights**

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data



- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3<sup>rd</sup> parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

**7. Your personal data will not be sent overseas.**

**8. Your personal data will not be used for any automated decision making.**

**9. Your personal data will be stored in a secure government IT system.**

**10. More information** For more information on how Ofgem processes your data, click on the link to our "[ofgem privacy promise](#)".