

Emailed to: DebtConsultations@ofgem.gov.uk

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Debt Relief Scheme (DRS) Policy update working paper

Thank you for the opportunity to comment on Ofgem's policy update working paper for the Debt Relief Scheme. We know that some consumers struggle to afford their energy and struggle with energy debt. We think it is right for Ofgem to look at how it can reduce the level of debt and arrears in the energy sector. This will provide the opportunity for suppliers to build relationships with their consumers to improve consumer trust and engagement in the sector.

We support a holistic approach to consumer communication for driving engagement with the scheme. It seems sensible to tailor the approach according to the two implementation periods, where phase one targets those on means-tested benefits and phase two targets the remainder of consumers with eligible debt. We agree that the Debt Relief Scheme may be difficult for consumers to understand which may mean consumers feel they are being treated unfairly or not receiving a payment when they believe they should do. So, it is key for communications to be clear and consistent to minimise the speculative demand from consumers.

Throughout this, we think it will be important for suppliers to be mindful of the different ways a consumer may choose to engage and become eligible for debt relief on qualifying debt. We agree with not providing a fixed timescale for reengagement. It is sensible to expect consumers to reply to supplier contact and provide meter readings as necessary, but consumer engagement efforts may vary and reflect a range of individual circumstances. So, a flexible and responsive approach is needed, when determining whether a consumer is reengaging with their supplier. Equally, we think that it will be important for suppliers to ensure that they take a consumer's ability to pay into account.

We think that well-managed consumer experience and clear communication from Ofgem and suppliers will be critical to building consumer confidence. Clarifying what consumers can and should expect from their supplier and when they can complain will be useful. We will share any data and insight with Ofgem and suppliers if we see complaints occurring when this activity becomes part of the licence conditions.

If you wish to discuss our response in more detail, please do not hesitate to contact us. Our response is not confidential.

For more information on this response, please contact:

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