

Call for input

Consumer Outcomes

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Our ambition is for all retail energy consumers to receive the best possible outcomes. We aim to achieve this by developing a clear, simple and low-burden regulatory framework that continues to protect consumers, while empowering suppliers to compete and innovate with new products and services to deliver great outcomes for consumers now and in the future. Recent evidence, and our extensive engagement with energy sector stakeholders, shows there remains scope to build on recent improvements in the retail energy market to ensure all customers, domestic and non-domestic, receive the highest standards of service.

This call for input consults on a set of Consumer Outcomes we have developed with consumers and energy sector stakeholders, and it seeks views on how we best use these Outcomes to develop a future-proofed regulatory framework.

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Executive summary

The supply market is evolving, and we want to ensure our regulatory framework is fit for the future – one that embraces competition, enables innovation, and supports growth while protecting consumers. At the same time, we want the energy sector to match the top performing sectors for customer service excellence. This is the challenge we set last year when we launched our ‘Consumer Confidence’ programme. The first two pillars of the programme concentrate on (1) clarifying the consumer outcomes we want the sector to deliver and (2) reconsidering how we use our regulatory tools to achieve them. This call for input addresses both by seeking stakeholder views on a set of ‘Consumer Outcomes’ – clear expectations for what all energy consumers should experience – and how these outcomes could be embedded in our regulatory framework.

Why change is necessary

We have heard from suppliers that our regulatory framework is difficult to navigate. The volume of regulatory material has grown, the supply licence has expanded, and many new rules are prescriptive, reducing supplier flexibility. At the same time, the framework must remain robust to protect customers where needed and adaptable as the market evolves.

We have seen welcome improvements in average domestic consumer satisfaction overall, which reached an all-time high in our latest survey wave from July/August 2025. However, a closer look at the evidence shows that not all consumer groups report high levels of satisfaction with their energy suppliers. Moreover, the energy sector has consistently ranked below average in the UK Customer Service Index between 2020 and 2025. We believe that more needs to be done to raise standards for all consumers.

We seek your views on the Consumer Outcomes and how to deliver them

The Consumer Outcomes presented in Chapter 3 represent what all customers, domestic and non-domestic, should experience. They are grouped into four key areas aligned to our Consumer Interest Framework (detailed in [Ofgem’s Forward Work Programme – 2024/25](#)). We want your feedback on which outcomes matter most and how we can agree a shared set that remains relevant over time.

We believe we need to think differently about how we regulate to achieve our goals, without adding unnecessary burden. Success will depend not only on the rules we set but also on the actions we take as a regulator and the incentives we create for suppliers. In Chapter 4, we outline options for change and seek your views on the best path forward. In this context, we also want views on whether Guaranteed Standards of Performance (GSOP), rules that automatically compensate customers when suppliers miss minimum service standards, should change. The more detailed technical

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information related to GSOPs is covered in a separate document published alongside this strategic document, but stakeholders may provide joint responses.

1. Introduction

Purpose of this call for input

- 1.1 The energy sector provides an essential service to households and businesses in Great Britain, so it is right that we set high standards. In our [Consumer Confidence](#) publication, we set a clear ambition for Ofgem to shape an environment that produces desired outcomes in the retail energy market and for the sector to become a leader in customer service. Our ambition is to see a retail energy sector where growth and innovation are enabled by regulation, and where customers are protected and can expect the highest level of customer service. We believe that suppliers and Ofgem together should go further in delivering good consumer outcomes for all consumer groups.
- 1.2 Through this call for input, we are seeking to fulfil our obligations under the government [Growth Duty](#) by considering how our regulatory framework supports economic growth. This aligns with the government's broader commitment to ensure that regulation promotes growth and can adapt at pace with innovation. We also note the ongoing [Review of Ofgem: call for evidence](#), which is also considering our duties and how consumers are protected.
- 1.3 In this paper, we set out what the customer experience currently looks like in the retail energy supply market, the proposed Consumer Outcomes we have developed and potential regulatory changes we can make to better achieve these outcomes. We believe that a move towards a more outcomes-based regulatory framework could help us achieve our ambitions for growth, innovation, and the highest levels of customer service and protection, but we appreciate that this would represent a big change in how we regulate.

Dependencies and related documents

- 1.4 The energy system is evolving rapidly. We want our rules, and the actions we take, to keep pace with these changes. Specifically, we want consumers to get consistently good outcomes, promote economic growth and minimise regulatory red tape for suppliers. We have a range of work underway to help achieve this.
- 1.5 We have been considering what an outcomes-based approach might look like as we develop other workstreams. As such we have also developed outcomes as part of related, but distinct policy work. This includes [Debt Standards](#), the [Consumer Vulnerability Strategy](#) and lower standing charges. These will all be incorporated into the consumer outcomes framework.
- 1.6 We continue to work closely with the Department for Energy Security and Net Zero (DESNZ) on the Review of Ofgem, which is considering Ofgem's powers and regulatory remit.

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- 1.7 This paper is deliberately published alongside the [Guaranteed Standards of Performance \(GSOP\) call for input](#). The GSOPs are specific rules that provide consumers with automatic compensation when suppliers do not meet minimum service standards. As part of our broader work on improving consumer outcomes and rethinking how regulation supports this, we want to specifically explore whether GSOPs should evolve. This is not about adding more rules. It is about thinking carefully about how GSOPs work alongside other measures to deliver the best outcomes for consumers.
- 1.8 We are keen to hear from stakeholders on both the Supplier GSOPs call for input and the Consumer outcomes call for input, and you can reply to both call for inputs using the same email and email address: FutureConsumers@ofgem.gov.uk. We have also included a list of all the GSOP questions for response in our Appendix 2, for ease of reference.

Call for input stages

As we consider feedback, we will develop our thinking on how we could track and measure delivery of the outcomes, and any changes that would need to be made to compliance and enforcement processes and how we communicate with our stakeholders. We will also consider any changes that result from government's Ofgem Reset Review. We will return to consult on more refined options in Spring/Summer 2026. The next steps are:

Stage 1 Consumer outcomes call for input and GSOP call for input open: 10 November 2025. We will hold stakeholder workshops soon after the call for input is published.

Stage 2 Consumer outcomes and GSOPs calls for input close. Deadline for responses: 22 January 2026

Stage 3 Responses reviewed and published: Winter/Early Spring 2026

Stage 4 Call for input outcome (decision or policy statement)

How to respond

We want to hear from anyone interested in this call for input. Please send your response to the person or team named on the front page of this document before the response deadline.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the

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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.

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 will contact 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.

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 United Kingdom'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](#).

If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not 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.

How to track the progress of a call for input

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A call for input has two stages: 'Open' and 'Closed'.

2. Rationale for consulting

This section outlines why we are publishing this call for input. We want to seek views on the Consumer Outcomes we have developed with our stakeholders and consider how best to embed and deliver great outcomes for all consumers, while considering our statutory consumer interest, growth and Net Zero duties.

Questions for stakeholders

Q1. In your view, what are the key factors we should consider if we are updating our regulatory framework for retail energy suppliers, keeping in mind the balance between our growth and net zero goals, and consumer interest duties?

Q2. Why do you think there is such a divergence of satisfaction rates across different consumer cohorts?

Delivering great outcomes for consumers while promoting economic growth and achieving Net Zero

- 2.1 Ofgem's primary duty is to protect the interests of all energy consumers, now and in the future and this includes having regard to consumers with protected characteristics (for example those in vulnerable circumstances). Last year, the [Growth Duty](#), under the Deregulation Act 2015, was extended to Ofgem, and it requires us to have regard to the desirability of promoting economic growth. This currently falls alongside our primary duty, and our other statutory duties such as supporting the legal obligation of government to achieve Net Zero 2050. Together, this means we must consider how to adapt our regulatory framework to ensure it delivers great outcomes for consumers, while incentivising innovation and growth, and remaining comprehensive and adaptable as the market evolves.
- 2.2 We have heard from energy suppliers that our regulatory framework is difficult to navigate. The volume of regulatory material has grown, the supply licence has expanded, and many new rules are prescriptive, reducing supplier flexibility.
- 2.3 We have also heard from consumer representatives, consumer groups and charities that we must ensure that any changes made to our regulatory framework maintain key consumer protections to ensure that consumers can realise great outcomes in the market as it evolves, and as we all work together to achieve Net Zero 2050.
- 2.4 We welcome the recent drive from energy suppliers to improve consumer satisfaction in the domestic market. Recent evidence from our [Energy Consumer Satisfaction Survey for July/August 2025](#) shows improvements in overall satisfaction and customer service satisfaction, reaching all-time highs of 82% and 76% respectively since we started tracking them. As prices have fallen from the highs seen during the energy crisis, [some analyses we have published on the](#)

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[factors driving overall domestic consumer satisfaction](#) showed that consumers' improving ability to cope financially and positive actions taken by suppliers in key customer service experience areas will have helped create positive changes in overall satisfaction.¹

- 2.5 We still want to see more improvements being made in the energy sector, and for all consumers. Despite recently trending upwards, the energy sector has consistently ranked below average in customer satisfaction in the [UK Customer Satisfaction Index](#) between 2020 and 2025. Further, average energy sector satisfaction scores are still some way off top performing essential sectors, such as banks and building societies, and remain 3.5 points below the UK all-sector average in the latest wave.²
- 2.6 Our [Energy Consumer Satisfaction Survey for July/August 2025](#) also shows that not all domestic consumers report high overall satisfaction, with those identified as highly financially vulnerable in July/August 2025 (71%) lagging behind those doing well financially (88%).³ To add to this, responses [from the same survey in January 2025](#) showed those consumers who were more dissatisfied overall included those renting, carers and those living with a disability.⁴
- 2.7 Further, our [2024 Non-domestic Research Report](#) showed that non-domestic consumers also continue to report relatively low levels of satisfaction as compared to the domestic market. In 2024, 62% of businesses reported that they were satisfied with the overall service provided by their energy supplier (unchanged from 2023), and 17% of businesses reported that they were dissatisfied (up from 13% in 2023). Customer satisfaction also varied by business size, with sole traders and microbusinesses reporting more dissatisfaction (18%) than large businesses (3%).
- 2.8 We are publishing this Call for Input to both consult on the Consumer Outcomes we have developed with our stakeholders (Chapter 3) and to consider options for how best to embed and deliver the Outcomes in the retail energy market (Chapter 4). All evidence we collect from stakeholder responses will help us consider all important issues and trade-offs. We will use this evidence to ensure we can realise a retail energy market that delivers the best outcomes for consumers,

¹ For example, our Satisfaction Metrics model shows that ease of contacting suppliers, and bill, smart meter, support and switching satisfaction are important predictors for the variance seen in overall domestic consumer satisfaction. See pages 28-32 for more detail on this model.

² We recognise that there are differences between the performance of individual energy companies in the index that are not captured by average metrics alone. Also note that the Index includes companies such as a distribution network operator and a Northern Irish energy supplier.

³ In Jul/Aug'25, the methodology for classifying customers into financial vulnerability groups was updated to reduce the number of uncategorised customers and improve sample reliability. This involved merging data from the previous four waves and reclassifying uncategorised customers based on their alignment with financial indicators. All figures have been backwards calculated to ensure comparability across waves.

⁴ Note that the characteristics of those satisfied and dissatisfied may change across waves, and that this data is from the January 2025 survey wave.

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while ensuring it remains comprehensive and adaptable as the market evolves, and as we approach Net Zero 2050.

3. The Consumer Outcomes

In this Chapter we set out the Consumer Outcomes we are consulting on. We explain their purpose, meaning and scope and we seek your views on whether outcomes could apply to wider market participants. We also discuss how we think the outcomes can help to resolve the problems we have identified in Chapter 2.

Questions for Stakeholders

- Q3. The Consumer Outcomes have been developed based on what industry, charities, consumer groups and consumers have told us they need to cover. Do you agree that these outcomes cover the most important expectations consumers have of energy suppliers?**
- Q4. Do you think we should streamline or consolidate the Consumer Outcomes further and, if so, which should we prioritise?**
- Q5. Do you agree with the explanations provided of the Consumer Outcomes in the appendices of this call for input? Do they help you understand the intent of the outcomes?**
- Q6. Why do you think these outcomes are not materialising consistently for all consumer groups given that they are in line with our existing rules?**
- Q7. Do you think some outcomes are more important for consumers than others?**
- Q8. Do you see an opportunity for outcomes, though not necessarily the Consumer Outcomes set out in this call for input, to be applied to wider market participants? Who should they apply to and why?**

What we are trying to achieve

- 3.1 Our vision for the retail energy market is one that successfully navigates the energy transition, and is underpinned by effective competition, innovation and a consumer-first approach. We want suppliers to prioritise delivering excellent customer experience and consistently high levels of consumer satisfaction for all types of energy consumers, both now and in the future. To achieve this, we want a regulatory framework that enables suppliers to innovate and think differently about how they serve their customers' evolving needs.
- 3.2 As set out in page 3 of our [Consumer Confidence](#) publication, we believe that the starting point in achieving this is having a clear set of expectations focused on the outcomes we want consumers to experience. This is the first pillar in the Consumer Confidence programme and what this Chapter concentrates on.
- 3.3 We worked together with stakeholders to clarify our expectations for the outcomes consumers should experience. We began by considering 'what good looks like' for energy consumers when interacting with suppliers. Together with

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the sector, and through insight gained from participants in our [qualitative research](#),⁵ we defined the outcomes that we want suppliers to deliver for consumers now and in the future. We refer to these as the Consumer Outcomes.

- 3.4 We want to continue our conversation with stakeholders to ensure that we develop a cohesive, holistic and agile outcomes framework that covers all current and future energy consumers' interests. We want to hear stakeholders' feedback on the Consumer Outcomes. We are particularly interested in hearing whether these outcomes and their explanations (contained in Appendix 3) are clear. While we have sought to be comprehensive in identifying the Outcomes, we recognise that there are a lot of Consumer Outcomes, which sometimes can appear to overlap. So, we also want to understand if stakeholders think we have too many outcomes, and which ones should be prioritised.
- 3.5 We have developed these outcomes with suppliers in mind but would also welcome reflections on the extent to which these could be applied to wider market participants, like load controllers. If so, we are keen to hear views on how they might need to be amended.

The Consumer Outcomes

Debt

Outcome 1: Customers in, or at risk of debt or arrears receive proactive, tailored, and consistent customer service that meets their needs and helps them sustainably pay towards their debt or arrears.



Fair Prices

Prevent excessive prices

Outcome 2: Consumers are not charged excessive prices for their energy, irrespective of their engagement.



Incentivise supplier efficiency

Outcome 3: Consumers pay prices which reflect the costs of an efficient well-run supplier business.

Customers benefit from competition

Outcome 4: All customers can benefit from shopping around for the best deal if appropriate for them.

Outcome 5: Customers can choose from a range of suppliers and contracts and are supported, by suppliers or third-parties, to identify the best deal for them.



⁵ We commissioned a [qualitative research exercise](#) to understand consumer views on what they expect from energy suppliers, to determine if the outcomes resonate with participants. The research included a sample of domestic and non-domestic participants (including businesses of different sizes) from across Great Britain. The findings reflect participant views at the time of the fieldwork (Dec-24 to Jan-25). The detailed findings of this research have been published on our website.

Quality and Standards

Accessible and Responsive

Outcome 6: Consumers have a reliable supply of energy and suppliers do everything within their remit to quickly resolve disruptions, giving priority to those who are supply dependent.

Outcome 7: When consumers raise concerns, issues or complaints, suppliers investigate and address them fairly, effectively and promptly, via a channel and at a time that meets consumers' needs.

Outcome 8: Consumers are charged for energy in a manner that accurately reflects their usage, with bills being easy to understand and provided in a consistent, timely and appropriate timeframe, as appropriate for the customer type. Customers who are struggling to pay their bills should receive compassionate support and flexibility in payment methods and frequencies, especially consumers in vulnerable situations.

Outcome 9: All products and services offered by suppliers should be fit for purpose, and where possible, inclusively designed.

Transparent and Enables Choice

Outcome 10: Consumers receive appropriate and timely advice and information from their supplier that is relevant to them.

Outcome 11: Consumers are aware of energy options available to and suitable for them at an appropriate time and are able to make informed choices that best meet their needs.

Outcome 12: Customers should not be unnecessarily prevented from being able to switch supplier despite product or technology purchased or inherited.

Low-cost Transition

Enables infrastructure and markets required for net zero transition



Outcome 13: Consumers understand how to engage with and can make informed choices about the products and services offered by suppliers that support the net zero transition.

Help consumers benefit from the energy transition

Outcome 14: Consumers understand how they are contributing to and benefitting from net zero products or services obtained via their supplier.

Outcome 15: Consumers who choose to engage can and are supported by suppliers who remove barriers within their control.

Apply innovative solutions to support and protect consumers

Outcome 16: Customers that engage with innovative products and services are protected from unexpected risk.

Outcome 17: Consumers have confidence that despite how their energy is supplied and regardless of what parties are involved in supplying their energy, the service and technology will work effectively and efficiently.

Resilience

Robustness to market developments and external shocks



Outcome 18: Consumers are adequately protected from the costs of licensee failure.

Outcome 19: Consumers can be confident that they are dealing with licensees that are financially resilient to external shocks.

Maintain security of supply

Outcome 20: Consumers' supply is maintained in the event of supplier failure.

Ensure sector is investable

Outcome 21: Consumers benefit from fair prices, improved quality of services, and lower cost delivery of net zero as licensees attract sufficient investment.

Outcome 22: Consumers benefit from licensees which are adequately resourced, demonstrating the right balance between resilience and innovation.

Enhanced protections for consumers in vulnerable situations



Outcome 23: 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 24: Consumers in vulnerable situations should be provided with tailored communications that are easy to understand. They should be able to engage with their energy supplier with ease and not face exclusion based on their circumstances.

- 3.6 We have developed supporting explanations for each of these Consumer Outcomes in Appendix 3. These were shaped by considering feedback received during our stakeholder workshops and our [qualitative research](#). In future, these explanations could underpin any guidance accompanying the Consumer Outcomes.

Scope and application of the Consumer Outcomes

- 3.7 We developed these Consumer Outcomes for all energy consumers: current and future, domestic and non-domestic, with additional Outcomes designed for consumers in vulnerable situations. We do not expect non-domestic consumers to experience different outcomes to domestic consumers. Instead, we expect any differences to lie in suppliers' processes and offerings, as suppliers tailor these to meet their customers' needs.

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- 3.8 We want these Outcomes to remain relevant as the energy market evolves, recognising that consumer interactions with suppliers and with the energy market are changing. While developing the Consumer Outcomes, we considered the potential harms and barriers that consumers may face engaging with future energy offerings, including innovative product and services. Through literature reviews, we identified risks associated with emerging technologies, such as challenges around the accuracy and clarity of information for consumers navigating complex offerings like time-of-use tariffs combined with third party-controlled devices.
- 3.9 We also intend to consider the relevance and applicability of these outcomes, as we develop licencing and authorisation regimes for new areas, we will have oversight of, including aggregators and heat network operators. We are keen to gather views from stakeholders about whether they think that the Consumer Outcomes, or a more outcomes-based framework, could be applicable to wider market participants. We would like to understand stakeholders' views on who the Consumer Outcomes should apply to, and why.

4. How could Consumer Outcomes be delivered?

In this Chapter we seek to explore how the Consumer Outcomes could potentially be integrated into the retail energy supplier regulatory framework. We will present a spectrum of options and seek your views on them. We are keen to hear stakeholders' views on updating our regulatory framework, where we could potentially remove prescription, and where it may be important to retain prescription.

Questions for Stakeholders

Q9. Do you have a preferred approach among those outlined below or should we retain the current framework? Do you have an alternative suggestion? Please explain your reasoning.

a) What level of action/intervention do you feel would be proportionate to drive up customer service in the non-domestic sector? Does it differ from domestic?

Q10. Do you think a voluntary approach – where suppliers make a public commitment to deliver the Consumer Outcomes without formal regulatory change could be effective? What conditions would need to be in place for this to work?

Q11. Could a more outcomes-based regulatory framework benefit the supply market? Do you think this kind of approach could unlock innovation and growth? Please provide examples.

Q12. Are there specific licence conditions where less prescription could benefit the retail market without compromising consumer protection?

a) For suppliers: are there any areas where you find guidance helpful or unhelpful?

Q13. Are there areas where prescriptive rules should remain in place? If so, why?

Q14. What factors should we consider to determine whether specific rules are best delivered through prescription, principles or outcomes?

Q15. Which of the monitoring approaches we outline below would be the most effective for monitoring supplier performance against the Consumer Outcomes? Are there alternative approaches? Please provide evidence.

Q16. How do we best measure our success as to whether we have:

a) Improved consumer outcomes and achieved our ambitions for customer service and

b) Reduced regulatory burden and encouraged growth and innovation

Q17. Is there anything Ofgem can do to improve how we work and engage with you as a stakeholder on retail energy supply policy and regulation?

Moving towards a more adaptive regulatory framework

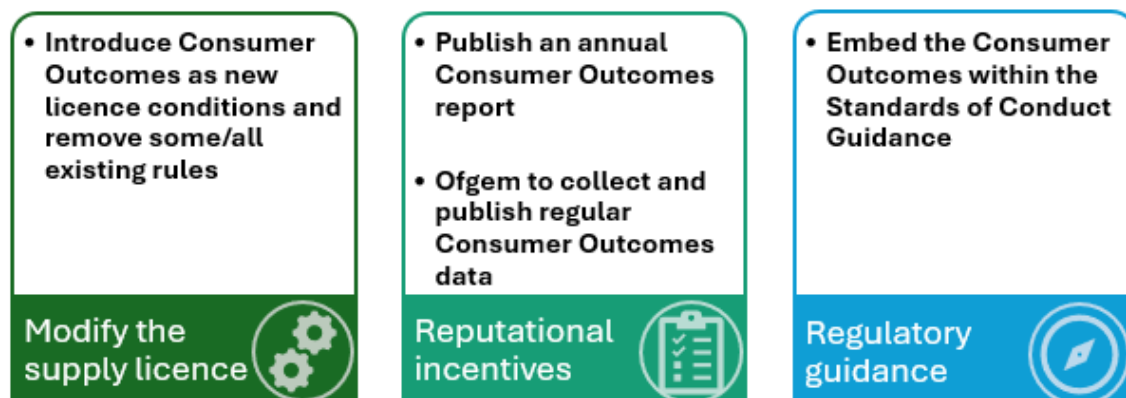
- 4.1 We performed a comparison exercise to assess how well the Consumer Outcomes align with our current rules. Overall, we found a strong degree of alignment, though we do see opportunities to improve how these outcomes are achieved. We welcome views on whether placing greater emphasis on Consumer Outcomes could more effectively support our ambitions.
- 4.2 We believe that embedding a focus on consumer outcomes across the retail market could encourage improvements in customer satisfaction levels and subsequently improve consumer trust. We think it could enable greater regulatory flexibility, allowing suppliers to adapt more effectively to market developments and evolving customer needs. This could create space for new innovative service offerings to emerge which benefit consumers, while allowing suppliers to build and develop competitive advantage. Over time, this could help stimulate growth across the market, as the range of products and services available to consumers expands.
- 4.3 This Chapter explores how the Consumer Outcomes could be used alongside our regulatory framework to deliver such a shift. We want to ensure that our regulatory framework is resilient and adaptable to the evolving energy market, while enabling suppliers to consistently deliver positive Consumer Outcomes now and in the future. When we discuss adapting our framework and being more outcomes focused, we are thinking about this in a holistic manner (including but not limited to our guidance, requests for information (RFIs), compliance and enforcement).

Regulatory integration of Consumer Outcomes

- 4.4 Below we outline a range of potential approaches to integrate the Consumer Outcomes with our regulatory framework. These approaches are not mutually exclusive; the most effective way forward is likely to draw on a range of our regulatory tools. A combined approach may offer the flexibility needed to respond proportionately and effectively across different policy areas. The importance of this flexibility will continue to grow as the market continues to evolve as we progress through the net zero energy transition.
- 4.5 We note that while the outcomes can be the same for all customers, how this is achieved may differ across suppliers and across customer types – a ‘one size fits all’ may not be appropriate. For example, non-domestic suppliers may apply different processes across different sizes of non-domestic customers, to achieve

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the same outcome. We are keen to work with stakeholders to understand how this could work.



Integrating outcomes-based rules into the supply licence

What are outcomes-based rules?

- 4.6 Outcomes-based rules are used by regulators to set broad objectives or desired outcomes without prescribing in detail how those outcomes must be achieved. Rather than instructing regulated organisations through prescriptive rules, outcomes-based rules concentrate on what needs to be accomplished. In other words, the emphasis is on the result, not the process used to get there. These rules can be broad in scope, similar to principle-based regulation, though the important distinction is that principles place emphasis on shaping behaviours (for example, Standard Licence Condition (SLC) 0/0A requires licensees to treat all customer fairly), whereas outcomes-based rules concentrate on achieving specific end results.
- 4.7 This allows organisations greater discretion to determine the most effective and efficient way to meet regulatory goals. It can encourage experimentation and create room for the emergence of new innovative technologies or service design. In turn, this can lead to greater competition through the achievement of cost efficiency or through enhanced customer experiences.
- 4.8 However, it is important to recognise that this kind of regulatory approach does not guarantee innovation. Not all organisations welcome regulatory flexibility especially if they are risk-averse or uncertain about what is and is not permissible under the market rules. The effectiveness of an outcomes-based approach often depends on the design of the broader regulatory environment and the willingness of organisations to accept a degree of uncertainty and risk. We set out more of the potential benefits and disadvantages below.
- 4.9 The benefits of outcomes-based rules:

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- **Can encourage outcome-oriented thinking:** Can shift the mindset of organisations by requiring them to consider the consequences of their actions and how these align with regulatory outcomes.
- **Flexibility and innovation:** Organisations are afforded the flexibility to decide how their actions can best satisfy regulatory goals, this includes through more innovative approaches and ways of operating, which can be of benefit to consumers and potentially enhance market competition.
- **Reduce regulatory gaps:** Can capture a wide range of behaviours, limiting the risk of regulatory gaps or loopholes emerging.
- **Enables contextual judgements:** Can promote substantive equality by allowing the actions of organisations to be assessed in context on a case-by-case basis.

4.10 The disadvantages of outcomes-based rules:

- **Regulatory uncertainty:** Outcome based rules are often less precise and may be viewed as vague, leading to regulatory uncertainty. Guidance can be useful but if overused it can create similar issues associated with prescription.
- **Increased regulatory costs:** The need for interpretation and judgment can lead organisations to adopt risk-averse behaviours, potentially resulting in overcompliance and higher operational costs.
- **Greater compliance and enforcement burden:** Regulators may face higher compliance and enforcement costs, as assessing compliance often requires investigating the specific context of each case and interpreting broad rules which can require more time and resources.
- **Challenges in measuring outcomes:** It can be difficult to determine whether a desired outcome has been achieved, complicating compliance assessments. Ambiguity in interpretation may lead some organisations to fill gaps in ways that serve their own interests, potentially resulting in outcomes that deviate from the spirit/intent of the outcome.

4.11 While outcomes-based regulation offers distinct advantages and challenges it is useful to compare these considerations against the alternative approach of prescriptive rules to identify where each approach may be more or less effective. The table below presents a theoretical side-by-side comparison:

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Considerations	Outcomes-based Regulation	Prescriptive Regulation
Regulatory flexibility	Focusing on the result allows for greater flexibility for process development.	Setting out the process that must be followed limits flexibility.
Regulatory certainty	Rules are broad and can be open to interpretation. Can result in greater levels of uncertainty.	Rules are more precise and targeted. Creates more certainty.
Innovation	Allows more space for experimentation and the introduction of alternative approaches.	The rigour of the rules can significantly limit opportunities to innovate.
Equality	Promotes substantive equality ⁶ .	Promotes formal equality ⁷ .
Cultural impacts	Organisations are required to 'think through' the impacts and consequences of their actions and how they link through to the end outcome.	Can lead to a tick-box mentality where organisations focus rigidly on the process and do not properly consider the result of their actions.
Treatment of regulated parties	Can result in differential treatment of organisations based on compliance history.	Treats all organisations equally.
Adaptability to market change	Can be viewed as more adaptive to market changes, reducing the need to continually update market rules.	Rules are often rigid and run the risk of becoming outdated. Can require the removal of obsolete rules and the introduction of new rules as the market evolves.
Regulatory discretion	The broad nature of the rules gives the regulator greater scope to exercise discretion.	The rigid nature of the rules can constrain the regulatory discretion of the regulator.
Accountability	Places greater responsibility on regulated organisations. This can create accountability gaps between the regulator and regulated organisations.	Ultimate accountability lies with the regulator to ensure that the rules achieve the desired result.
Compliance considerations	Can lead to the emergence of under/over compliance depending on the rigour of the rules and the organisational risk appetite.	Limited flexibility may encourage organisations to seek loopholes in the rules.

Examples of outcomes-based regulation

- 4.12 During the 1990s several countries introduced the concept of outcomes-based regulation into building regulations with mixed success. In the Netherlands, builders and designers made successful use of greater flexibility to pursue incremental innovation, leading to the universal adoption of more energy efficient boilers. However, the approach was not effective in New Zealand, where many new homes were damaged by moisture issues, leading to mould and rot ([Literature Review to Assess the Relevance of Outcome-Based Regulations to Innovation - Natural Resources Canada](#)). While the rules allowed for greater flexibility, it was used to cut corners. Ultimately a lack of supervision and accountability for results was blamed for the widespread damage to thousands of buildings ([Christopher Decker 'Goals-based and rules-based approach to regulation', Department for Business, Energy and Industrial Strategy](#)).
- 4.13 In 2011, the UK's Solicitors Regulation Authority (SRA) transitioned from a predominantly prescriptive model to a hybrid approach, combining mandatory principles, an outcomes-based Code of Conduct, along with some process-based rules. This prompted significant changes to the SRA's broader approach to monitoring, compliance and enforcement. It now adopts a more targeted and risk-based approach, concentrating on the areas of greatest risk. It does not describe this approach as 'light touch regulation' as it does not consider its enforcement approach to be reduced or relaxed. The flexibility offered by the change appears to have brought benefits, with some firms adopting innovative approaches to delivery. The SRA has signalled it could progress further towards outcomes-based regulation in the future but that is contingent on cultural change within both the regulator and sector ([Christopher Decker](#) page 52).
- 4.14 These examples demonstrate that outcomes-based rules can deliver positive results for the sector and consumers – but success depends on key conditions. Outcomes must be clearly defined, measurable, and subject to effective monitoring ([Christopher Decker](#) page 25). Accountability must be built into the system, and regulators should allow realistic timelines for achieving outcomes. Caution must be exercised when applying outcomes-based rules to high-risk activities where failures could cause significant harm ([Natural Resources Canada](#)).

⁶ Recognises and considers the circumstances of each case. Actions of regulated firms are assessed on their own merits and specific context.

⁷ All regulated parties performing specific activities are treated the same. The enforcer must apply the regulation consistently to all regulated parties performing the activity.

What could an outcomes-based regulatory framework look like in the energy supply market?

4.15 There are different approaches we could take to introduce outcomes-based rules into the supply licence. What the end framework looks like largely depends on two variables:

- The level of detail and volume of outcomes-based rules we propose to introduce; and
- The extent to which we seek to amend or reduce the existing supply licence rules.

4.16 Our starting point would be to consider the outcomes set out in Chapter 3 and develop them into a clear and coherent set of outcomes-based rules. Where the outcome is currently delivered by the market as a whole, we would need to think about the supplier role in achieving that outcome. We then have a spectrum of options of how to incorporate them.

Outcomes-based rules

Introduce Consumer Outcomes as rules, replace existing rules

4.17 One possible approach would be to remove all existing customer focussed rules from the current supply licence and replace them entirely with new outcomes-based rules. This would represent a radical shift towards outcomes-based regulation in its purest form. While this approach could offer greater flexibility and encourage innovation, it also has risks, such as the potential for increased or new consumer harms.

Hybrid approach: Introduce Consumer Outcomes as rules, removing some existing rules

4.18 While outcomes-based regulation offers flexibility and a focus on delivering good consumer outcomes, prescriptive rules can remain important to ensure clarity, consistency, and enforceability in areas of high consumer risk or in areas which are fundamental to market functionality. With this in mind, we could consider the introduction of outcomes-based rules as the principal form of regulation, whilst retaining some prescription in areas where the risk of consumer harm is high, and/or where incentives are not aligned between suppliers and the regulator. This would be similar to the initial approach taken by the SRA.

4.19 To achieve this, we recognise we would need to identify and potentially streamline or remove some existing prescriptive rules from the current supply licence. We are keen to hear from stakeholders to collect views on which areas of the current licence we should target for reform. We are particularly keen to identify areas that may be limiting flexibility and innovation. Any amendments to the current licence

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would be carefully managed to ensure that consumer protections are not compromised.

- 4.20 In the energy market, we also have Guaranteed Standards of Performance (GSOPs), which are a mechanism for ensuring consumers benefit from swift automatic compensation payments for clear service failures. GSOPs could be a valuable tool in any hybrid regulatory model as they can reduce the compliance/enforcement burden for both suppliers and Ofgem, whilst ensuring minimum levels of service for consumers. However, we also recognise that GSOPs are not always suited to subjective areas which can be difficult to measure. Alongside this call for input, we have also published a second seeking views on the [GSOP framework](#).
- 4.21 We are also developing work to introduce new GSOPs to cover smart metering. Our aim is to align GSOPs with our Consumer Outcomes work to ensure a co-ordinated and coherent regulatory framework.
- 4.22 A hybrid approach of drawing on outcomes-based regulation, prescriptive rules and GSOPs could enable us to retain detailed protections where they are most needed, while also encouraging innovation and adaptability elsewhere.

Reputational incentives

- 4.23 Instead of integrating the Consumer Outcomes into the supply licence, we could use them as a tool to enhance market transparency. The underlying principle is that increasing visibility of how well suppliers are delivering the Consumer Outcomes, creates a reputational incentive. In other words, if performance is publicly observable, suppliers are more likely to want to improve. This approach aims to encourage better consumer outcomes by leveraging transparency and accountability. Below, we outline some of the pros and cons of this kind of approach and some initial thinking on how this could be delivered in practice.
- 4.24 Some of the potential benefits of this approach are:
- **Encourage supplier competition on quality:** if properly motivated suppliers will compete to deliver better consumer outcomes, by concentrating on service standards and new products/services.
 - **Supports consumer choice and engagement:** transparent, comparable data across suppliers empowers consumers to make informed choices, potentially increasing market engagement levels.
 - **Adaptable to market evolution:** easier to adapt outcome reporting metrics than it would be to modify existing regulations, making this approach more agile as the market evolves.

- 4.25 Some of the potential drawbacks are:

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- **Variable impact across suppliers:** the level of sensitivity to reputational risk will likely vary across suppliers, meaning some suppliers may not view this a strong incentive.
- **Consumer engagement risk:** if performance information is not readily accessible or fails to influence consumer behaviour, the approach risks introducing additional operational burden without delivering tangible benefit.
- **Focus on metrics rather than outcomes:** it is possible that suppliers may become too focused on reporting metrics as opposed to the underlying customer experience.

Publish a supplier led Consumer Outcomes report

- 4.26 One implementation option we could explore would be to produce and publish an annual Consumer Outcomes report. The report could focus on how each supplier is performing with regards to the Consumer Outcomes set out in Chapter 3.
- 4.27 This is somewhat similar to the approach taken by the FCA to monitor the delivery of consumer outcomes in line with the requirements of the Consumer Duty. On an annual basis financial firms are required to produce an annual report, which must be approved by the firm's board/governing body, which sets out:
1. The results of the firm's monitoring activities and whether it is delivering the expected outcomes.
 2. Any evidence of poor outcomes, especially among specific customer groups, and an evaluation of the impact/root cause.
 3. An overview of the actions taken or required to address any risks/issues.
 4. An assessment of whether the firm's strategy aligns with its obligations set by the Consumer Duty.
- 4.28 The FCA does not prescribe the specific content or evidence required in Consumer Duty reports, instead placing accountability on firms to use their judgement in identifying the most appropriate data sources to demonstrate delivery against the Duty's outcomes. If we were to adopt a similar approach for energy suppliers, we would need to consider whether we are comfortable with suppliers assuming a comparable level of discretion, or whether greater standardisation and structure would be needed.
- 4.29 Another important consideration would be determining which types of monitoring data and intelligence suppliers should develop and report on with our oversight, and which data we should independently collect and analyse. This would need to be balanced against existing data collection requirements to avoid duplication and unnecessary burden.
- 4.30 While we recognise the differences between the energy and financial sectors, we welcome stakeholder views on whether a similar or adapted approach could work

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for energy suppliers. We believe this could improve transparency across the market and motivate better performance.

A regulator led approach

- 4.31 Alternatively, Ofgem could assume greater responsibility to collect and directly publish more data on achievement or non-achievement of the Consumer Outcomes. The output of this approach could range from a standalone outcomes' report similar to the proposed supplier led report, or the regular publication of consumer outcomes-specific data on our website, broken down by supplier.
- 4.32 If Ofgem was to assume accountability, then we would need to work with stakeholders to agree on the most suitable data to publish in relation to the Consumer Outcomes. This would require a standardised approach to data collection and would therefore limit supplier freedom to select alternative data sources to evidence good consumer outcomes. This would need to be carefully managed and may involve adapting the data we regularly monitor and collect to ensure we can effectively track outcomes. We explore this further in the monitoring section below.

Regulatory Guidance

Incorporate the Consumer Outcomes into the Standards of Conduct (Standards) guidance

- 4.33 Instead of embedding the Consumer Outcomes into regulation, we could incorporate relevant outcomes into the guidance for the existing domestic and non-domestic Standards (Conditions 0 and 0A [Gas Supply Standard Licence Conditions](#), [Electricity Supply Standard Licence Conditions](#)), although noting that not all of the Consumer Outcomes may be suitably covered by the Standards of Conduct. This would involve placing greater emphasis on delivering the Consumer Outcomes through the Standards, while removing some prescriptive rules that are no longer necessary or that restrict supplier flexibility.
- 4.34 This approach would clarify our regulatory expectations and strengthen the link between the Standards and the outcomes we want consumers to experience. In practice, it would make clear what compliance with the Standards is intended to achieve and reinforce that suppliers remain accountable for meeting those Standards.
- 4.35 We believe this approach could work because the Consumer Outcomes complement the Standards. The Standards set expectations for how suppliers should treat customers (for example, by acting fairly), while the Consumer Outcomes describe the results we want consumers to experience.
- 4.36 We may need to adjust the Standards to address some differences between the relevant domestic (SLC 0) and non-domestic (SLC 0A) rules to ensure that we are

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able to achieve the outcomes using these rules. SLC 0A applies to designated activities, whilst SLC 0 applies to all activities except pricing. SLC 0.2 also makes an explicit call-out in applying to any Representatives of the licensee, whereas SLC 0.2A does not. To note, both SLC 0 and 0A contain an exclusion for pricing. Further, we could consider whether any existing prescriptive rules would become duplicative if we placed greater emphasis on the Standards and if rules should be removed.

- 4.37 Adding the Consumer Outcomes to guidance could be implemented quickly following a consultation. However, developing a monitoring framework to assess delivery and ensuring sufficient compliance and enforcement resources would take longer. Similarly, amending the Standards or removing duplicative rules would extend the implementation timeline.

A combination of options

- 4.38 These options as presented are not mutually exclusive. We could combine elements of different approaches to achieve the optimal solution. We welcome stakeholder views on whether a particular combination would deliver the greatest benefits for consumers and the supply market.

Adapting our other regulatory tools

- 4.39 All the proposals outlined above would have knock-on effects across our regulatory framework. If we decide to progress any of these options, we will need to adapt our wider regulatory toolkit in parallel. This includes strengthening our approach to monitoring, communications, and compliance and enforcement. We outline some of our initial considerations below.

Monitoring

- 4.40 Any of the options proposed would require changes to our monitoring approach so that we can ensure that suppliers are delivering the Consumer Outcomes.
- 4.41 Our current monitoring approach consists of a combination of data collections including RFIs from licensed suppliers, consumer survey data, one-off data collections where necessary, and other insights and data from a range of our stakeholders.
- 4.42 While some of the regular data already available such as some of our consumer survey data could help track performance against outcomes, much of this monitoring is related to scale and outputs. For example, while regular data we collect on complaints volumes provides valuable insights to inform us on the scale of important issues for consumers (for example rises or falls in customer service complaints or complaints resolution within set periods), alone these tell us very little about whether suppliers are or are not delivering outcomes.

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- 4.43 Instead, we would need to monitor whether consumers receive good outcomes throughout their interactions with suppliers, and not just at the end of the process. Building on the example above, when assessing complaints, the expected outcome is that suppliers investigate and resolve issues fairly, effectively, and promptly, using channels and times that suit the consumer. A supplier might resolve complaints quickly but ineffectively, leading to repeat issues and complaints. Alternatively, consumers may remain dissatisfied with final decisions even if the supplier followed all formal requirements. This highlights the importance of collecting the right combination of data and evidence to holistically monitor outcomes achievement.
- 4.44 This could also continue to be complemented with the monitoring of appropriate market-level data (for example rises and falls in volume of all complaints to suppliers) to assess whether changes in outcomes are systemic and affect all suppliers or related to a specific supplier's performance. This would be important to ensure that any assessment of the evidence is reflective of any pressures that the whole market is facing.
- 4.45 To ensure that we only collect the right data and information to help us monitor performance, we would need to carefully consider which data we will continue to require, which data we stop collecting, and what new data we will need to collect.
- 4.46 We are also conscious that we would need to carefully design the metrics to avoid the risk of "prescription through monitoring" if metrics do not reflect supplier business models and processes. For example, metrics based on specific contact methods could force suppliers to offer specific contact channels such as phonelines, rather than being able to develop customer service offerings based on customer needs (for example their customers may prefer social media or app-based contact).
- 4.47 Similar to the discussion above on transparency and reputational incentives, practical monitoring of the Consumer Outcomes could fall somewhere along a spectrum of approaches, from asking suppliers to develop data and report on achievement of the outcomes (supplier-led reporting) through to increasing our internal monitoring capability (Ofgem-led reporting), or a combination of both depending on the best approach for each Consumer Outcome.
- 4.48 We welcome all stakeholder feedback on the above.

Communications

- 4.49 To move towards a more flexible and enduring regulatory framework, we need to have the right communication strategy in place. For example, we are currently working to update our [Electronic Public Register \(ePR\)](#) but there are other ways we are seeking to improve our communications with stakeholders. We want to ensure there is a clear and consistent connection between our regulatory goals,

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the outcomes we expect to achieve for consumers, and the role of our regulatory framework.

- 4.50 Clear guidance documents can help clarify our regulatory expectations, reduce the risk of uncertainty, and minimise misinterpretations. Using examples of both good and bad practice can provide clarity and certainty without the need for prescriptive rules. That said, there is a risk that guidance is too detailed and brings in prescription by the back door. Ofgem would like to strike the right balance between providing clarity to energy suppliers, while avoiding the need for excessive guidance documents.
- 4.51 An outcomes approach potentially changes the nature of the role that advice bodies play, as there will be a need to consider outcomes rather than processes. We would also need to ensure we work closely with organisations like the Energy Ombudsman on the interpretation of our rules.

Compliance and enforcement

- 4.52 Outcomes-based rules rely on setting broader expectations and desired results, leaving greater room for interpretation, depending on the context. This is in contrast to prescriptive rules, which can be more restrictive but are often clearer, specific requirements which set out actions that must be taken or avoided, leaving less room for interpretation.
- 4.53 While this approach offers greater regulatory flexibility, it can make it more complex and take longer to determine whether a breach of the rules has occurred and to evidence and quantify that breach. It is likely to require more nuanced judgements on a case-by-case basis as to the reasonableness of supplier actions towards achieving an outcome. We will want to think, for example, about whether we could identify a minimum threshold for each consumer outcome metric. This could enable us to set a market-wide benchmark, identify where suppliers could be under-performing, and aid further review against other metrics and evidence to assess whether a compliance review may be required.
- 4.54 To do this effectively, we will need to engage with suppliers more closely at all levels to understand their actions and motivations. We might also require more information beyond the initial monitoring data in order to make the compliance assessments. We would aim to build on our current approach to ensure that there is effective communication in place with suppliers to discuss their performance against outcome metrics and understand their actions and motivations in order to identify and address areas for improvement.

5. Next steps

5.1 Throughout this call for input we have asked questions to inform any future policy to improve customers' satisfaction with their suppliers. We welcome the views of stakeholders on these questions. The changes we make will be shaped by your feedback.

5.2 We expect our next steps to be:

- Consult on policy changes to our regulatory framework in Spring/Summer 2026. This will likely include a more refined and smaller set of consumer outcomes and firmer proposals for how we could change our supply licences, based on feedback to this call for input.
- To support any changes, we would implement a new monitoring framework in 2026.
- Depending on your feedback to our questions on licence changes, we would use the remainder of 2026/27 to either:
 - a) start a trial to test the effectiveness of an outcome rule replacing certain prescriptive rules; or
 - b) start a comprehensive review to develop more holistic changes across our licence, without a trial.
- Subsequent actions would be to build on and implement work done in 26/27.

5.3 Following publication of this paper, we will be taking the opportunity to engage directly with stakeholders in the Autumn of 2025, to allow us to discuss this paper in more detail. We will share details of this engagement with shareholders in due course.

Send us your feedback

5.4 We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this call for input. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

5.5 Please send your feedback to stakeholders@ofgem.gov.uk.

Appendix 1: List of Questions Consumer Outcomes

Consumer outcomes question list

Q1. In your view, what are the key factors we should consider if we are updating our regulatory framework for retail energy suppliers, keeping in mind the balance between our growth and net zero goals, and consumer interest duties?

Q2. Why do you think there is such a divergence of satisfaction rates across different consumer cohorts?

Q3. The Consumer Outcomes have been developed based on what industry, charities, consumer groups and consumers have told us they need to cover. Do you agree that these outcomes cover the most important expectations consumers have of energy suppliers?

Q4. Do you think we should streamline or consolidate the Consumer Outcomes further and, if so, which should we prioritise?

Q5. Do you agree with the explanations provided of the Consumer Outcomes in the appendices of this call for input? Do they help you understand the intent of the outcomes?

Q6. Why do you think these outcomes are not materialising consistently for all consumer groups given that they are in line with our existing rules?

Q7. Do you think some outcomes are more important for consumers than others?

Q8. Do you see an opportunity for outcomes, though not necessarily the Consumer Outcomes set out in this call for input, to be applied to wider market participants? Who should they apply to and why?

Q9. Do you have a preferred approach among those outlined below or should we retain the current framework? Do you have an alternative suggestion? Please explain your reasoning.

a) What level of action/intervention do you feel would be proportionate to drive up customer service in the non-domestic sector? Does it differ from domestic?

Q10. Do you think a voluntary approach – where suppliers make a public commitment to deliver the Consumer Outcomes without formal regulatory change could be effective? What conditions would need to be in place for this to work?

Q11. Could a more outcomes-based regulatory framework benefit the supply market? Do you think this kind of approach could unlock innovation and growth? Please provide examples.

Q12. Are there specific licence conditions where less prescription could benefit the retail market without compromising consumer protection?

a) For suppliers: are there any areas where you find guidance helpful or unhelpful?

Q13. Are there areas where prescriptive rules should remain in place? If so, why?

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Q14. What factors should we consider to determine whether specific rules are best delivered through prescription, principles or outcomes?

Q15. Which of the monitoring approaches we outline below would be the most effective for monitoring supplier performance against the Consumer Outcomes? Are there alternative approaches? Please provide evidence.

Q16. How do we best measure our success as to whether we have:

- a) Improved consumer outcomes and achieved our ambitions for customer service and
- b) Reduced regulatory burden and encouraged growth and innovation

Q17. Is there anything Ofgem can do to improve how we work and engage with you as a stakeholder on retail energy supply policy and regulation?

Appendix 2: List of Questions GSOPs

As discussed in chapter 1, the GSOP and Consumer Outcomes calls for input have been published alongside one another, with the intention that the GSOPs be thought about in the wider context. We are keen to hear from stakeholders on both of these calls for input and are happy to receive responses in the same email to: FutureConsumers@ofgem.gov.uk. The GSOP technical document that provides more information and context for the questions below can be accessed at: <https://www.ofgem.gov.uk/call-for-input/reviewing-supplier-guaranteed-standards-performance-gsop>.

GSOPs Question list

Role

1. Do you have any views on how the GSOP should be used to deliver good consumer outcomes as part of our wider regulatory toolbox?
2. Do you have any comments on our proposed objectives for the GSOP mechanism?
3. Do you have any comments on our proposed criteria for the design of any new Guaranteed Standards, or how we intend to use the criteria?
4. How effective is the current GSOP framework and individual standards in delivering good consumer outcomes? Please provide evidence where possible.

Scope

5. Do you have any views on what would determine if a GSOP or a licence condition is the best tool to improve supplier performance?
6. Are there any supplier service areas where it would be appropriate for us to explore new GSOPs, or move an existing licence condition into the GSOP framework?
7. Should any of the current GSOPs be removed, or replaced with a licence condition to better achieve its policy aim?
8. Should we consider expanding the GSOP mechanism to cover non-domestic customers, or a sub-section of non-domestic customers? If so, which existing or potential future standards would be most appropriate?

Design

9. Do you have any views on what the underlying rationale for the payment level and mechanism should be to best achieve the GSOP objectives?
10. Do you have any views on specific changes to the payment mechanism we should consider, including the examples included in this paper?
11. Are there any issues we should consider with introducing repeat payments for ongoing breaches?

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12. Are there any issues we should consider with introducing variable payment levels for different consumer groups or severity?
13. Are there any specific changes to the current set of exemptions that we should consider?
14. Are there any specific changes to the target levels of existing standards that we should consider?

Operation

15. Are there any improvements we can make to the way we collect data from suppliers specifically on their compliance with the GSOP?
16. Are there any additional risks that we should consider when exploring our approach to monitoring and ensuring supplier compliance with the GSOP?
17. Is there a need for any supporting guidance, either aimed at suppliers or consumers, to improve the effectiveness of the GSOP?
18. Is it important that consumers are aware of GSOPs? Why?
19. Are there any actions that Ofgem or suppliers should take to improve consumer awareness of the Guaranteed Standards?

Appendix 3: Explanations of the Consumer Outcomes

Debt

Outcome 1: Customers in, or at risk of debt or arrears receive proactive, tailored, and consistent customer service that meets their needs and helps them sustainably pay towards their debt or arrears.

A1.1 Further information: Suppliers should not wait until a customer is deeply in debt or in arrears. They must actively look for signs that a customer might be struggling financially and reach out early to offer support. Every customer's situation is different. This includes domestic and non-domestic consumers. Suppliers should listen and respond to each customer's specific needs; for example, by offering flexible repayment plans, referring them to specialist help or helping customers find a way to manage their debt that they can realistically maintain over time.

Fair Prices

Prevent excessive prices

Outcome 2: Consumers are not charged excessive prices for their energy, irrespective of their engagement

A1.2 Further information: All consumers should have access to fair prices and consumers who do not regularly switch providers should not be penalised with unfair prices.

Incentivise supplier efficiency

Outcome 3: Consumers pay prices which reflect the costs of an efficient well-run supplier business

A1.3 Further information: Energy prices should be fair and based on the true costs of providing the service, assuming the supplier operates efficiently and responsibly.

Customers benefit from competition

Outcome 4: All customers can benefit from shopping around for the best deal if appropriate for them

A1.4 Further information: Consumers should be able to access better offers or prices by comparing suppliers and products, with barriers to switching minimised or removed.

Outcome 5: Customers can choose from a range of suppliers and contracts and are supported, by suppliers or third parties, to identify the best deal for them

A1.5 Further information: Consumers should have meaningful choices in the market and access to guidance or tools that help them make informed decisions tailored to their needs.

Quality and Standards

Accessible and responsive

Outcome 6: Consumers have a reliable supply of energy and suppliers do everything within their remit to quickly resolve disruptions, giving priority to those who are supply dependant.

A1.6 Further information: Consumers can count on a consistent and uninterrupted supply of energy to meet their daily needs. In the event of a disruption, energy suppliers have robust systems and processes in place to act swiftly and responsibly to restore service, prioritising customers who rely on energy for essential health or safety reasons. This also includes businesses for whom energy is critical to continuity of services. Suppliers should endeavour to be aware of their customer and their supply needs, even where this may be more challenging – for example, estimating the needs of consumers who are on deemed rates.

Outcome 7: When consumers raise concerns, issues or complaints, suppliers investigate and address them fairly, effectively and promptly, via a channel and at a time that meets consumers' needs.

A1.7 Further information: When consumers express concerns, make complaints, or raise issues, energy suppliers take them seriously and respond with fairness and urgency. Investigations are thorough and resolutions are pursued effectively, ensuring that consumers feel heard and respected. Importantly, suppliers offer flexible communication channels (i.e. phone, email, mail or online chat) and accommodate consumers' preferred times, making it easier for everyone to engage and get support. No matter the size of the customer, the supplier should investigate complaints promptly and effectively. The supplier should actively work to understand the needs of their customer, including if they have less understanding of the energy market.

Outcome 8: Consumers are charged for energy in a manner that accurately reflects their usage, with bills being easy to understand and provided in a consistent, timely and appropriate timeframe, as appropriate for the customer type. Customers who are

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struggling to pay their bills should receive compassionate support and flexibility in payment methods and frequencies, especially consumers in vulnerable situations.

A1.8 Further information: Consumers are billed fairly, with charges that accurately reflect the energy they've used. Bills are presented in a clear, easy-to-understand format and are issued consistently and on time, in a way that suits the needs of different customer types. All customers facing financial difficulties (particularly those in vulnerable situations and including non-domestic customers) receive compassionate support, with suppliers offering flexible payment options and frequencies to help them manage their bills. Suppliers should ensure that if bills are not being paid, they contact the customer to understand why.

Outcome 9: All products and services offered by suppliers should be fit for purpose, and where possible, inclusively designed.

A1.9 Further information: All energy products and services provided by suppliers must be reliable, effective, and meet the needs they are intended to serve. They should be designed with a wide range of consumers in mind, ensuring accessibility and ease of use for everyone, including those with diverse needs or in vulnerable situations. Where possible, inclusive design principles should be applied to ensure no one is left behind. We appreciate that in the non-domestic market, some suppliers may offer tailored products/services. Therefore, it is expected that some products/services will not be wholly inclusively designed – but they should be fit for purpose.

Transparent & enables choice

Outcome 10: Consumers receive appropriate and timely advice and information from their supplier that is relevant to them.

A1.10 Further information: Consumers are provided with timely, accurate, and relevant information from their energy supplier to help them make informed decisions. This advice is tailored to their specific circumstances, ensuring it is useful and easy to understand. Whether it's about managing energy use, understanding bills, or accessing support, the information is delivered at the right time and in the right way to meet each consumer's needs. For suppliers in the non-domestic market, the level of information and advice required could vary greatly. As such, we would expect suppliers to consider their customers and what advice and information they need about the product/service.

Outcome 11: Consumers are aware of energy options available to and suitable for them at an appropriate time and are able to make informed choices that best meet their needs.

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A1.11 Further information: Consumers are made aware of the different energy options available to them (such as tariffs, payment plans, or support schemes) at a time when the information is most relevant and useful. Suppliers ensure that consumers have the knowledge and support needed to understand these options, enabling them to make informed choices that align with their personal or business needs, preferences, and circumstances. For suppliers in the non-domestic market, due to the variable nature of business, we are aware that there may be limitations on what suppliers can confirm is appropriate.

Outcome 12: Customers should not be unnecessarily prevented from being able to switch energy supplier despite product or technology purchased or inherited.

A1.12 Further information: Consumers should have the freedom to switch energy suppliers without facing unnecessary barriers, regardless of the products or technologies they use or have inherited (such as specific meters or legacy systems). Suppliers must ensure that these factors do not unfairly limit consumer choice or restrict access to competitive offers, supporting a fair and open energy market. There will be circumstances in which it is appropriate to keep a consumer on your supply, for example, for suppliers in the non-domestic market where some metering arrangements may make it more difficult to switch. Suppliers should still endeavour to support customers in these situations.

Low-cost Transition

Enables infrastructure & markets required for net zero transition

Outcome 13: Consumers understand how to engage with and can make informed choices about the products and services offered by suppliers that support the net zero transition

A1.13 Further information: Consumers should have clear, accessible information that helps them understand the products and services offered by energy suppliers, particularly those that contribute to the net zero transition. This allows them to make informed decisions that align with their needs, values, and budgets. When consumers are well-informed, they can more actively participate in the energy transition. For suppliers in the non-domestic market, there may be more involvement from third party intermediaries regarding products and services, therefore suppliers may need to ensure that the customers are informed of the limits of suppliers' control.

Help consumers benefit from the energy transition

Outcome 14: Consumers understand how they are contributing to and benefitting from net zero products or services obtained via their supplier

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- A1.14 Further information: Consumers should be aware of how the products or services they use are helping to reduce carbon emissions and support the transition to net zero. They should also understand the benefits these offerings bring to them personally, such as cost savings, improved energy efficiency, or a lower environmental impact. This understanding empowers consumers to see the value in their choices and encourages continued engagement with sustainable energy solutions.

Outcome 15: Consumers who choose to engage can and are supported by suppliers who remove barriers within their control

- A1.15 Further information: Consumers who take an active role in managing their energy usage and attempt to engage with the energy transition should not face unnecessary obstacles from their suppliers. Suppliers should simplify processes and eliminate barriers that discourage or prevent engagement for as many consumers as possible. Ongoing innovation is encouraged to remove barriers for all consumers.

Apply innovative solutions to support and protect consumers

Outcome 16: Customers that engage with innovative products and services are protected from unexpected risk

- A1.16 Further information: When customers adopt new energy technologies or services, they should be informed of all potential risks, and where possible, shielded from hidden or unforeseen risks, as appropriate.

Outcome 17: Consumers have confidence that despite how their energy is supplied and regardless of what parties are involved in supplying their energy, the service and technology will work effectively and efficiently

- A1.17 Further information: Whether energy comes from traditional suppliers or new market entrants, consumers should trust that their supplier will ensure delivery and supporting technologies will function reliably, regardless of market complexity.

Resilience

Robustness to market developments and external shocks

Outcome 18: Consumers are adequately protected from the costs of licensee failure

- A1.18 Further information: When an energy supplier fails, the mutualised cost to consumers should be minimised. Costs that could be mutualised must be managed responsibly and suppliers must take appropriate action to minimise such costs.

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Outcome 19: Consumers can be confident that they are dealing with licensees that are financially resilient to external shocks

A1.19 Further information: Consumers should trust that their suppliers are financially sound and can withstand severe but plausible shocks, for example due to market volatility or economic downturns.

Maintain security of supply

Outcome 20: Consumers' supply is maintained in the event of supplier failure

A1.20 Further information: If a supplier goes out of business, consumers should continue to receive energy without interruption. The transition to a new supplier (through a Supplier of Last Resort (SoLR) process or Special Administration Regime (SAR)) should be smooth and transferred customers should be proactively informed about their new supply arrangements and available options.

Ensure sector is investable

Outcome 21: Consumers benefit from fair prices, improved quality of services, and lower cost delivery of net zero as the sector attracts sufficient investment

A1.21 Further information: A resilient, profitable, investable market is essential for sustainable competition, where energy retailers have incentives to innovate in the pursuit of net zero and receive a reasonable profit as they drive up consumer service standards.

Outcome 22: Consumers benefit from licensees which are adequately resourced, demonstrating the right balance between resilience and innovation

A1.22 Further information: Suppliers should have enough resources to maintain reliable operations whilst remaining free to innovate. We recognise the need to strike the right balance with financial resilience to avoid creating unnecessary barriers to entry to the market or constraints to competition.

Enhanced protections for consumers in vulnerable situations

These outcomes only apply to domestic customers.

Outcome 23: 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.

A1.23 Further information: Consumers in vulnerable situations should be recognised and supported without having to face unnecessary barriers. Energy suppliers

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are expected to identify signs of vulnerability and make it easy for consumers to share or update their circumstances. Support services should be clearly communicated, easily accessible, and tailored to meet the specific needs of each individual.

A1.24 Standards of Conduct definition of ‘vulnerable situation’: Means the personal circumstances and characteristics of each Domestic Customer create a situation where he or she is:

- (a) significantly less able than a typical Domestic Customer to protect or represent his or her interests and/or
- (b) significantly more likely than a typical Domestic Customer to suffer detriment or that detriment is likely to be more substantial.

Outcome 24: Consumers in vulnerable situations should be provided with tailored communications that are easy to understand. They should be able to engage with their energy supplier with ease and do not face exclusion based on their circumstances.

A1.25 Further information: Consumers in vulnerable situations should receive communication from their energy supplier that is clear, simple, and relevant to their specific needs. This means information should be easy to understand, presented in accessible formats, and sensitive to their circumstances. Additionally, these consumers should be able to interact with their supplier easily, without facing obstacles due to their situation. No one should be excluded or disadvantaged when trying to manage their energy services or access support.