

Guide for energy suppliers and debt advice providers when working together to support consumers.

Publication date: 28 January 2025

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This document is for energy suppliers and debt advice providers. It sets out the landscape of debt advice in Great Britain and highlights both good and poor practice when suppliers and providers are working together to support households in energy debt.

Guide for energy suppliers and debt advice providers when working together

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Contents

1. Introduction.....	4
2. The regulatory landscape of debt advice	5
3. Feedback from energy suppliers for debt advice providers	6
4. Feedback for energy suppliers from debt advice providers.....	8
Third party authorisation.....	8
Debt repayment offers from debt advice providers.....	9
Communication and record keeping.....	11
Referrals.....	12
5. Further reading.....	15

Guide for energy suppliers and debt advice providers when working together

1. Introduction

We know that energy suppliers and debt advice providers encounter friction when working together to support consumers in debt. Through our engagement with both sectors, we have also heard many examples of good practice.

We have compiled our findings into this guide across four main themes:

- Third party authorisation
- Offers of debt repayment plans from debt advice providers
- Communications and record keeping
- Referrals

Where there are good processes, policies and appropriate staff training in place, both suppliers and debt advisers benefit from faster resolution times and efficiencies overall. Consumers are more likely to receive a good outcome, more quickly, if there are fewer barriers to a Financial Conduct Authority (FCA)-authorised or local authority debt adviser representing them to their energy supplier.

Consumers continue to face challenges with affordability and bill support, and we are working with government and others on these.

This guide begins with a look at the regulatory landscape of debt advice before sharing a brief summary of the feedback that suppliers gave us for debt advice providers and, more widely, consumer groups. The rest of the document is aimed at energy suppliers.

2. The regulatory landscape of debt advice

In the 12 months to May 2024, the Financial Conduct Authority (FCA), found that 1.7 million (3.2%) adults used a debt advice or debt management service, including 22% of adults in financial difficulty.¹

Debt advice providers vary in their geographical coverage, size, specialism, regulatory oversight and the format in which they provide advice. Some can provide support at scale, where others are based in local communities. Many local authorities or housing providers employ their own debt or money advisers.

Debt advice in the UK is regulated by the FCA which requires anyone providing debt management services to meet minimum standards, regardless of whether or not they charge a fee. Local authorities are a notable exemption from FCA authorisation, as are insolvency practitioner firms, who are regulated by the Insolvency Service.

The credentials of a debt advice provider can be publicly checked through the FCA register². If the advice organisation is a charity, this can be verified by the Charity Commission³ or the Scottish Charity Regulator⁴. In England and Wales, the professional membership body for money advisers is the Institute of Money Advisers⁵; and in Scotland it is Money Advice Scotland⁶.

Some debt advice providers charge their clients an administrative fee for disbursing payments to creditors via a Debt Management Plan. One in seven (14%) of all debt advice users in 2024 paid for the advice⁷. The commercial debt advice sector is represented by the Debt Managers Standards Association (DEMSA).⁸

We encourage suppliers to raise concerns with the quality of advice given by an FCA- authorised debt adviser with the organisation concerned. If the concern is not resolved, suppliers can raise this with the FCA or with the Money and Pensions Service (MaPS) if the organisation concerned is funded by them.

We also encourage suppliers to take note of the FCA's rules on lenders' responsibilities in relation to debt as set out in CONC.7.12.2 (1) and (3) of their Handbook⁹. These rules have been in place in financial services for over a decade and support a positive culture towards working with debt advice providers.

¹ [Financial Lives 2024 survey - Forbearance & debt advice - selected findings](#)

² [Register Home Page](#)

³ [The Charity Commission - GOV.UK](#)

⁴ [OSCR | HomeOSCR | Home](#)

⁵ [Home - Institute of Money Advisers](#)

⁶ [Money Advice Scotland](#)

⁷ [Financial Lives 2024 survey - Forbearance & debt advice - selected findings](#)

⁸ [DEMSA](#)

⁹ [CONC 7.12 Lenders' responsibilities in relation to debt - FCA Handbook](#)

3. Feedback from energy suppliers for debt advice providers

Here we summarise the friction points that suppliers encounter. Of most concern were the processes for verification of debt advisers, issues around incomplete income and expenditure assessments, and challenges with how payments for ongoing energy and arrears are recorded. Many suppliers also raised concerns where a debt management company charges a fee to the consumer.

Good practice

Debt advice providers should:

- Treat energy debt (on live accounts) as a priority debt¹⁰ alongside rent, water, council tax, and other essential financial obligations.
- Promote or share existing dedicated contact routes into a supplier with their frontline debt advisers.
- Are clear with suppliers on their offer and how it is given, for example if it covers a geographical area, if it is face-to-face or online, if they offer other advice services.
- Proactively contact suppliers to establish a smooth route into the supplier's system, including agreeing a Memorandum of Understanding, or vice versa (work with a supplier who has approached them).

Areas for improvement

There is friction and delay caused when debt advice providers:

- Are unable to provide explicit consent from their client either verbally or in writing; or submit incomplete forms of authority.
- Do not provide sufficient information to enable the supplier to identify them and run appropriate checks, eg relevant charity numbers and/or information on membership accreditation on any documentation.

¹⁰ [Financial Conduct Authority Handbook - priority debt](#)

Guide for energy suppliers and debt advice providers when working together

- Do not allow for payment towards ongoing energy costs as well as debt when determining a client's ability to pay.
- Offer a repayment plan based on very limited information from their client - a common cause of a repayment plan being questioned.
- Use direct communications routes dedicated to debt resolution for non-debt related issues.

4. Feedback for energy suppliers from debt advice providers

Here we summarise the friction points that debt advice providers encounter spread over four themes: third party authorisation, debt repayment offers, communications and record keeping, and referrals.

Third party authorisation

Third party authorisation is needed when a consumer appoints an individual or organisation to act on their behalf.

Under data protection law, a lawful basis is required to disclose personal data to a third party. Generally, suppliers will ensure that their customer has provided explicit consent for a third party to work with them. The preferred method of giving explicit consent is verbally from the customer, however, this is not always possible or practical. For example, a debt adviser may only have a short window in which to conduct an income and expenditure assessment and then agree a plan of repayment with four or five creditors. Similarly, a customer may have been cut off from their telecoms contracts due to non-payment, or they may be in hospital with a health condition, making it difficult for them to speak to their supplier directly. Because of this, most sectors will also accept a letter or form from a debt advice provider requesting authority to act on behalf the customer. Data controllers should satisfy themselves that they have a lawful basis for the disclosure of personal data when required.

Good practice

Consistent and robust authority to act processes increase operational efficiencies for both suppliers and debt advice providers. Examples include suppliers who:

- Have a clear and consistent process in place for requests for authority to act from debt advice providers, which customer service staff are aware of and trained in, and respond to these in a reasonable time.
- Establish clear non-telephone channels for sharing digital paperwork with debt advice providers, including forms of authority, such as a dedicated and secure email inbox.
- Offer password protected access to a customer account for third parties who call when the customer is not present.

Guide for energy suppliers and debt advice providers when working together

Areas for improvement

Friction occurs when:

- Suppliers refuse to work with a provider purely on the grounds that they are not their preferred debt advice partner.
- A supplier requests a form or letter of authority by post. This is a slow and often resource-heavy process.
- A power of attorney document is requested where it is inappropriate to the authority sought.
- Suppliers try to add the debt advice provider as a named account holder on their customer's account.
- A supplier's AI system does not accurately record that a call handler has accepted a verbal authority to act request.
- A customer is required to be present on the call at each contact. This can limit a debt adviser's ability to support a client, especially those in rural areas or those who struggle with mobility.
- Authority to act and ID checks must be repeated with each new staff member on the same call.

Debt repayment offers from debt advice providers

Debt advisers often conduct detailed income and expenditure assessments to understand an individual's circumstance and what, if any, disposable income is available to arrange repayment plans with their client's creditors.

Suppliers benefit from a more efficient process if information from a debt advice provider is given due consideration when the supplier is determining a customer's ability to pay holistically.

There can be conflicting pictures of a consumer's financial situation presented through open banking, credit reference agencies and an income and expenditure assessment. While open banking shows what a customer *has* paid to a creditor, this may not reflect what they *should* have paid; this gap can lead to further arrears and an unbalanced budget. We would encourage suppliers to also be mindful of often hidden vulnerabilities such as economic abuse and addictions, which debt advisers are trained to recognise.

Guide for energy suppliers and debt advice providers when working together

The Standard Financial Statement (SFS)¹¹ (Common Financial Statement (CFS)¹² in Scotland) is a rigorous and widely adopted holistic income and expenditure assessment tool, designed with a transparent methodology to minimise disagreements between creditors and debt advisers, particularly in regard to discretionary spending. It was also created to minimise the need for a consumer in debt to conduct multiple income and expenditure assessments with multiple creditors, which is a poor outcome and risks disengagement. Flexibility is built into the assessment depending on a household type and individual circumstances. Debt advisers are trained to conduct a SFS or CFS to determine affordability, and many creditors adopt SFS/CFS compliant tools in order to minimise subjective interpretations of a consumer's income and expenditure.

While a supplier must ascertain a customer's ability to pay, an SFS/CFS conducted by an FCA-authorized or local authority debt advice provider should be duly considered and, in many cases, removes the need to ask for further financial information. If a supplier considers that an SFS/CFS accurately determines the customer's ability to pay, this may form the foundation of the process of calculating repayment instalments.

The SFS policies, including the spending guidelines, are developed and agreed by the Money and Pensions Service (MaPS) in collaboration with debt advice providers and creditor representatives. Any questions, suggestions, issues or reports of an organisation misusing the SFS should be raised with MaPS¹³.

Good practice

Good outcomes are achieved when suppliers:

- Have a culture of accepting offers of repayment based on a robust and independent income and expenditure assessment from an FCA-authorized or local authority debt advice provider.
- Work with debt advisers to share accurate and consistent data on the value and historic accumulation of debt, as well as ongoing consumption as a consumer will often not understand or misreport this.

Areas for improvement

Friction occurs when suppliers:

- Reject an offer of repayment without explaining why.

¹¹ [Homepage | SFS](#)

¹² [Accountant in Bankruptcy - Scotland's Insolvency Service - Understanding the Common Financial Statement: A Comprehensive Guide to Debt Repayment Tools and Authorisation Process](#)

¹³ The SFS team can be contacted at sfs.support@maps.org.uk

Guide for energy suppliers and debt advice providers when working together

- Ask a customer to conduct an additional income and expenditure assessment when one has already been conducted by a debt adviser.
- Accept an offer of a repayment plan based on the SFS but ask for additional information on discretionary spending.
- Expect that a large debt can be repaid over a short (three to six month) period, or in full immediately, where a consumer has a low income, a deficit budget or is in a severe vulnerable circumstance.

Communication and record keeping

Customer satisfaction with the ease of contacting their supplier has seen improvement over the past two years¹⁴. Some suppliers go further than regulatory expectations and offer dedicated contact routes to a small number of consumer groups and debt advice providers they have established formal partnerships with. These work well as a supplier can support a large number of consumers at scale. Where debt advisers have access to them, these work very effectively for both the supplier and advisers in reducing waiting times and building strong mutual relationships.

We heard many examples of individual energy suppliers and debt advice providers who have built on this to establish formal working partnerships which may include training, call listening, sharing materials, referral pathways and regular feedback sessions.

We encourage suppliers to be aware of differences in government schemes and financial assistance across Great Britain and the devolved nations so as not to confuse customers.

Good practice

Good outcomes are achieved when:

- A secure and well monitored email inbox is used to share digital paperwork and other information
- Notes of conversations are recorded on an individual's account to keep track of their debt pathway and interaction with relevant third parties
- A supplier attempts to recontact the adviser to resume the call with a debt advice provider when it has been unexpectedly cut off.

¹⁴ [Energy Consumer Satisfaction Survey: July to August 2025 summary | Ofgem](#) (p.6)

Guide for energy suppliers and debt advice providers when working together

- Dedicated and specialist internal debt teams, where they exist, are assigned to small caseloads to ensure smooth and consistent processing of customer debt journeys.
- Qualified debt adviser(s) or a ‘Debt Advice Liaison Manager’ are hired into a supplier’s in-house teams to advise on the debt pathway and how to work with debt advice providers effectively. Or specific training such as MaPS Money Guiders programme¹⁵ is carried out.
- Tools such as SignVideo and LanguageLine are used to support accessible communications with customers.
- There are proactive offers of support to customers in debt who are being supported by their chosen debt advice provider, this could include adding a customer to the Priority Services Register, offering a debt matching or write off scheme, or providing energy efficiency advice and support.

Areas for improvement

Friction occurs when:

- Supplier staff are insufficiently trained to support customers in debt or the debt advice providers supporting them. They are unsure which team to transfer such calls to if an internal team exists.
- Debt advice providers are advised to raise a complaint where a supplier’s frontline call handler does not have the agency or authority to deal with customer debt.

Referrals

Improving referral pathways between suppliers and consumer groups can mean that customers get help sooner and it is tailored to their circumstances.

A referral is where a supplier directs a customer to a different organisation for information or support. There are different types of referral mechanisms. Signposting, a type of referral, is where a supplier provides details to a customer about a range of organisations that can help, and the customer is expected to contact the organisation themselves. Warm referrals are where a supplier has more information about a customer’s circumstance and refers them directly to another organisation without the customer having to make another call.

¹⁵ [Money Guiders](#)

Guide for energy suppliers and debt advice providers when working together

In 2024, the FCA reported that just under three-quarters of debt advice users approached their debt adviser directly, with around a quarter being referred (16% referred by a financial services provider and 7% by someone else).¹⁶

Consumers who are struggling to pay can often have low awareness of the wide ecosystem of support available to them, particularly among those who may be new to financial difficulties. We know that many will wait a significant amount of time before seeking professional support for debt, others may have problems with budgeting or understanding their bills.

It can be difficult for an energy supplier to know who best to signpost their customer to for support, particularly when the support needed goes beyond what the energy sector can and should provide. One supplier works with the National Support Network¹⁷, a vetted support service directory, to support their customer signposting process. Another uses MoneyHelper¹⁸ to help customers find free debt advice tailored to them.

There may also be complex situations where a supplier has safeguarding concerns and must liaise with social services and other agencies to get the right support for their customer. One supplier has gone a step further by hiring an in-house social work team.

Some suppliers have active warm referral pathways into consumer groups they have established a formal partnership with. Typically, these are with consumer groups who can manage referrals at scale or who offer specialist services as it can be challenging to manage processes across multiple partners.

Where a warm referral pathway exists, consumers should always receive a clear explanation of what the consumer group does and what help they will provide in a format that they understand. Referrals and signposting should be tailored to the customer, for example a customer shouldn't be referred to an online consumer group if they are digitally excluded.

Good practice

Good outcomes are achieved when:

- Where an active referral has been made to a debt adviser, processes are in place to support the outcome of that call, for example, a dedicated contact channel, a smooth route for authority to act and offers of a repayment plan accepted when the customer and/or consumer group comes back to the supplier.
- Debt advice providers and suppliers have active and regular feedback loops, with continuous improvement in policy and process effectively passed on to frontline staff and advisers.

¹⁶ [Financial Lives 2024 survey - Forbearance & debt advice - selected findings](#)

¹⁷ [Make it easy to find help fast - National Support Network](#)

¹⁸ [Debt Advice Locator | Syndication | MoneyHelper](#)

Guide for energy suppliers and debt advice providers when working together

- Suppliers are active in local communities or with the debt advice sector, attending relevant consumer group events, or working with umbrella organisations to support or connect with smaller, more local consumer groups. This is particularly helpful where a customer may need face to face support. For example, one supplier employs community liaison officers.
- Where customers are signposted, they understand that this is to an external and independent organisation and not an extension of the supplier.

Areas for improvement

Friction occurs when:

- A customer is advised by their supplier to contact a debt advice provider to confirm a repayment plan where this has already been mutually agreed with the supplier.
- Suppliers signpost customers to a debt advice provider or consumer group for issues that they should manage in-house, for example, not being able to secure a smart meter maintenance appointment.

5. Further reading

The University of Bristol Personal Finance Research Centre (supported by Ofgem and StepChange) have published a report on [energy debt advice referral pathways](#). This research puts forward an evidence-based action plan for improving debt advice referral pathways for energy customers.

[Money and Pensions Service](#) have produced a [strategic toolkit](#) for creditors on working collaboratively with debt advice agencies, it includes sections on debt advice interventions, customer affordability, debt advice referral strategies and engagement and partnerships. They have also published research and recommendations on [motivations and barriers to seeking debt advice](#).

The [Money Advice Liaison Group](#) is a membership organisation whose purpose is to galvanise organisations to ‘work together to improve the lives of people with problem debt’.

Money Advice Trust have produced a [short guide](#) on how to report mis-leading adverts for debt advice.

Guide for energy suppliers and debt advice providers when working together

Send us your feedback

We are keen to receive your feedback about this guidance. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this guidance?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Do you have any further comments?

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