State of the market report

Energy retail market highlights

27 January 2026

ofgem

Making a positive difference
for energy consumers

In this report we present findings from our most recent data on Energy Retail Markets. Our analysis covers key metrics, emerging trends, and insights aligned to the outcomes as set out in Ofgem's Consumer Interest Framework.

Key findings

Fair Prices

The domestic price cap for a typical dual-fuel household paying by direct debit fell from £1,849 in April 2025 to £1,758 for January 2026 as wholesale costs eased. Great Britain (**GB**) electricity prices remain among Europe's highest (44% above the European Union (**EU**) median for households and 92% higher for medium sized businesses) while gas prices are closer to the median. Business energy costs show persistent gaps, with very small firms paying the highest price. Fixed-term contract (**FTC**) adoption increased to one-third of customers over the past year. Energy debt and arrears reached £4.48bn in Q3 2025, marking the twelfth consecutive quarterly increase, with 3.6m customers in debt. Ofgem is advancing a range of measures – including a statutory consultation on a targeted Debt Relief Scheme and improved supplier practices – to reduce historic debt, prevent new debt buildup, protect vulnerable consumers, and support a more stable retail market.

Quality & Standards

Domestic customer satisfaction has reached record levels, with overall satisfaction with their supplier at 82% in August 2025 and customer service satisfaction at 76%, the highest scores since the tracking of these metrics began. Improvements reflect better supplier performance across a number of metrics such as ease of contacting the supplier and billing satisfaction. Standard Credit customers saw the largest improvement since the survey was last conducted, rising from 76% to 82%, now on par with direct debit customers for the first time. The satisfaction levels of all three payment types of customers are now consistent. Complaints have fallen to their lowest level since 2022. Although overall satisfaction levels have been increasing, consumers in vulnerable groups report lower levels of overall satisfaction with their supplier. In the business sector, satisfaction rose to 68% in 2025, while the proportion of businesses reporting they have made a complaint about their supplier dropped to 18%. Ease of contacting suppliers for businesses have improved significantly.

Suppliers & Resilience

The domestic retail energy sector faced a financially challenging 2025, with warm spring weather and rising customer debt compressing margins despite suppliers' return to profitability after the crisis years. Although Ofgem increased the EBIT allowance in 2023 and suppliers offered substantial discounts to the price cap in 2025, projected domestic profits are expected to fall to £0.27bn from £0.88bn in 2024, while non-domestic profits remain broadly stable. There are 22 active suppliers in the domestic gas and electricity retail market and 94 active suppliers in the business market. The six largest suppliers hold 92% of market share in Q2 2025. Octopus, the only major player gaining share, and a new entrant expanded rapidly to over 200,000 customers by year-end.

Low-Cost Transition

Smart meter deployment continues to progress, with over 40 million installed across GB households by the end of September 2025 – 70% of all domestic meters – and 2 million in the non-domestic sector (64%). Large suppliers installed 650,000 domestic and 26,000 business smart or advanced meters in Q3 2025, down 8.2% from Q2 and 4.7% year-on-year. However, around 8.3% of smart meters are not operating in smart mode. Ofgem has undertaken compliance action with nine suppliers to investigate why some smart meters are not operating in smart mode. Since July 2024, over 900,000 previously non-functioning smart meters have been restored to smart operation and we continue to monitor progress and drive up performance. Smart tariffs remain in early adoption but are growing rapidly: penetration reached 2.8% of the domestic market by July 2025, with customers on smart Time-of-Use (**ToU**) tariffs increasing 68% year-on-year to 835,000. EV-specific tariffs drove this growth (+84% to 653,000), compared to +27% for other smart ToU products. The Market-wide Half-Hourly Settlement (**MHHS**) rollout is expected to increase the number of flexible tariffs in the market throughout 2026.

Fair Prices

In the retail household market, price protections remain in place through the Ofgem price cap, which ensures that standard tariffs reflect efficient costs and help shield consumers from the 'loyalty penalty'. Energy debt and arrears have grown, leading to higher prices for all consumers which remain a key concern. In the business sector, we continue to monitor how the market is working for consumers through surveys that capture customers experience, including businesses' ability to manage their energy bills and their experiences with switching.

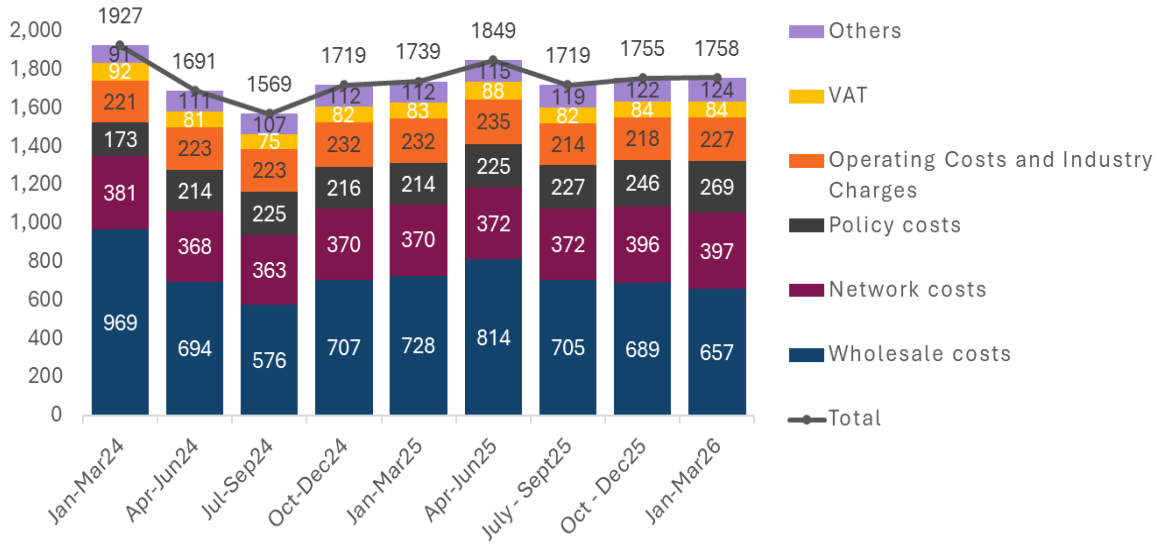
Price Levels

In the previous State of the Market report, the price cap for a dual fuel customer with average consumption stood at £1,849 for direct debit customers. This amount decreased in July and is now marginally higher than the October-December period. The current price cap, which covers January-March 2026, means that a dual-fuel customer with average consumption would spend per year **£1,758 for direct debit customers. The price for those paying by prepayment meter is capped at a lower level with an equivalent £1,711 for those with average consumption.**

Wholesale costs fell during the latter half of 2025 because the main drivers of price pressure eased. This decline was driven by several underlying factors. Global gas prices fell as LNG supply expanded and European storage remained high, reducing marginal generation costs as gas sets wholesale electricity prices. Carbon allowance prices also softened, while strong renewable output displaced gas-fired generation during peak periods. Combined with lower demand and improved market stability, these trends drove wholesale electricity costs down, even though they remain above pre-crisis levels.

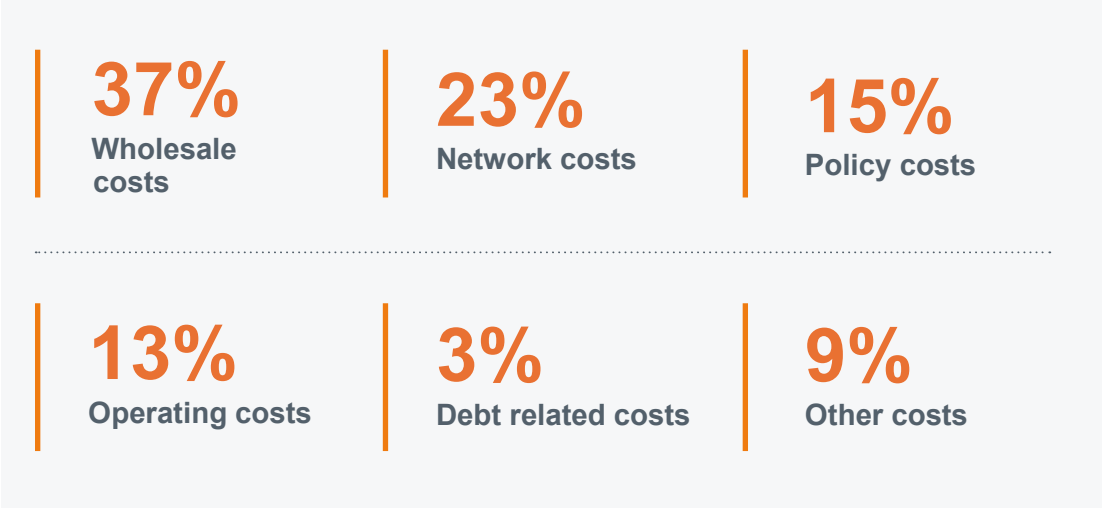
A further reduction in energy bills is expected for the April-June 2026 price cap period, following the government's Autumn Budget announcement to cut the cost of living by taking an average of £150 off household energy bills.

Price cap components for a Direct Debit, typical dual fuel consumer January 2024 to March 2026, GBP (nominal prices)



Source: Ofgem analysis of price cap data*

Bill breakdown for dual fuel direct debit Standard Variable Tariff (SVT) for a typical household use between January - March 2026, %

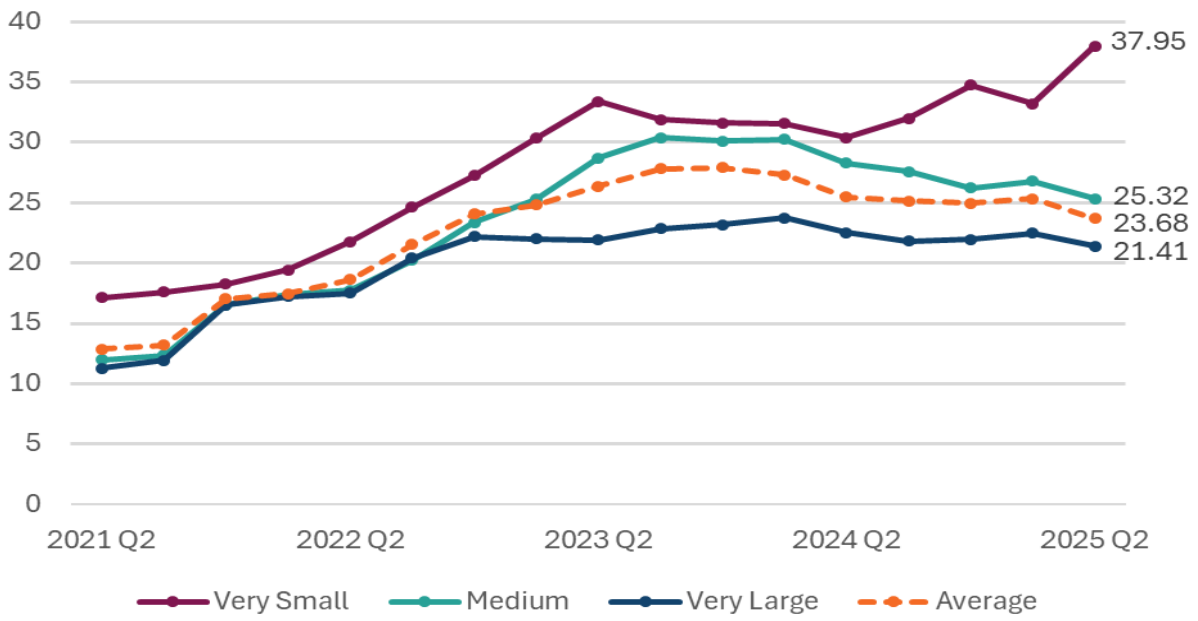


Source: Ofgem analysis of price cap data*

*Note 1: "Dual fuel" refers to a household supplied with both electricity and gas (single electricity meter and single gas meter). TDCV refers to Typical Domestic Consumption Value, values are presented on a TDCV basis for consistency across time.
*Note 2: The wholesale electricity price includes carbon and capacity market costs. Policy costs refer to the sum of the Assistance for Areas with High Electricity Distribution Costs (AAHEDC), Energy Company Obligation (ECO), Feed-in tariff (FiT), Green Gas Levy (GGL), Network Charging Compensation (NCC), Warm Home Discount (WHD) schemes and Contracts for Difference (CfD) costs. Price cap publications include CfD costs within the wholesale (Direct Fuel) category, but for the purposes of this chart they have been reallocated to Policy Costs, to group together the different forms of support provided to the deployment of renewable generation.

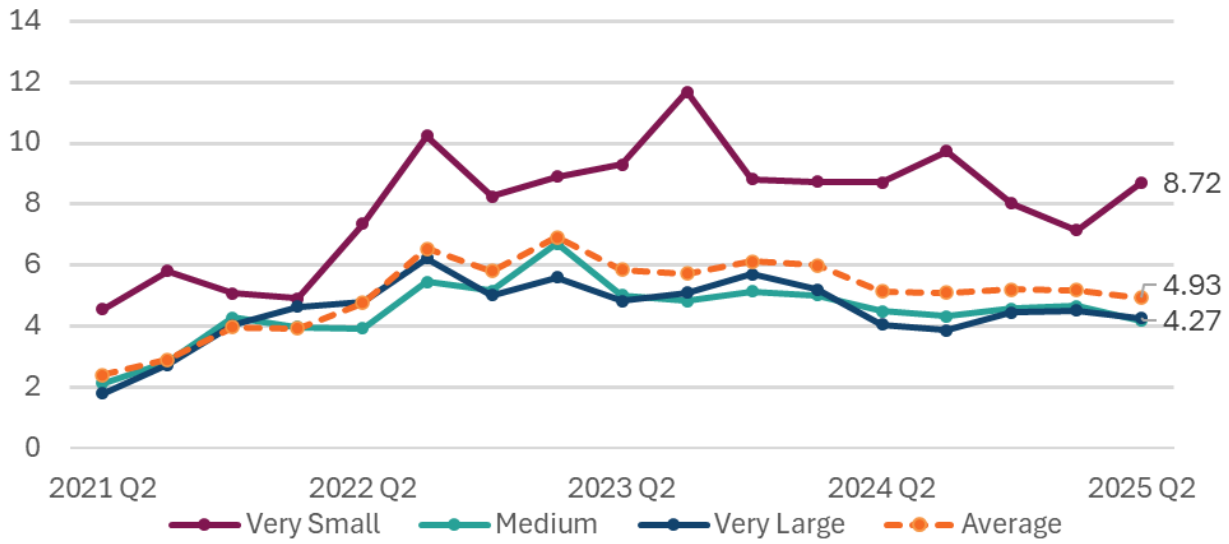
In the business sector, energy prices continue to vary by customer size, with smaller businesses paying the highest price. After sharp rises in 2023, electricity costs fell for medium and large businesses through 2024 - 2025, while very small businesses saw renewed increases, widening the gap. Gas prices declined steadily across all groups during 2025, though very small businesses saw an increase in Q2 2025 and consistently faced higher prices than other businesses, reflecting, on average, higher credit risk and shorter-term contracts.

Selected electricity prices by business size, pence per kWh (nominal prices)



Source: Gas and electricity prices in the non-domestic sector | DESNZ
Note: Prices shown are UK-wide averages. The average price for each size of consumer is obtained by dividing the total quantity of purchases, for each fuel, into their total value. Prices shown are fully delivered prices, including all elements except VAT.

Selected gas prices by business size, pence per kWh (nominal prices)

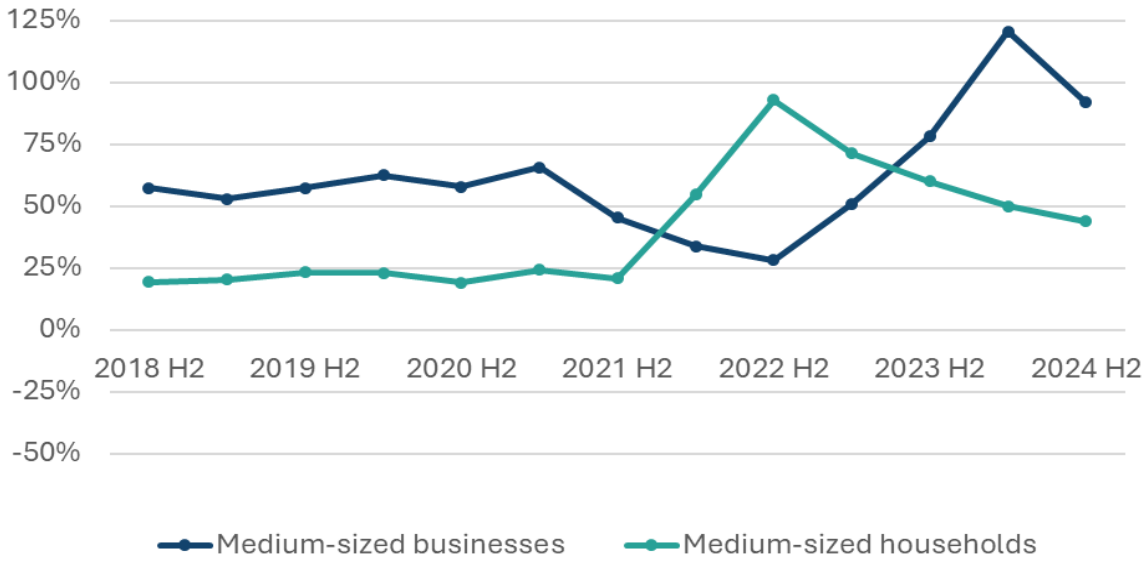


Source: Gas and electricity prices in the non-domestic sector | DESNZ
Note: Prices shown are UK-wide averages. The average price for each size of consumer is obtained by dividing the total quantity of purchases, for each fuel, into their total value. Prices shown are fully delivered prices, including all elements except VAT.

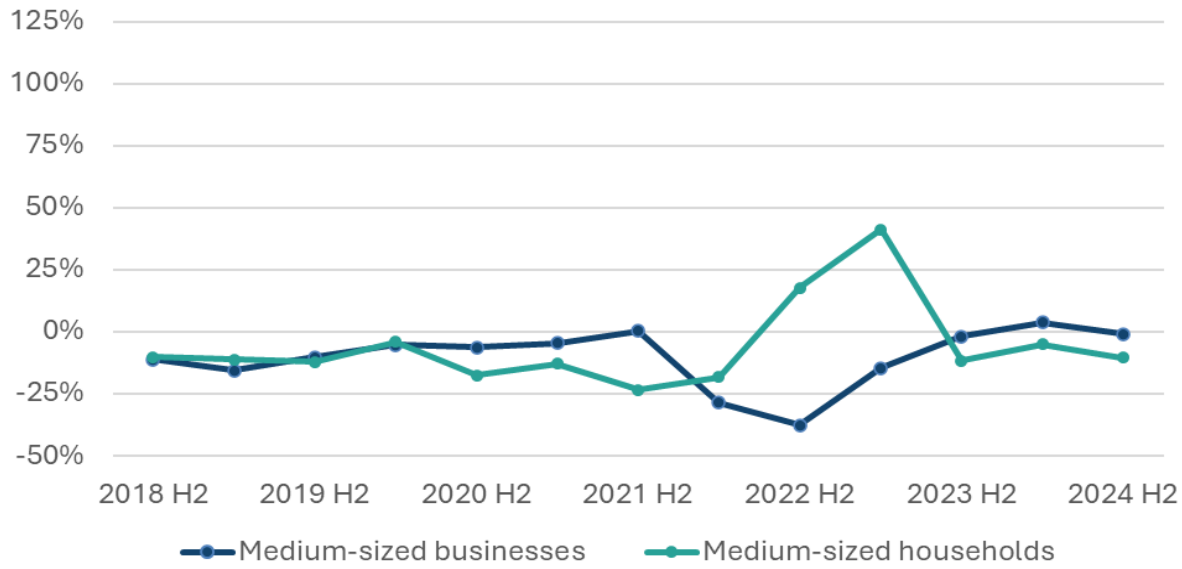
International Comparison

Electricity prices for both households and businesses in the UK remained among the highest in Europe in the second half of 2024. According to the Department for Energy Security and Net Zero's (**DESNZ**) data, electricity prices for medium-sized businesses and households in the UK were 92% and 44% higher than the European median, ranking first and fourth highest in Europe, respectively. High electricity prices are mostly due to gas being the marginal source of power, which sets prices for wholesale electricity in the UK. Additionally, higher than average renewable and energy efficiency levies further increase the cost for non-exempt customers. Gas **prices in the UK are much closer to the European median**, with prices for medium-sized households ranking as the 16th highest in Europe.

Difference between average electricity (top) and gas (bottom) prices in the UK and the EU27+UK median, %



Source: International industrial energy prices - GOV.UK

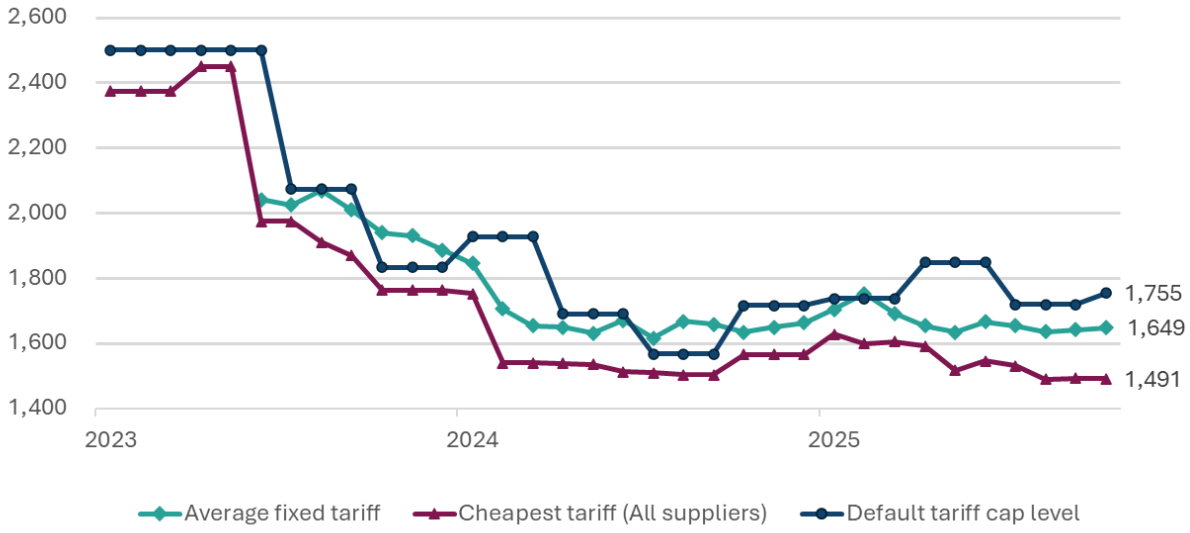


Source: International industrial energy prices - GOV.UK

Consumer Engagement

Since mid-2023, the number of tariffs available has increased, while price has declined. The default tariff cap fell from about £2,500 in early 2023 to approximately £1,700 by late 2024, before reaching £1,755 in October 2025. The average fixed term tariff is still tracking materially below the cap. **As of October 2025, the differential between the cheapest tariff and the price cap is approximately £265.**

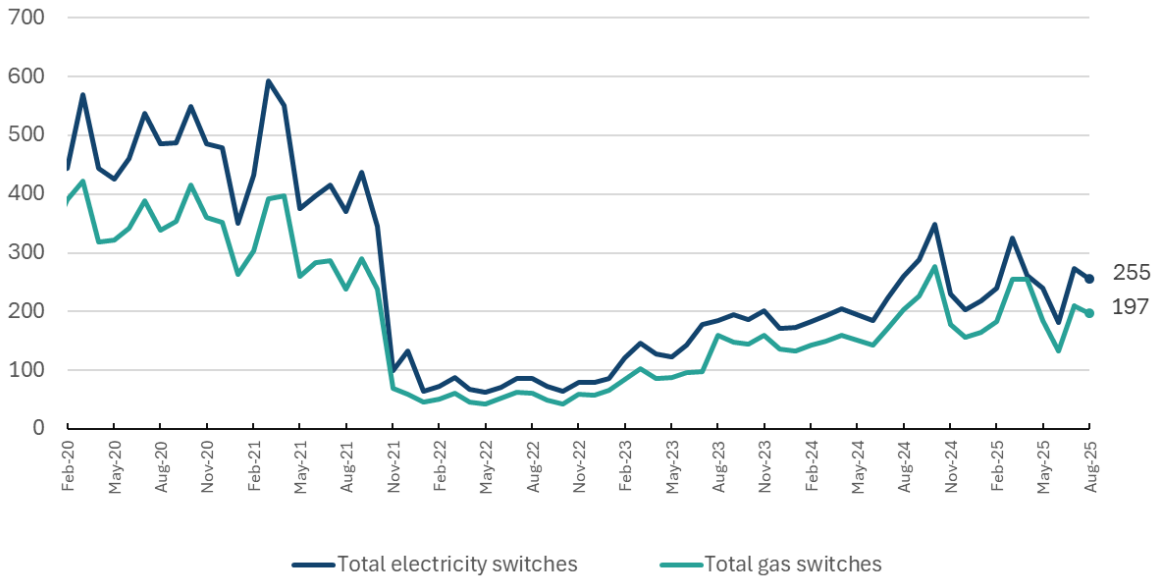
Retail price comparison company and tariff type (domestic, GB), GBP



Source: Retail market indicators | Ofgem

While switching rates are below pre-crisis levels, survey evidence indicates that price remains the primary driver of switching decisions. While the market is recovering from the historic lows following 2021, **volatility in switching volumes reflects a price-sensitive consumer base that reacts primarily to energy price cap announcements**, which typically occur in February, May, August and November, rather than switching consistently throughout the year.

Number of domestic customers switching suppliers by fuel type GB, thousands



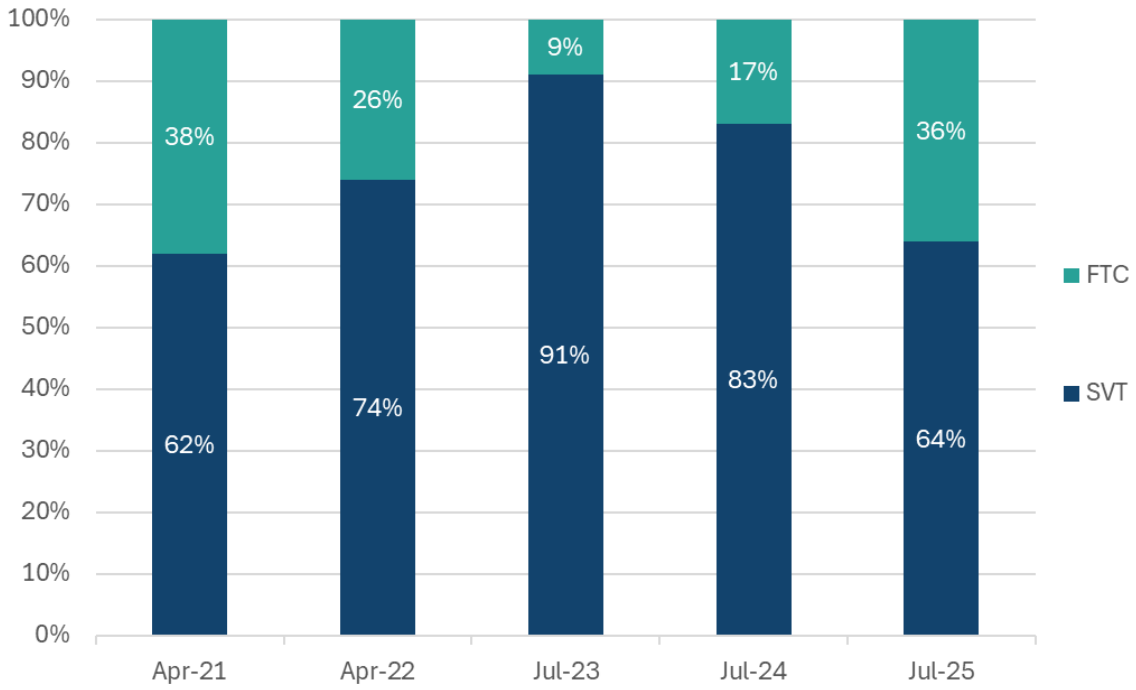
Source: Retail market indicators | Ofgem

Motivation for switching to a new energy supplier/tariff in the last 6 months, January/February 2025, %

B C5b: And why did your household switch <tariff/supplier>? Base: GB energy consumers who have switched tariff or supplier in past 6 months (754).
Source: CIM Wave 6 Main Report.pdf

The share of customers on FTCs is trending back toward pre-crisis levels. By July 2025, around one-third of customers were on FTCs, twice the proportion recorded in July of the previous year.

Electricity share of customers on each tariff type April 2021 – July 2025, %

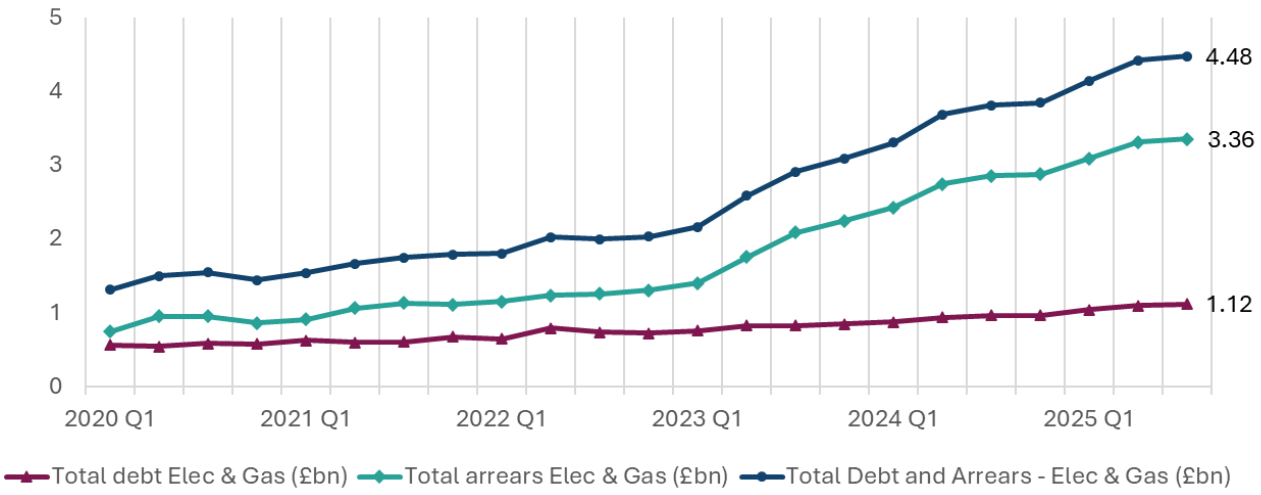


Source: Ofgem Tariff RFI
Note: In this chart, 'Non-standard variable/other' tariffs have been combined with SVT for reporting purposes.

Debt and arrears

Domestic customer debt and arrears continued to rise throughout 2025, reaching a record high of £4.48bn in the third quarter of 2025**, marking the twelfth consecutive quarter of increase. This trend reflects a deepening intensity of debt per household, driven by rising average arrears rather than a sharp increase in the number of affected customers.** To address this**,** Ofgem is working with suppliers and consumer groups to progress the development of a number of measures to reduce the historical accumulation of debt and to limit the build-up of new debt. This includes launching a statutory consultation on a targeted Debt Relief Scheme (DRS), designed to write off eligible energy debt accrued during the crisis period. The initiative aims to reduce unmanageable debt, protect vulnerable consumers, and stabilise the retail market**.** We are also working with suppliers to support and incentivise them to recover debt as effectively as possible, without compromising on essential protections for consumers, and to explore options for enabling suppliers to prevent the build-up of debt, such as through changes in the home moves process.

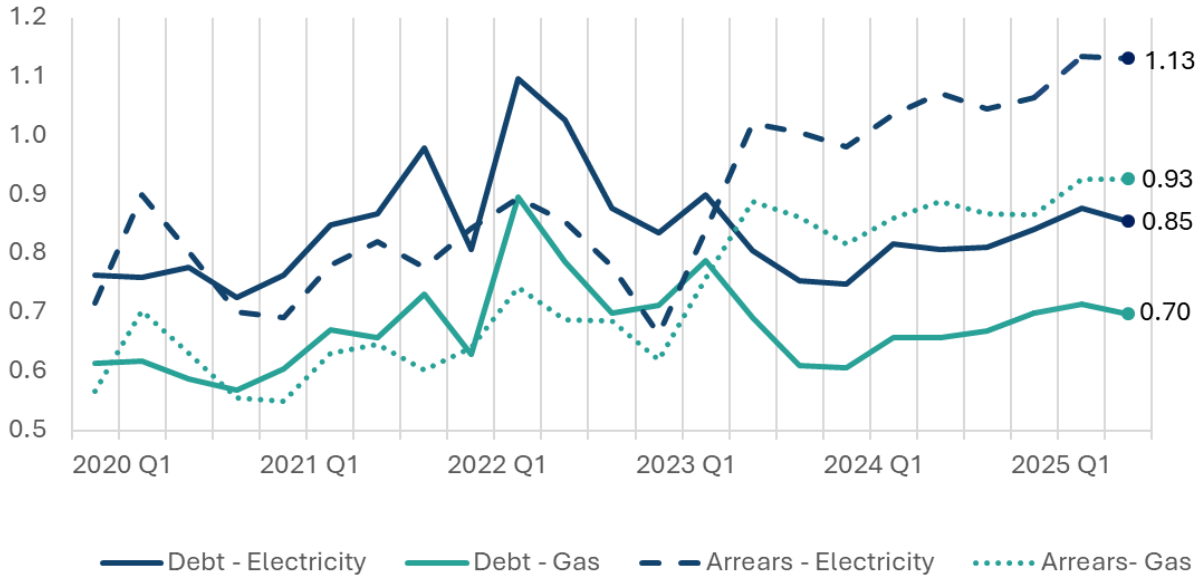
Total Financial Value of Domestic Customer Debt and Arrears (existing for more than 91 days), £bn (nominal values)



Source: Debt and arrears indicators | Ofgem

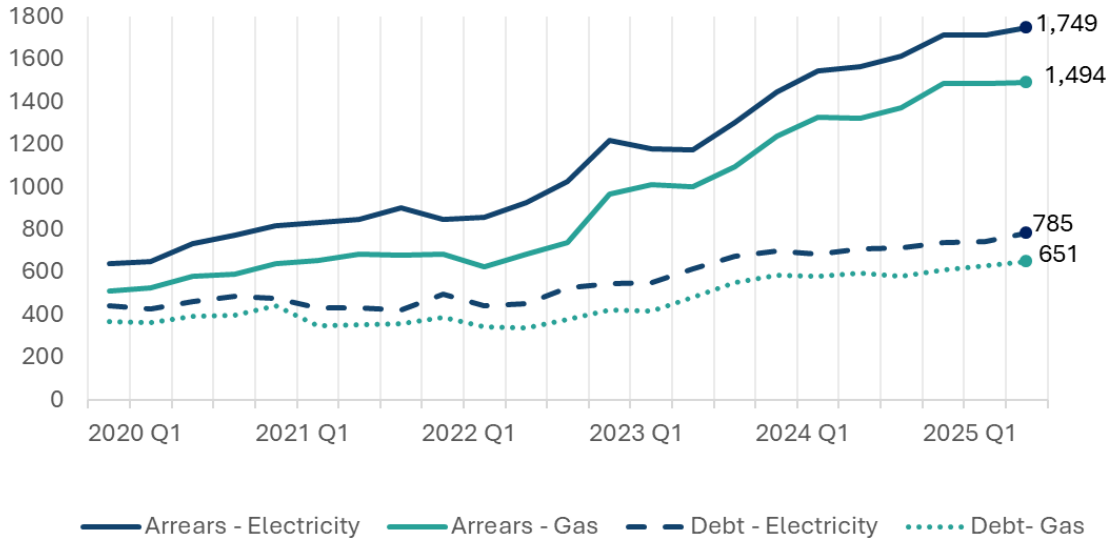
While the number of customers in debt or arrears increased by 5% from 3.4m to 3.6m over the past year, the average debt per-customer (with or without an arrangement to repay) also rose by 11%. These **trends show an increased debt and arrears intensity per customer as well as an increase in the overall number of customers in debt**.

Number of accounts with a consumer repaying an energy debt (solid line) and number of accounts in arrears where there is no arrangement to repay the debt (dotted line), millions



Source: Debt and arrears indicators | Ofgem

Average debt level where there is no arrangement to repay the debt (ie, arrears) (solid line) and average level of debt remaining where there is an arrangement to repay the debt (ie, debt) (dotted line), GBP (nominal prices)



Source: Debt and arrears indicators | Ofgem

In the business sector, according to unpublished findings from Ofgem's non-domestic 2025 research survey, satisfaction regarding affordability of energy costs remained stable[1]. In 2025, 70% of businesses indicated they are keeping up with their bills with no difficulties, whereas 19% reported keeping up with bills although they struggle from time to time, whilst 6% reported constantly struggling with bills, on par with 2024. Sole traders and micro businesses are more likely to struggle with keeping up with bills than larger sized businesses (small/medium/large).

Breakdown of business customers' ability to manage energy bills in 2025

D6. Which ONE of the following statements BEST describes how well your business has been keeping up with [gas/electricity/gas and electricity] bills over the past 12 months? Base: 1,002 GB businesses. Source: Ofgem, Non-Domestic 2025 research, not yet published. Numbers may not add to 100% due to rounding. The 2024 survey findings are available here: Non-domestic 2024 research report | Ofgem

[1] Ofgem's non-domestic 2025 research survey is due to be published in Spring 2026.

Quality & Standards

We set the rules and regulatory frameworks that drive up performance across the energy retail markets and protect consumers. Our role is also to ensure that suppliers are held to account for providing effective customer support and service that is accessible, transparent and responsive, in line with our Consumer Interest Framework.

Since the last State of the Market Report, **domestic overall satisfaction and satisfaction with the customer service delivered by their supplier has continued to rise, reaching record highs of 82% and 76% respectively in August 2025**. However, satisfaction varies across different groups. Overall satisfaction rates are higher for those classified as 'doing well', with 88% satisfaction with their supplier overall, compared to 73% for 'financially vulnerable' customers, and 71% for 'highly financially vulnerable' customers. Those who are digitally excluded (77%), social renters (76%) and those reporting they are behind on bills (67%) are also less likely than overall energy consumers to be satisfied with their supplier. Improvements reflect better supplier performance across a number of metrics such as ease of contacting the supplier and billing satisfaction. Both satisfaction measures now exceed pre-crisis levels, suggesting that supplier performance and customer experience have strengthened.

Overall satisfaction and overall satisfaction with customer service over time, %

A5. Overall, how satisfied or dissatisfied are you with [supplier] as your supplier of <FUEL TYPE>?
A7. Overall, how satisfied or dissatisfied are you with the customer service you have received from [supplier]?
Base: GB energy consumers: Jul/Aug'25 (3,790), Jan'25 (3,854), Jul'24 (3,750), Jan/Feb'24 (3,855), Aug/Sep'23 (3,742). Note: (*) Significance is marked versus the previous wave only.
Source: Energy Consumer Satisfaction Survey: July to August 2025 | Ofgem

The most notable change is among **Standard Credit customers. Satisfaction for this group has risen sharply from 76% in January 2025 to 82%, bringing it broadly in line with direct debit customers**. Recent measures to address billing and service issues for Standard Credit users may have contributed to wider improvements in satisfaction among PPM customers, narrowing the gap that historically existed between payment types.

Domestic customer complaints have continued to decline and are now at their lowest levels since 2022. In Q3 2025, the industry average was 0.9 complaints per 100 customer accounts. Supplier performance is typically assessed by both complaint volume and resolution speed. While resolution speed varies across

suppliers, some of those with the highest complaint volumes are also among the quickest to resolve them demonstrating that resolution efficiency remains a crucial performance indicator.

Complaints Received by Supplier 25Q3 per 100 Customer Accounts

Utility Warehouse	83%
E	78%
EDF	76%
OVO	67%
Good Energy	66%
Utilita	66%
Scottish Power	64%
E.ON	60%
British Gas	59%
Octopus	47%
So Energy	37%
Outfox	35%
Green Energy UK	28%
Ecotricity	12%
Tru Energy	0%

Fewest complaints
Outfox

Industry Average 0.9

Most complaints
Tru Energy

Share of complaints resolved by the end of the next working day 25Q3, %

Outfox	0.01
E	0.1
Green Energy UK	0.1
Ecotricity	0.3
Octopus	0.6
Good Energy	0.6
E.ON	0.9
Utilita	0.9
EDF	1.2
British Gas	1.2
So Energy	1.3
Scottish Power	1.4
OVO	1.5
Utility Warehouse	1.6
Tru Energy	2.2

Highest share of 1-day resolution
Utility Warehouse

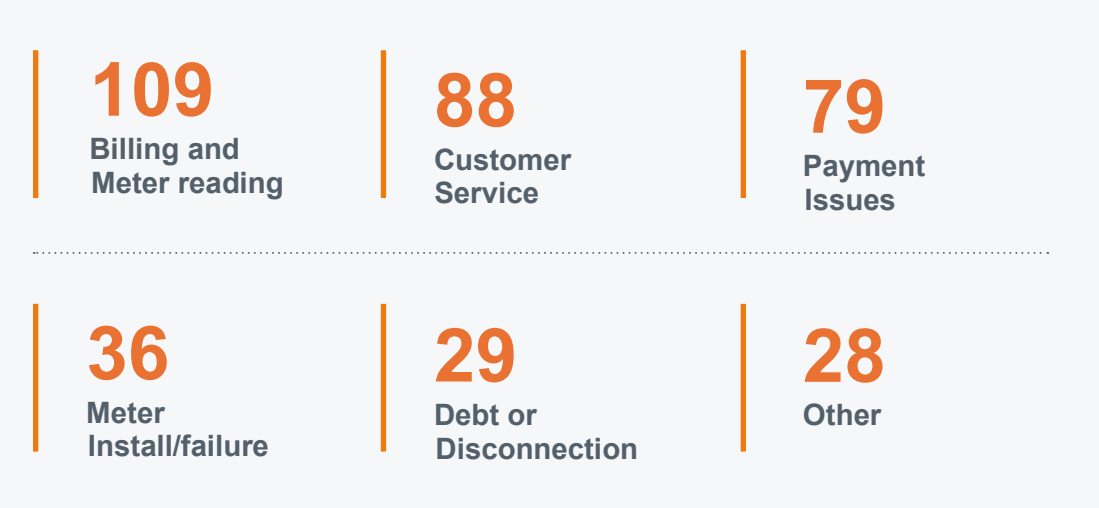
Industry Average 52%

Lowest share of 1-day resolution
Tru Energy

Source: Customer service data | Ofgem

Billing and Meter Reading remain a significant driver of complaints, accounting for a share comparable to Customer Service. Together, these two categories represent approximately 60% of all complaints, highlighting key areas for further targeted improvement.

Complaints received per 100k domestic accounts, by category (October 2025)



Source: Ofgem analysis of Suppliers' RFI data

A compliance assessment of suppliers' performance[2] showed that **around 82% of bills were issued as accurate readings, increasing to 89% following customers providing readings.** This equates to 54 million bills issued to estimated readings. An increase in smart meter installations would further increase the proportion of bills issued to accurate readings and would avoid cost and time spent carrying out onsite meter readings by the supplier or customer. Persistently inaccurate and late bills are a key driver of backbilling issues, with suppliers writing off charges for at least 1 million customers to ensure they were not 'backbilled' for energy used at least 12 months previously.[3]

~95%
Bills issued within 10 days

~1.2%
Bills issued at least 3 months late

According to Ofgem's non-domestic 2025 research, not yet published, customer satisfaction among business consumers has improved. In 2025, 68% of business customers were satisfied with their supplier, compared with 62% in 2024. In relation to complaints, only 18% of business customers had made a complaint to their supplier in the last 12 months, reducing from 23% in 2024. More than half (51%) of the businesses found it easy to contact their supplier, compared with 43% in 2024.

68%
Businesses' satisfaction with level of service that energy supplier offered

18%
Businesses report making complaints in 2025

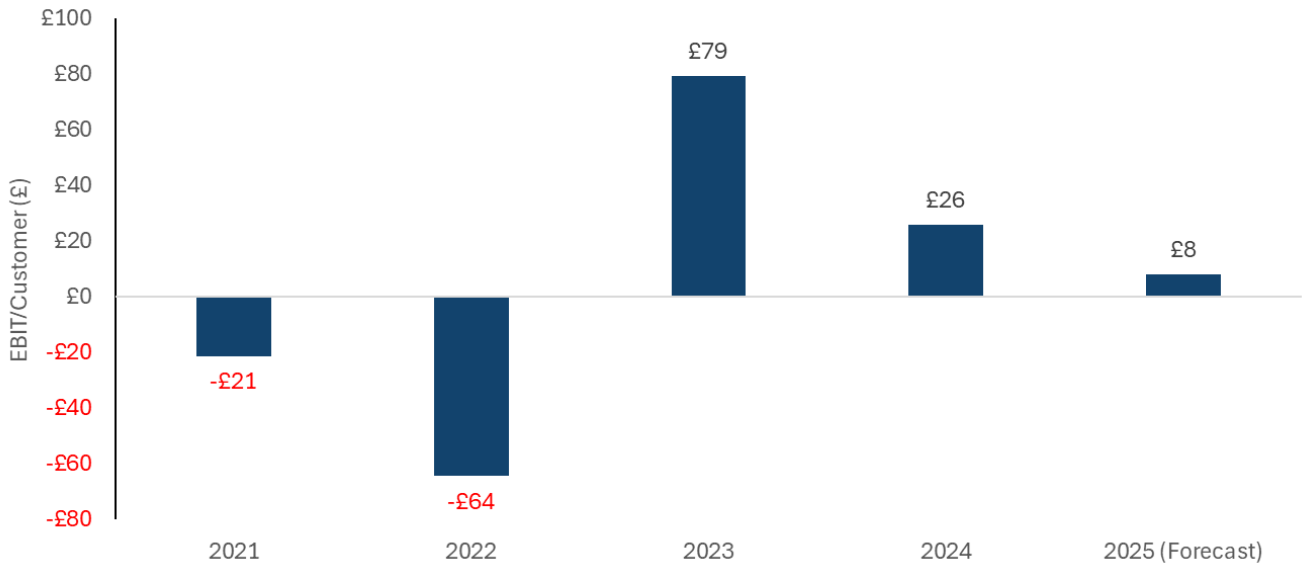
[2] Based on seven largest domestic suppliers' performance in 2024.
[3] Supplier Standard Licence Condition 21BA. 'Backbilling'.

Retail Energy Suppliers and Resilience

The retail markets should be efficient and resilient (see Consumer Interest Framework). Achieving this ensures that effective competition delivers secure supply and access to innovative products and services for consumers.

The domestic retail sector experienced financial pressures in 2025. The warm spring weather and rising debt have reduced profitability in the sector. To attract investment, suppliers need to earn a reasonable profit without this being excessive profit. During and after the crisis, many suppliers operated at a loss, but they have now returned to profitability. Ofgem sets a profit margin allowance in the price cap through the EBIT allowance, which was increased in 2023. As described in the fair prices chapter, there have been significant discounts offered compared to the price cap in 2025 and a pick-up in switching. At the time of writing, estimated domestic sector profit for 2025 remains positive, but reduced to £0.27bn in aggregate, compared to £0.88bn in 2024. The non-domestic sector is estimated to see profits at a similar level in 2025 to 2024, £2.47bn projected up slightly from £2.34bn in 2024.

Domestic Energy Supplier weighted average EBIT/Customer (2021 to 2024 actuals, and 2025 forecast)



Source: Ofgem FRP Monthly RFI

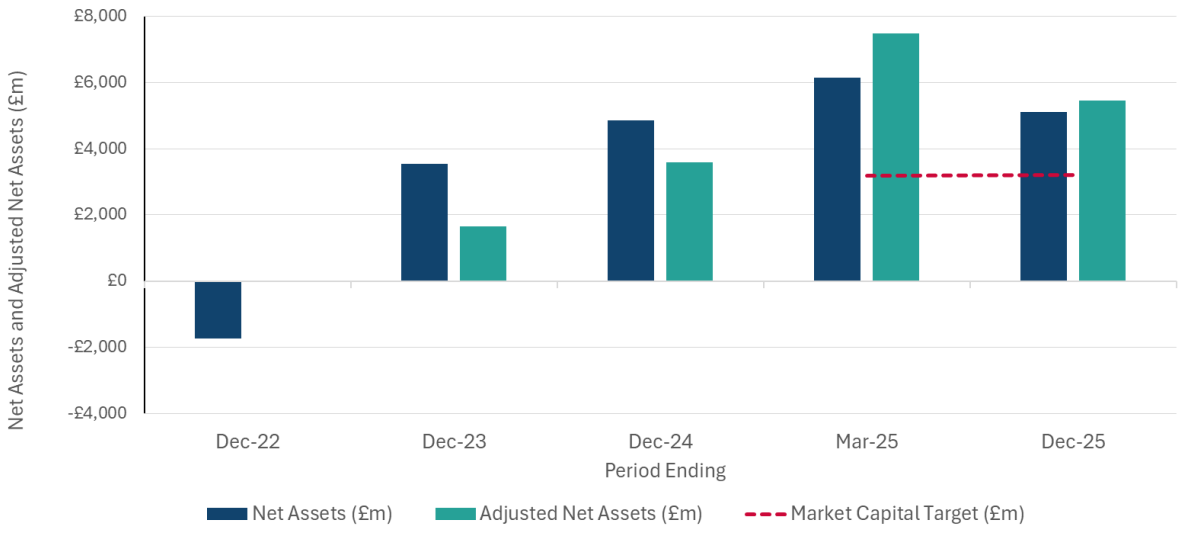
The Capital Target came into effect for domestic suppliers on 31st March 2025.[4] Retained earnings can contribute to capital, as can direct injections of equity. Suppliers can also improve their capital positions through Alternative Sources of Capital: sources of funding, such as long-term debt, inter-company credit facilities and parent company guarantees, that we approve on a case-by-case basis.

The table below shows a significant increase in Adjusted Net Assets of domestic suppliers between December 2024 and March 2025, some of which has fallen back during the year. Supplier capital positions

[4] "Capital Target" means licensee Adjusted Net Assets of £57.50 per Domestic Customer. The £115 applies to dual fuel equivalent customers (i.e. £57.50 per electricity customer and £57.50 per gas customer). We have adopted a regulatory definition of Adjusted Net Assets to measure capital in the sector. This is comprised of Net Assets, excluding intangible assets, plus permitted Alternative Sources of Capital.

naturally move with the seasonal pattern of energy consumption and profitability, so some caution should be applied to within year changes. Nevertheless, fall in capital between March and December 2025 reflects low profitability alongside dividend distributions by suppliers meeting our resilience rule and able to demonstrate that they continue to have sufficient financial resources. This is explained in our May 2023 open letter on financial distributions, and links to our wider focus on maintaining an investable retail sector as set out in the Markets Strategy to 2030.

Adjusted Net Assets of domestic suppliers in the sector against the market Capital Target



Source: Ofgem FRP Monthly RFI

Since the last State of the Market report, **Tomato Energy, has exited the market due to financial resilience issues**. In early 2025 it became apparent that Tomato Energy was showing signs of financial distress, with increasing unpaid debts to industry counterparties. Additionally, whilst Tomato Energy's domestic Renewables Obligation was protected via the ringfencing mechanism, they failed to discharge their non-domestic obligation for scheme year 2024-25[5]. Ofgem activated the Supplier of Last Resort process to ensure continuity of supply and protect credit balances for around 23,000 affected customers.

22

Number of active suppliers in the domestic gas and electricity retail markets

94

Number of active suppliers in the business gas and electricity retail markets

Note: Figures include suppliers on controlled market entry

In the second quarter of 2025, the six largest suppliers accounted for 92% of the domestic electricity and gas markets. Within this, Octopus is the only supplier among the big six that has increased its market share in both the Electricity and Gas markets. Compared to Q3 2024, Octopus has gained approximately 2% in electricity and 1% in gas market share. **In 2025, the domestic market saw its first new active domestic supplier since 2023**. It

[5] Renewables Obligation Late Payment Distribution 2024 to 2025 | Ofgem

also saw **the last new domestic supplier achieving rapid growth throughout 2025**, starting the year with less than 50,000 customers, and ending the year with more than 200,000 customers.

Market Shares	25Q2
Octopus	25%
British Gas	21%
E.ON	16%
OVO	12%
EDF	10%
Scottish Power	8%
Other	8%

Market Shares	25Q2
British Gas	27%
Octopus	25%
E.ON	13%
OVO	10%
EDF	9%
Scottish Power	7%
Other	8%

Source: Retail market indicators | Ofgem

The performance of domestic suppliers against the Capital Target was previously published in May 2025 in our Financial Resilience Transparency Report. Below provides an update on the performance of suppliers as of the end of September 2025. Where suppliers are below the target, we work proactively with them on their plan to meet this target in the shortest reasonable time.

Capital Target Performance of Domestic Suppliers

Capital Target Performance	At the end of Q2 (June) 2025	At the end of Q3 (September) 2025
Number of suppliers above the Capital Target	20	18
Number of suppliers below the Capital Target	3	5

Source: Ofgem FRP Monthly RFI

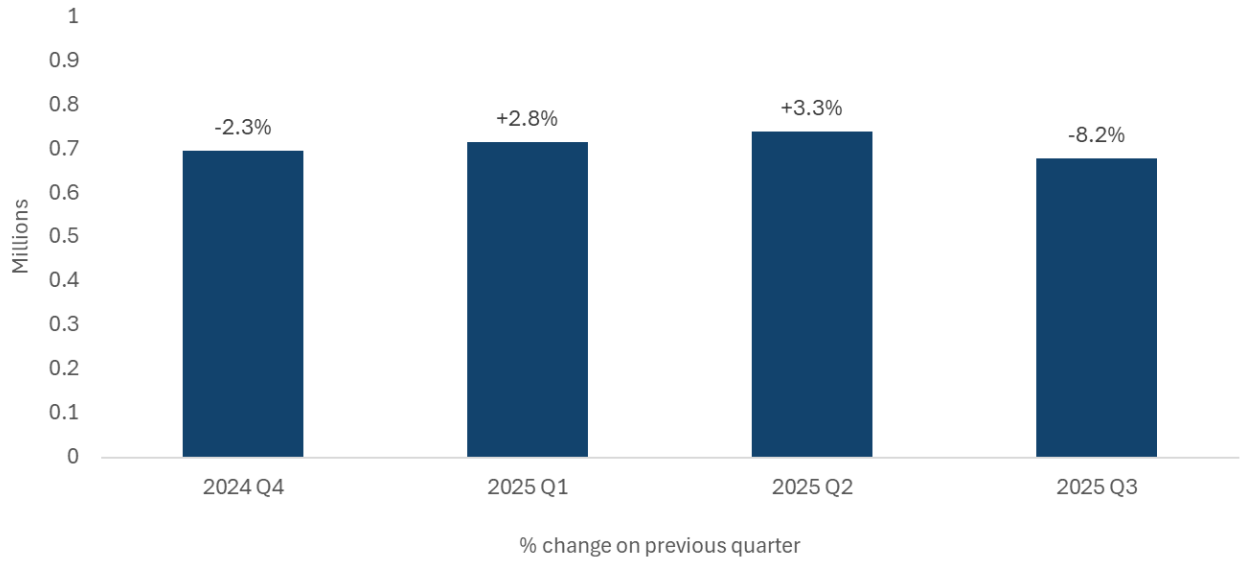
Low-Cost Transition

We aim to promote a market that delivers low carbon, low-cost products and services and we are committed to providing sustainable, carbon-free energy at least cost to consumers. Our Consumer Interest Framework supports customers adopting greener choices. As the market innovates, we expect a greater number of consumers to choose products and services that are more sophisticated as well as leverage smart technologies to optimise their energy usage.

Smart meters

Smart meters are an important enabler of innovation. According to DESNZ**, there were over 40 million smart meters installed across households in GB by the end of September 2025, meaning that 70% of all domestic meters are now smart. In the non-household sector, there are 2 million smart or advanced meters[6], representing 64% of the total**. During the third quarter of 2025, large energy suppliers installed 650,000 domestic and 26,000 business smart or advanced meters, an 8.2% decrease from the previous quarter and a 4.7% decrease on the same quarter during 2024.

Quarterly smart meter installations by large energy suppliers – domestic and business, millions

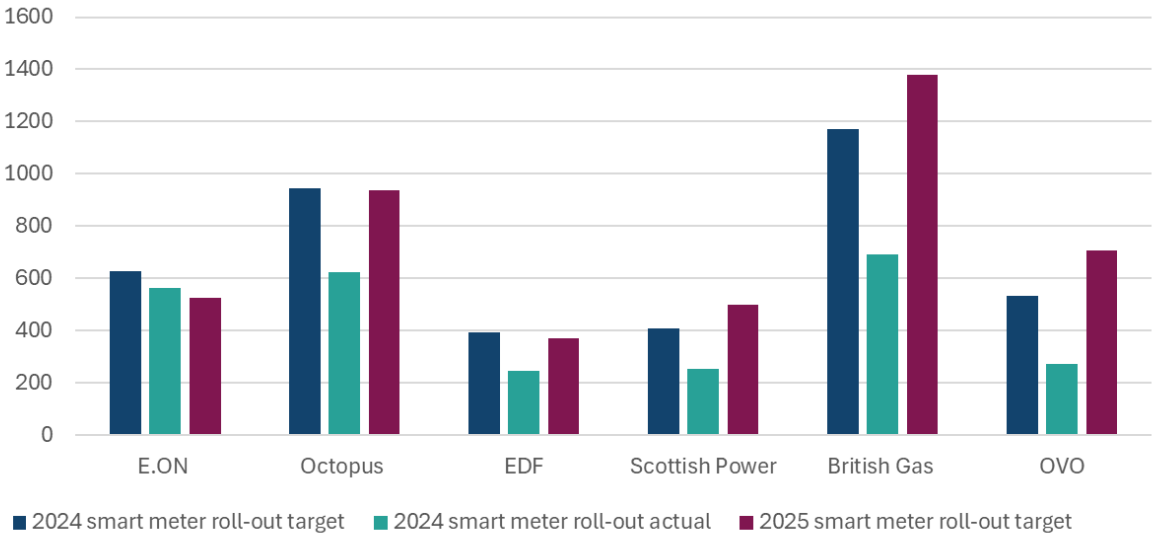


Source: Q3 2025 Smart Meters Statistics Report

Although actual performance data for 2025 is not yet available, the targets provide useful insight. Under the current framework, smart meter targets are set at 74.5% penetration of each supplier's domestic portfolio, with adjustments for past performance. Suppliers that are close to or exceed targets now have lower 2025 targets, whereas those who significantly underperformed in 2024, face much higher targets to catch up on the progress.

[6] Advanced meters are very common for business customers. Advanced meters are different from smart meters as they transmit data only in one direction – from the meter to the energy supplier.

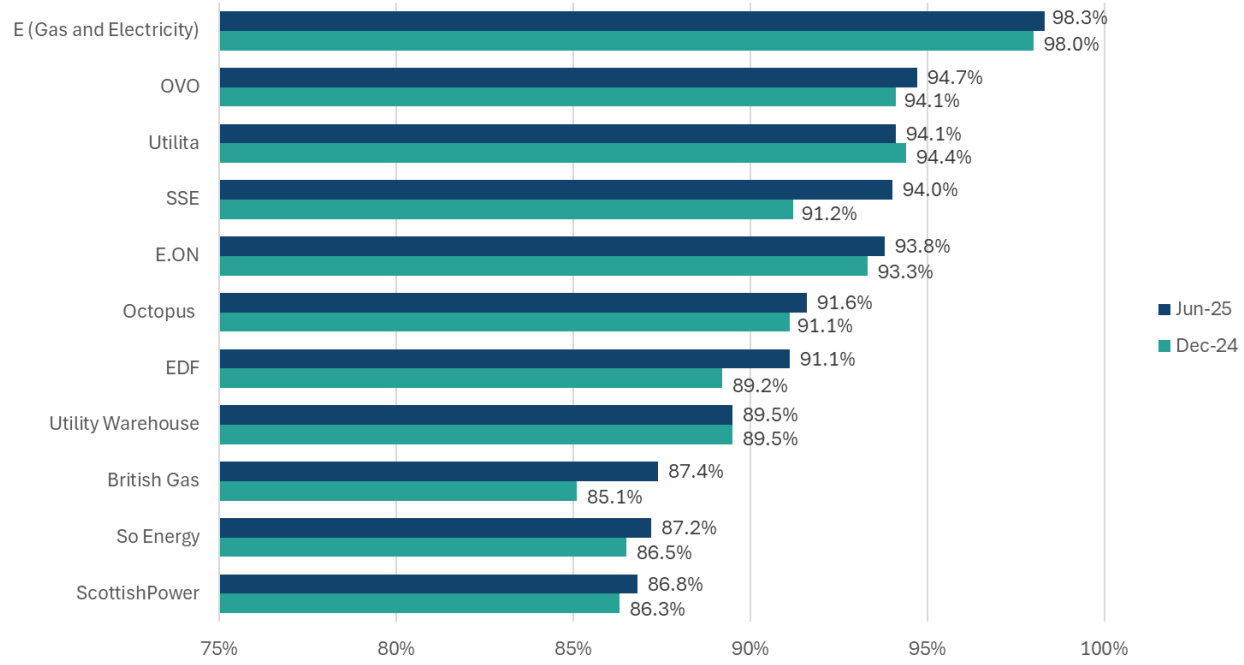
Domestic Smart Meter Roll-out: 2025 Targets vs 2024 Performance



Source: Supplier Smart Metering Installation Targets | Ofgem

Around 8% of smart meters were not operating in smart mode as of September 2025, which is a slight decrease from December 2024. Under their licences, energy suppliers must take all reasonable steps to ensure that smart meters automatically send them the customers' gas and electricity meter readings. This is called operating in 'smart mode', and Ofgem expects suppliers to be proactive in identifying and remedying non-operational smart meters. Suppliers vary in terms of the proportion of their smart meters that are in smart mode. Ofgem has undertaken compliance action against a total of nine suppliers to examine the reasons why some smart meters are not operating in smart mode. Since July 2024, over 900,000 previously non-functioning smart meters have been restored to smart operation and we continue to monitor progress and drive up performance.

Domestic smart meters operating in smart mode, %



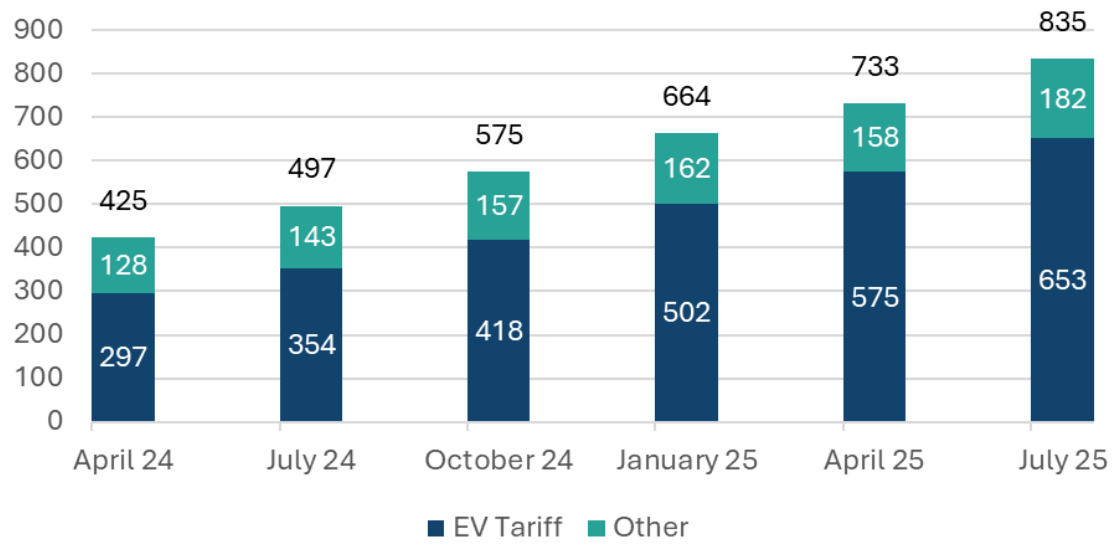
Source: Smart meter performance | Ofgem

Smart tariffs

The smart meter roll-out enables the development of tariffs that offer consumers greater understanding and control of their energy usage. **The market penetration of smart ToU tariffs in the domestic retail market is currently at 2.8%, but take-up continues to increase rapidly.** The number of domestic customers on these tariffs increased by over 68% in the 12 months to July 2025, from 497,000 to 835,000. This was driven almost entirely by EV tariffs, which grew by 84%, from 354,000 to 653,000, compared to an increase of 27% for other types of smart ToU products.

The gradual roll out of the Market-wide Half-Hourly Settlement (MHHS) is expected to increase the number of flexible tariffs in the market throughout 2026, serving as an important enabler of consumer-led flexibility and supporting the development of more innovative products and services. MHHS will utilise actual half-hourly consumption data where available and will apply estimates in instances where actual data cannot be obtained. This change improves accuracy and efficiency in the energy market and enables suppliers to offer innovative tariffs, such as ToU.

Domestic customers on Smart Time of Use Tariffs by quarter, thousands

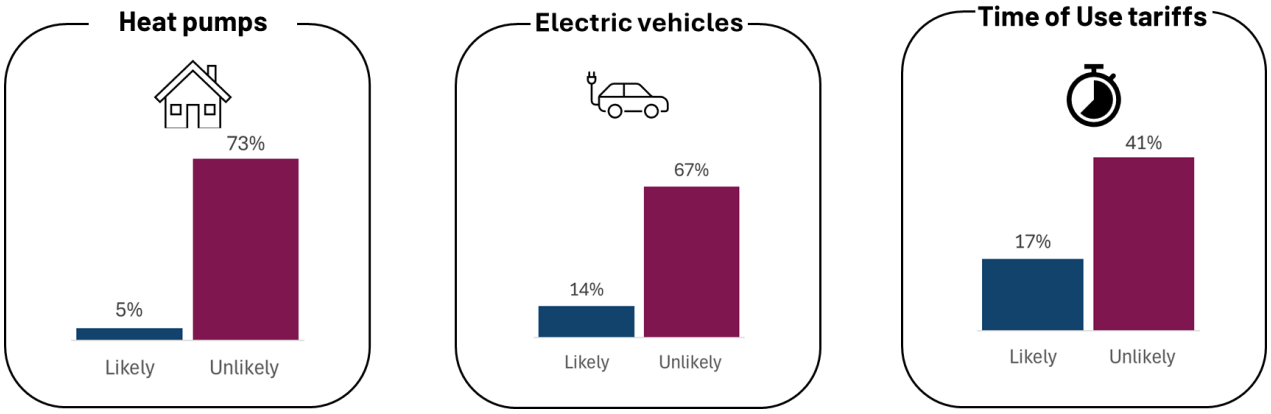


Source: Ofgem Tariff RFI. Chart reporting dates reflect a change in the timing of data collection.

Ofgem's forthcoming Flexibility and Net Zero Survey (with data collected in June 2025) indicates that there is a wide gap between interest in emission-reducing products and current uptake of such products. According to this survey, **whilst a majority of households (62%) express an interest in products/services that help reduce carbon emissions, only 18% claim to own at least one emissions-reducing product**. Looking ahead, overall growth is expected to remain modest for emissions-reducing products.

Among consumers, 32% believe their energy costs vary by time of use, yet only half of these (16%) are actually on a ToU tariff - suggesting limited understanding of newer time-of-use propositions. Among those unlikely to switch, the most common reason is uncertainty about whether the tariff would save them money.

Claimed current use and likelihood to adopt emissions-reducing products among non-adopters



Claimed current use

- Heat pumps and EVs: Q8. Which, if any, of the following products or appliances does your household currently use at home? Anwer codes:
  Heat pump (a specific type of electric home heating which extracts heat from the outside environment, such as the air or ground, and uses it to heat the home); A fully electric car or van (that you plug in and charge, not a hybrid) (n=4,005)
- ToU tariffs: Q10a. Does your household pay different amounts for its energy depending on when you use it? Base All GB energy billpayers with mains gas and / or electricity, age 16+ (n=4,385)

Likelihood to use in the next two years

- HP1: "How likely would your household be to change your central heating system to a heat pump in the next two years? Base: All GB energy billpayers with mains gas and / or electricity, age 16+ without a heat pump (n=3,867)
- EV1: "How likely would your household be to [get a fully electric car or van / change your car or van to a fully electric one / change your main car or van to a fully electric one] (a vehicle that you plug in and charge, not a hybrid) in the next two years? Base: All GB energy billpayers with mains gas and / or electricity, age 16+ without an EV (n=3,700)
- TOU1: "How likely is your household to change your energy tariff to a Time of Use tariff in the next two years? Base: All GB energy billpayers with mains gas and / or electricity, age 16+ not on a ToU tariff (n=3,409)

Source: Ofgem's Flexibility and Net Zero Survey, not yet published.

Top reasons customer report being unlikely to switch to TOU tariffs within the next two years, %

TOU2. For which, if any, of the below reasons is your household unlikely to switch to a Time of Use tariff in the next two years?
Base: All those unlikely to switch to a TOU tariff (n=2770)
Source: Ofgem's Flexibility and Net Zero Survey, not yet published.

ofgem.gov.uk