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By email to: FutureConsumers@Ofgem.gov.uk

E.ON Response on Consumer Outcomes and Reviewing the Supplier Guaranteed Standards of Performance

Dear Jemma and Steve,

Thank you for the opportunity for E.ON¹ to respond to Ofgem's call for input consultations on Consumer Outcomes and Reviewing the Supplier Guaranteed Standards of Performance (GSOP). This is a combined response to both.

E.ON supports Ofgem's goal of a clear, simple and low-burden regulatory framework focused on consumer outcomes. To make an outcomes-based regime deliver, Ofgem should: (1) consolidate the proposed outcomes into a smaller set that drives real accountability; (2) enshrine affordability as a 'market goal' within the framework; and (3) ensure implementation is non-additive. We support GSOP in principle, but it should focus on domestic and microbusiness supplier-customer interactions and not extend into the Industrial & Commercial (I&C) segment, where contractual service level agreements already govern service and redress.

We welcome Ofgem's focus on improving customer experience and agree that the current regulatory framework has become overly complex. However, the proposed 24 Consumer Outcomes risk diluting effort and increasing regulatory burden. **We recommend consolidating these into a much smaller set of higher-level outcomes to ensure clarity and effectiveness.** Where consumer protection is vital, prescriptive rules (or more detailed outcomes) are appropriate, but elsewhere the market is better placed to discover what consumers need and to produce tailored results.

Affordability must be enshrined within the 'market goals' of the consumer outcomes framework as something Ofgem considers in policy development and reports on progress

¹ This response is on the behalf of E.ON Next, npower Business Solutions (licensed as Npower Commercial Gas Ltd), and our Energy Infrastructure Solutions business.



against (rather than something for which suppliers are accountable). As Ofgem's own research confirms, affordability remains the biggest single driver of consumer satisfaction and it explains most of the differences in consumer satisfaction across many other apparent groups (renters, carers, etc.). Making affordability explicit in the outcomes is a prerequisite for addressing the disparities Ofgem has identified.

Implementation of outcomes must be non-additive if Ofgem is to achieve its objectives. Voluntary commitments and additional reporting (whether supplier- or Ofgem-led) would increase complexity rather than reduce it if not accompanied by a reduction in the level of rule-based prescription and the administrative burden. Where Ofgem believes outcomes-based regulation can be effective, we believe it should act decisively. We are concerned that a trial would require significant investment of resources that may be stranded when the trial ends, which could happen prematurely if the trial was not allowed to run its full course.

Monitoring should be proportionate and focused on outcomes. We recommend attaching a small number of simple quantitative metrics to each Consumer Outcome, with clear definitions so delivery can be assessed without relying on lengthy narrative reports. Ofgem should use an Ofgem-led dashboard to track these metrics and trigger targeted deep-dives where performance suggests harm, avoiding "prescription through monitoring".

We support GSOP as a tool for clear, measurable standards in key consumer interactions that are within suppliers' control. Its application should remain focused on domestic and microbusiness consumers since extending to I&C consumers would add unnecessary duplication, as these customers already negotiate service levels and compensation through their contracts. Ofgem should analyse the extensive data it holds on GSOP and supplier performance and decide on the use of consumer outcomes before considering any significant changes to GSOP.

We would be happy to discuss both consultations further with you and support you in making progress on these important issues.

Kind regards,

James Doig

Consumer Outcomes responses to consultation questions

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?

We agree with Ofgem's *Market Vision and Strategy to 2030*² that a well-functioning retail market should enable investment and innovation that delivers better outcomes for consumers. Realising these benefits requires regulatory space for suppliers to develop and scale new products and service models. At the same time, for all consumers to be able to benefit, particularly those in vulnerable situations, the regulatory framework must provide proportionate protections against risks that consumers cannot reasonably anticipate, control or mitigate on their own.

The key factors that Ofgem should consider when updating its regulatory framework are:

- a) **Proportionality**, intervening only where there is reasonable evidence that is necessary to ensure consumer protection; elsewhere, ensuring market competition can discover consumer needs and find the best way of serving them.
- b) **Timely**, ensuring that potential consumer harms are not left unaddressed and acting fast when needed.
- c) **Predictability**, especially for changes that could have significant impact on competition and investment. The nature of fixed price contracts alone means that suppliers need some cost certainty over the course of the upcoming 12-24 months.
- d) **Trust**. Ofgem should do what it says it will do, and when finished apply the rules that it puts in place.

Proportionality means that Ofgem should distinguish those areas where regulation is needed to ensure consumer protection. That assessment should be based on firm economic evidence of the benefits, costs, and risks of regulatory intervention. Crucially, it should consider the differences between consumer segments, from large industrial & commercial businesses to domestic households.

Overall, Ofgem could continue to balance its duties through tools like its Consumer Interest Framework, recognising that consumers have a significant interest in economic growth and progress towards the government's net zero goals. Ensuring the Consumer Outcomes align to that framework, as Ofgem proposes, should be a vital tool to ensuring Ofgem can balance its objectives.

² [Markets Regulatory Strategy and Vision to 2030 | Ofgem](#)

In determining that balance, Ofgem should ensure that it does not over-correct from the most recent issues, i.e., ensure that the 'pendulum' does not swing back too far, so that the lessons³ from recent years are not forgotten.

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

Ofgem's own evidence shows that **financial vulnerability is the clearest and most statistically robust explanation for a divergence of satisfaction rates across domestic consumer cohorts**. In the latest satisfaction tracking cited by Ofgem⁴, consumers identified as "highly financially vulnerable" report materially lower overall satisfaction (71%) than those "doing well financially" (88%).

Crucially, the dedicated regression analysis Ofgem commissioned⁵ to explain why satisfaction diverges demonstrates that **financial vulnerability is the single most influential customer characteristic-predictor of overall satisfaction**. In the Demographic and Energy Characteristics model, financial vulnerability classification accounts for 32% of the model's explained variance (3.7% of total variance in absolute terms), exceeding even supplier effects (29% of the explained variance; 3.3% in absolute terms).

Many commonly-cited characteristics⁶ do not independently drive satisfaction once financial vulnerability is accounted for. Ofgem's modelling finds no statistically significant independent effect for tenure, benefits receipt, ethnicity, carer status, urban/rural location, or digital exclusion. This indicates that apparent differences for renters, people on benefits, or other groups in descriptive categories are largely explained by their overlap with financial vulnerability. Where non-financial variables are statistically significant, they have very low predictive value (e.g., disability status c.0.2% total variance; fuel type/gender/children c.0.1% each; payment type c.0.4%).

This implies that Ofgem should consider financial vulnerability in wider market goals for consumer outcomes (see our response to [Question 4](#)) and also suitably statistically control for it if making judgements about supplier performance based on customer satisfaction.

The consultation implies the level of divergence is excessive ("such a divergence" in the question), but we note that **satisfaction divergence is lower in energy supply than in other industries**, including in financial services (see [Table 1](#)). Whilst this is evidence that pursuit of outcomes-based regulation may not itself address the divergence, we do not believe that it should stop Ofgem from exploring more outcome-based approaches.

³ [Review of Ofgem's regulation of the energy supply market 3 May 2022](#)

⁴ [Energy Consumer Satisfaction Survey: July to August 2025 | Ofgem](#)

⁵ [What drives consumer satisfaction with energy suppliers](#), BMG for Citizens Advice & Ofgem (July 2025)

⁶ For example, Ofgem refers to renters and carers in paragraph 2.6.

Table 1: Comparison of divergence in satisfaction rates in energy supply and financial services

| Sector | Customer satisfaction with service provider | | |
|-----------------|---|-----------------------------|------------|
| | In Financial Difficulty* | Not in Financial Difficulty | Difference |
| Personal loan | 43% | 79% | 36% |
| Mortgages | 51% | 79% | 28% |
| Retail banking | 60% | 82% | 22% |
| Energy supply | 69% | 86% | 17% |
| Motor insurance | 68% | 73% | 5% |

Note: * This table shows the financial difficulty rather than financial vulnerability as most comparable measure for cross-sector comparison.

Source: Ofgem (Energy Consumer Satisfaction Survey: July to August 2025); FCA (Financial Lives 2024)

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?

We broadly agree that the proposed outcomes cover the key consumer expectations of energy suppliers, as they align with themes identified through Ofgem’s research and stakeholder engagement. The Consumer Outcomes should be *collectively exhaustive* (depending on how they are applied) and *mutually exclusive* (for clarity and simplicity).

However, the current list of 24 outcomes greatly risks reducing clarity and diluting focus. **We strongly believe the Consumer Outcomes should be consolidated** (see response to [Question 4](#)) and more clearly described (see response to [Question 5](#)).

We believe that each outcome should be supported by a **small number of simple, quantitative metrics** with clear definitions and (where appropriate) indicative thresholds. Without this, outcomes risk becoming either unenforceable “aspirations” or generating excessive narrative reporting and bespoke information requests to evidence delivery (see response to [Question 15](#)).

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

Strongly yes. The list of 24 proposed outcomes greatly risks diluting focus, increasing administrative burden, and unintentionally recreating prescription. It appears to entirely inconsistent with Ofgem’s stated objective of a “clear, simple and low-burden regulatory framework”.

We believe a consolidated set of Consumer Outcomes should follow from a clearer view of outcome accountability and outcome definition, as we discuss below.



Outcome accountability

The consultation does not describe the intended accountability of the proposed outcomes beyond stating that “outcomes-based regulation places greater responsibility on regulated organisations”⁷. However, several of the outcomes appear to be outside of suppliers’ ability to reasonably influence, let alone control. Applying these to suppliers would break one of the tenets of good regulation.

We recommend Ofgem explicitly distinguishes between:

- **Supplier-led outcomes:** primarily within a supplier’s control or strong influence, suitable for supplier accountability; and
- **Sector goals:** dependent materially on all industry parties; better used as strategic objectives and measures of Ofgem success rather than supplier compliance tests.

This distinction is crucial to avoid misallocated accountability and excessive monitoring burden.

Outcome definition

Streamlining should be achieved through clearer definition of outcomes to reduce the duplication (e.g., Outcomes #1 and #8), overlap (e.g., Outcomes #10, #11, and #13), and subsidiarity (e.g., Outcome #3 to #2).

We recommend that Ofgem learn from energy suppliers’ customer experience transformation programmes by ensuring the consumer outcomes align to the core customer journeys that have been developed alongside customers. In E.ON Next, we use four core journeys (billing, complaint, smart install, and engineer visit) that we have ‘under management’, which means accountability, insights (NPS feedback and operational metrics), and improvement plans. Our I&C business has implemented four similar journeys (joining, billing, complaints, and self-serve).

The consumer outcomes should be defined entirely from consumers’ perspective and reflect the desired end-state, not the process. We note that one of the proposed consumer outcomes (#9) does not mention “consumers” (or customers⁸), and the phrase “suppliers should” is used eight times, implying a tendency to describe processes not outcomes.

Comparison with other sectors

The Financial Conduct Authority’s (FCA’s) journey highlights the importance of the “need to focus even more on defining the right outcomes”⁹. We believe its consistent use of four topline outcomes (access, suitability and treatment, fair value, and confidence), underpinned by a total of seven outcomes, should give Ofgem confidence of the robustness of a much more streamlined

⁷ Consumer Outcomes Call for Input, page 21.

⁸ The use of “consumers” and “customers” interchangeably in the proposed outcomes. Consumer Outcomes should refer to consumers.

⁹ [Outcomes-focussed regulation: a measure of success? | FCA](#)

set of consumer outcomes. A smaller set of Consumer Outcomes means that, like FCA's approach, they can be escalated such that executives are more accountable for outcomes.

Consolidated set of supplier-led Consumer Outcomes

We recommend that Ofgem consider a much-consolidated set of supplier-led Consumer Outcomes aligned to the main consumer journeys, alongside distinct outcomes for vulnerability and other low-incidence but high-harm interactions. These are consistent with those proposed in the call for input to show they are based on Ofgem's prior engagement.

Table 2: Recommended Supplier-led Consumer Outcomes

| Consumer Interest | Consumer Outcome | Reference to CFI proposal | Existing SLCs |
|---------------------|---|--|---|
| Debt | Debt and arrears support: 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. | Outcomes 1 and 8 (second half) | <ul style="list-style-type: none"> • SLC0/0A • SLC27/27A • SLC28 • SLC31G |
| Fair Prices | Fair prices: Consumers are not charged excessive prices, irrespective of their engagement. | Outcome 2 (also 3 is a sufficient condition) | <ul style="list-style-type: none"> • SLC7 (deemed) • SLC28A • SLC28AA/AD • SLC19B |
| Quality & Standards | Accessible, responsive service: 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 7 | <ul style="list-style-type: none"> • SLC0/0A • SLC20 + Complaint Handling Standards |
| | Accurate, clear and timely billing: 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. | Outcome 8 (first half) | <ul style="list-style-type: none"> • SLC21B/BA • SLC31H |
| | Appropriate and timely advice: Consumers receive appropriate and timely advice and information from their supplier that is relevant to them. 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. | Outcomes 10 and 11 | <ul style="list-style-type: none"> • SLC0/0A • SLC25 • SLC31F/G/I |

| Consumer Interest | Consumer Outcome | Reference to CFI proposal | Existing SLCs |
|---|--|-----------------------------|---|
| Low-cost Transition | Supported to engage: Consumers who choose to engage can and are supported by suppliers who remove barriers within their control. | Outcome 15 and 17 | <ul style="list-style-type: none"> • SLC0/0A • SLC31F |
| Resilience | Protected from supplier failure: Consumers are adequately protected from the costs of licensee failure. Consumers can be confident that they are dealing with licensees that are financially resilient to external shocks. | Outcomes 18 and 19 (and 20) | <ul style="list-style-type: none"> • SLC4A/B/C • SLC4D • SLC19A • SLC19C/E • SLC8/9 • SLC28C • SLC30 |
| Enhanced protections for consumers in vulnerable situations | Inclusive, tailored support for vulnerability: 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. | Outcomes 23 and 24 | <ul style="list-style-type: none"> • SLC0 • SLC26 • SLC27A • SLC31G |

This would provide clarity on what Ofgem will prioritise where trade-offs arise, help senior accountability within suppliers, and reduce the risk that a large, flat list of overlapping outcomes becomes difficult to interpret and encourages “prescription through monitoring”, increasing burden without improving consumer protection.

The expansion in the proposed set from the 13 shown during stakeholder workshops in April 2025 suggests Ofgem may find it difficult to resist future calls for additional complexity. Hence, we recommend Ofgem start a streamlined set of outcomes.

Strategic Consumer Outcomes

Many of Ofgem’s remaining proposed outcomes, particularly those added since April 2025, are best understood as market-wide sector goals, rather than supplier-led outcomes for which individual suppliers can be held accountable. These include outcomes relating to effective competition and choice (e.g., ability to shop around; range of suppliers and contracts), security and reliability of supply, switching/interoperability frictions, and system-level investability and delivery of net zero. In these areas, delivery depends materially on the wider market design and the actions of multiple parties (networks, code bodies, intermediaries, government schemes, technology providers and consumers), such that treating them as supplier compliance outcomes risks misallocated accountability and could drive disproportionate monitoring burdens.

We therefore recommend that Ofgem retains a **separate, explicitly labelled set of “market goals”** used primarily to:

- i. articulate what the market as a whole should deliver;
- ii. guide Ofgem’s prioritisation and cross-cutting programme activity; and
- iii. provide a transparent framework for measuring Ofgem’s own success against its consumer interest, growth and net zero duties.

In practice, this could take the form of a concise annual sector scorecard, with a small number of stable indicators per goal (drawn as far as possible from existing market datasets), and clear allocation of which actors are primarily responsible for progress (see our response to [Question 16](#) for more on measuring success).

Finally, **we recommend that affordability is explicitly enshrined within the framework’s “market goals”** as a cross-cutting objective for Ofgem to consider in policy development and to report progress against, rather than as an outcome for which individual suppliers are held directly accountable. Affordability is a key driver of consumer experience and underpins many of the divergences in satisfaction that Ofgem highlights; treating it as a sector goal would ensure it is systematically factored into trade-offs across retail policy (including protections, monitoring and the broader design of outcomes) while avoiding misallocated accountability where the primary levers sit with market design, wholesale dynamics and wider policy. In practice, Ofgem could attach a small, stable set of affordability indicators to its sector scorecard, and use them to evidence whether the framework is improving outcomes over time. It should transparently explain where progress is constrained by factors beyond suppliers’ control.

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?

We believe that the Consumer Outcomes need to be clearly defined, and this may require additional information on the definition for them to be understood and actionable by stakeholders. Nevertheless, there is a balance to be struck about the level of detail provided.

We note that under the FCA’s outcomes-based approach, financial firms struggled in the early stages to interpret what “good” looked like without clear rules. The FCA had to evolve from pure principles to providing “Good and Poor Practice” examples.¹⁰

Ofgem previously published Compliance Bulletins¹¹ with recent case studies setting out Ofgem’s expectations. These could be an analogous publication to the FCA’s, something that could prove

¹⁰ For example, [Price and Value Outcome: Good and Poor Practice update | FCA](#) (December 2025)

¹¹ For example, [Compliance Bulletin June 2021 | Ofgem](#)

timely as we understand that Ofgem intends to restart a regular series of compliance publications in January 2026.

We believe the current descriptions in the consultation provide very little additional information, generally being only a restatement of the outcome using near-identical words. For example, as shown in Table 3 below, the description of Outcome 8 is almost entirely a restatement of the outcome except where it introduces new concepts (such as being “billed fairly”) or specific requirements that appear distinct from the intended outcome (such as suppliers contacting consumers to understand why bills are not being paid).

Table 3: Comparison of Ofgem's text of Consumer 8 and the associated Further Information (underlined text appears distinct)

| Consumer Outcome 8 | Associated Further Information |
|---|---|
| Consumers are ... | Consumers are... |
| charged for energy | billed <u>fairly</u> with charges |
| in a manner that accurately reflects their usage, | that accurately reflect the energy they've used |
| with bills being easy to understand and | Bills are presented in a <u>clear</u> , easy-to-understand format and |
| provided in a consistent, timely and appropriate timeframe, as appropriate for the customer type. | are issued consistently and on time, in a way that suits the needs of different customer types. |
| Customers who are struggling to pay their bills should | All customers facing financial difficulties |
| receive compassionate support. | receive compassionate support, |
| and flexibility in payment methods and frequencies, | with suppliers offering flexible payment options and frequencies to help them manage their bills. |
| especially consumers in vulnerable situations | (particularly those in vulnerable situations and including non-domestic customers) <i>[moved from above]</i> |
| | <u>Suppliers should ensure that if bills are not being paid, they contact the customer to understand why.</u> |

Hence, we recommend that Ofgem completely revisit the Consumer Outcomes explanations and seek to provide good and poor practice examples on an on-going basis to aid understanding.

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?

Beyond the divergence in satisfaction rates (as discussed in [Question 2](#)), the consultation does not present any evidence or indications that the outcomes are not materialising consistently for

all consumer groups. Furthermore, the consultation does not show analysis that these outcomes are in line with existing rules.

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

Yes, it is natural that some outcomes will be more important to some consumers, particularly across the different segments (domestic, microbusiness, small business, I&C, etc.).

We believe “importance” should be judged through a combination of (i) the prevalence of an issue across the consumers, and (ii) the severity and likelihood of harm where outcomes are not delivered, particularly for consumers who are less able to protect their own interests.

Hence, we recommend identification of a small set of high-incidence, core consumer outcomes that affect most consumers (such as ease of contact and billing experience), while ensuring that outcomes relating to vulnerability, affordability and debt support remain explicit priorities even where they apply to smaller cohorts, because the potential detriment is more substantial. We describe this further in our response to [Question 4](#) above.

For domestic consumers, Ofgem’s regression analysis¹² indicates that ease of contacting suppliers (Ofgem’s outcome 7) and billing satisfaction (Ofgem’s outcome 8) are among the strongest predictors of overall satisfaction, and that financial vulnerability is the most influential demographic predictor, supporting the case for prioritising accessibility and debt support within any outcomes framework.

In practice, we recommend Ofgem establishes a clear hierarchy: a smaller number of “core” supplier led outcomes aligned to the main customer journeys, alongside distinct outcomes for vulnerability and other low incidence but high harm interactions. This would provide clarity on what Ofgem will prioritise where trade-offs arise, help senior accountability within suppliers, and reduce the risk that a large, flat list of overlapping outcomes becomes difficult to interpret and encourages “prescription through monitoring”, increasing burden without improving consumer protection.

We believe a more streamlined, consolidated number of outcomes will reduce the perceived differences in importance between outcomes (as we say in answer to [Question 4](#)). In proposing such an extensive list of outcomes, Ofgem has made it significantly more difficult to both assess and then handle the excessive differences in relative importance. Consumers and other stakeholders will also find it exceptionally difficult to understand ex-ante how Ofgem will balance the different outcomes.

¹² [What drives consumer satisfaction with energy suppliers](#), BMG for Citizens Advice & Ofgem (July 2025)
Public

The best approach to implementation of the Consumer Outcomes is likely to vary significantly across the consumer segments driven by different levels of likely detriment and cost of implementation.

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?

In principle we believe that the Consumer Outcomes should apply across the regulated sector albeit possibly with clear accountabilities for each. There will be unnecessary confusion if consumers, potentially with more than one relationship with the energy industry, are exposed to different outcomes.

We note that the FCA has a consistent set of consumer outcomes across all their regulated activities, and we do not think that the differences across energy are materially different to those across financial services.

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.

We support Ofgem's ambition for a **clear, simple and low burden** framework that protects consumers while enabling competition and innovation. We believe implementation options should be assessed against Ofgem's stated aims and the practical reality of the current rulebook: the supply licences and associated obligations are already extensive and layered, and additional frameworks risk becoming additive in practice.

We therefore apply a high threshold: **any approach that does not remove or disapply existing prescriptive requirements is unlikely to reduce burden or improve clarity** and is likely to increase monitoring demands and regulatory uncertainty.

Assessing Ofgem's options against its objectives

- **Retaining the current framework** is the least credible route to Ofgem's objectives. It preserves the existing complexity, overlapping obligations and interpretive burden, and it does not address the underlying problem Ofgem has identified (a framework that is difficult to navigate and increasingly prescriptive). While the current regime can be enforced, it performs poorly against the objectives of simplicity and burden reduction, particularly when combined with the scale of ongoing monitoring and ad hoc information requests.
- **Option 1 (voluntary commitments)** and **Option 3 (supplier led or Ofgem led outcomes reporting)** may provide transparency benefits, but they do not constitute a credible route to "low burden" regulation unless they are **explicitly substitutive**, i.e., used to replace existing obligations and reporting, not sit alongside them. Voluntary commitments in practice risk inconsistency and weak comparability across suppliers, while reporting regimes risk

becoming a new compliance layer and can quickly recreate prescription through the choice and granularity of metrics. Ofgem notes it would need to adapt monitoring and carefully consider which data to stop collecting, which to continue, and what new data to collect; without a clear commitment to substitution, the likely net effect is additive.

- **Option 2a (wholesale replacement)** would depend on complete clarity on the entire set of outcomes and even then there are likely to be some areas where the certainty of absolute consumer protection in prescriptive rules is still appropriate.

Our preferred approach: a hybrid of outcomes + rules + GSOP

- **Option 2b (a hybrid of outcomes + rules + GSOP)** is more realistic than a complete replacement in the near-term because some areas will continue to warrant clear minimum standards (including where detriment is high and obligations are binary). However, a “hybrid” only delivers burden reduction if it is implemented as a **replacement programme**: outcomes-based rules must be introduced **alongside an explicit package of SLC retirements**, with GSOP used only where obligations are objective and automatable. Without the replacement programme, “hybrid” risks being simply additive, and therefore fails Ofgem’s stated aim.

We appreciate that Ofgem wishes to make progress with these proposals after an extended period of early development, but **we are concerned about the effectiveness of a ‘trial’ being used to demonstrate progress**. A shift to a more outcomes-based regulation will require significant investment of resources in suppliers and in Ofgem, driven in part by the very different ways of working that it will require across policy development, monitoring, and compliance. A time-limited trial, particularly one that can be terminated early at short-notice, is likely to be subject to unrealistic pressure to deliver. The necessary investment may, therefore, be harder to justify and/or, if made, could become stranded. For the purposes of a trial, it will also be difficult to isolate a bounded set of customer journeys to be subject to the trial, not least because of the overlaps in the existing licence conditions.

In summary, we see merit in transparency tools and in a hybrid model, but **the only credible route to Ofgem’s stated objective of a “clear, simple and low burden” framework is an approach that replaces selected prescriptive SLC requirements**, ideally tested through a controlled trial. This could prove the ‘mindset shift’ across the sector, and if successful, should underpin a longer-term shift to a hybrid solution of outcomes and rules across different areas.

Table 4 presents a summary of our assessment of the implementation options against Ofgem’s objectives.

Table 4: Summary assessment of the implementation options against Ofgem's objectives

| Option | Overall fit with Ofgem objectives | Clarity & certainty | Flexibility | Innovation | Burden reduction | Accountability | Notes |
|---|-----------------------------------|---------------------|-------------|------------|------------------|----------------|---|
| Retain current framework | ○ | ○ | ○ | ○ | ○ | ● | Preserves complexity and prescriptive layering; little prospect of "low burden" reform without structural change. |
| Option 1: Voluntary commitments | ○ | ○ | ● | ○ | ○ | ○ | Risks inconsistency and limited comparability; likely additive unless it explicitly substitutes for existing obligations and monitoring. |
| Option 2a: Full outcomes-based rules (replace all existing rules) | ◐ | ○ | ● | ● | ◐ | ◐ | High flexibility/innovation but greatest regulatory uncertainty and compliance/enforcement complexity; challenging to evidence at scale. |
| Option 2b (preferred): Hybrid (outcomes + retained rules + GSOP) | ● | ◐ | ◐ | ◐ | ● | ● | More realistic near term; can work only if it is implemented as a substitution package (outcomes + explicit SLC retirements) to avoid additive complexity. |
| Option 3a: Supplier-led Consumer Outcomes report | ○ | ◐ | ● | ○ | ○ | ◐ | May improve transparency but will likely become a new compliance layer unless it replaces existing reporting and reduces RFIs/monitoring. |
| Option 3b: Ofgem-led Consumer Outcomes report | ○ | ◐ | ◐ | ○ | ○ | ◐ | Could strengthen comparability but risks "prescription through monitoring" and additional data burden unless paired with stopping existing collections. |

Q9a) 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?

Ofgem's most recent evidence suggests that a **targeted, risk-based approach** is more proportionate than broad new regulatory layering for the non-domestic market.

Non-domestic consumer satisfaction is at the highest reported levels. Ofgem's *Businesses' experiences of the energy market*¹³ found that 62% of business were satisfied with the overall service provided by their energy supplier (up from 61% in 2023). Only 17% disagreed they were treated fairly by their energy supplier, with those struggling to pay (33%) and those with low self-reported energy literacy (46%) being more likely to disagree. The extent of divergence is therefore less than in the domestic consumer segment.

Ofgem has only recently completed its non-domestic market review¹⁴ and implementing its findings. It is also expected to introduce regulations for Third Party Intermediaries (TPIs) this year.

Hence, we believe the case for market-wide, domestic-style intervention is weaker than in the domestic segment, and that the priority should be to **focus regulatory effort on the specific drivers of dissatisfaction** and on the cohorts most exposed to harm. With a much more diverse set of suppliers and complex customer journeys, Ofgem's resource may be better directed to monitoring and compliance. We note that Ofgem regularly collects a massive amount of data via its non-domestic RFI and has not shared any insights/actions back to suppliers.

Accordingly, we recommend that Ofgem's approach for non-domestic differs from domestic in emphasis and intensity: maintain and embed the existing non-domestic Standards of Conduct framework and associated reforms, and use **targeted supervision/enforcement and practical guidance** to address the areas where harms are evidenced—particularly **billing/communication failures**, which the non-domestic research identifies as leading drivers of dissatisfaction and complaints (with billing issues a common reason for complaints and "poor communication" frequently cited by dissatisfied businesses).

For larger I&C customers, we do not think that extending prescriptive, consumer-style interventions is appropriate given the bespoke contractual terms and service levels that already govern outcomes. For microbusinesses and small businesses, Ofgem should prioritise interventions that are demonstrably within supplier control and reduce harm (e.g., clearer billing and communications, effective support and signposting for those struggling to pay, and continued work on third party intermediary transparency and redress where those routes are used).

¹³ [Non-domestic Research Report - 2024](#) (published March 2025)

¹⁴ [Non-domestic market review: decision | Ofgem](#) (published April 2024)

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?

The consultation does not describe how a voluntary approach might work and what Ofgem believes the benefits might be. We note that many, if not all suppliers, already make public commitments to deliver some or all aspects of the proposed Consumer Outcomes through their corporate responsibility frameworks, codes of practice, and similar obligations.

As we say in response to [Question 9](#) above, **voluntary commitments in practice risk inconsistency** and weak comparability across suppliers.

Whilst we support voluntary commitments, like Codes of Practice, being used for specific outcomes, like involuntary PPM and debt support, **we do not think a voluntary approach will be effective in delivering change across many or all Consumer Outcomes**. At best, a voluntary approach may in practice evolve into an arrangement akin to supplier-led reporting, albeit without the consistent standards that a more formal arrangement may deliver.

Hence, we suggest that Ofgem carefully consider the serious limitations of a voluntary approach whilst being realistic of the positive benefits.

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.

In principle, yes. A more outcomes-based framework could benefit the retail supply market by reducing unnecessary prescription, enabling suppliers like E.ON to innovate in how they deliver customer journeys, and supporting investment by improving regulatory stability and predictability. Ofgem's consultation recognises the potential benefits of outcomes-based rules, including flexibility, innovation and reducing regulatory gaps, while also noting risks around uncertainty, measurement challenges and increased compliance/enforcement effort where outcomes are not clearly defined.

We believe that there is significant innovation space in new ways of delivering the core customer journeys more reliably, more inclusively, and at lower cost. A well-designed outcomes regime can facilitate that by allowing suppliers to re-engineer processes around consumer-valued results rather than regulatory compliance with detailed, sometimes duplicative process requirements.

A more outcomes-based approach should also enable more rapid innovation in developing customer propositions that enable them to take advantage of new technologies and progress towards net zero.

In our view, **the key determinant of success is not the concept itself but how it is implemented**: outcomes-based regulation will only unlock innovation and growth if it is accompanied by:

- **A genuine commitment to substitution** (removing or disapplying selected prescriptive rules rather than layering on top), and
- **A shared “mindset shift”** (as the FCA described it¹⁵) in policy development, compliance, and enforcement so that firms can invest with confidence in new approaches to meeting consumer needs.

We believe that a cultural change across Ofgem and suppliers is required to avoid the power of the concept being distorted in practice. As we have already seen in the process of this work (going from 13 to 24 outcomes since April 2025), along with Ofgem’s experience of RIIO and the default tariff cap, pure concepts can be readily complicated and distorted in practice.

If a more outcome-based approach is to be effective, there needs to be close engagement between Ofgem and suppliers based on mutual trust; firms need to have an interest in going beyond minimal compliance with the regulatory requirements; outcomes and goals must be clearly communicated by Ofgem, and the enforcement regime must be predictable.

Risks of a more outcomes-based approach

A more outcomes-based framework will only deliver benefits if it is designed and implemented in a way that avoids foreseeable risks. Ofgem recognises that outcomes-based rules can increase regulatory uncertainty, raise compliance and enforcement costs, and make it harder to determine whether an outcome has been achieved without extensive contextual assessment.

A ‘race to the bottom’ in supplier performance (and associated consumer harm) is more likely if:

- Expectations, thresholds or minimum standards are set too low;
- Ofgem retains detailed prescription in only some areas, creating incentives to optimise around rules rather than deliver good outcomes; or
- The overall framework does not fit together coherently across outcomes, principles, remaining SLCs, guidance, monitoring and enforcement, creating gaps, overlaps and inconsistent accountability.

To mitigate these risks, Ofgem should set out clear design criteria (including clarity, measurability, proportionality and supplier “reasonable control”), develop a coherent hierarchy of supplier-led outcomes versus wider market goals, and ensure implementation is explicitly non-additive. In doing so, the Consumer Outcomes can serve not only as a basis for regulatory reform

¹⁵ [Investing in outcomes: a regulatory approach to deliver for consumers, markets and competitiveness | FCA](#)

but also as a transparent way of measuring Ofgem's own success in improving consumer outcomes (see our response to [Question 16 below](#)).

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?

As we say above in response to [Question 7](#), we believe there are a core set of outcomes that affect most consumers (such as ease of contact and billing experience) that would be opportune for a more outcomes-based approach. Given the changing and diverse nature of consumer needs / preferences, greater tailoring and more innovation of customer contact and billing should deliver better customer satisfaction than prescription over when/how/what suppliers should do for their customers via contact centres and bills. In some cases, strict prescription through templates or targets inadvertently defeats Ofgem's objectives.

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

We believe that in areas where there is a need for more clarity and absolute consumer protection then prescriptive rules should remain in place.

Financial resilience is a core area where prescription should remain because weak resilience creates systemic, high harm detriment that consumers cannot readily detect or protect themselves against (and which can crystallise rapidly). Minimum, enforceable requirements in the supply licenses provide a necessary "hard floor" that supports timely regulatory intervention and reduces the risk that firms compete by taking undue financial risk.

Alongside targeted prescription, **GSOP should be used to set clear, binary minimum service standards in a limited number of key customer-supplier interactions** where compliance can be objectively measured and redress can be automated. A well-designed GSOP should mitigate "race to the bottom" dynamics by ensuring that suppliers cannot gain advantage by under-investing in basic service performance, while also reducing the need for subjective case-by-case enforcement and extensive monitoring. We discuss this further in our responses to the Reviewing the Supplier GSOP consultation below.

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

A coherent retail regulatory framework should enable Ofgem to deploy four distinct tools, each used where it is most effective and least duplicative: prescriptive licence conditions, principles-based regulation (SLC 0/0A), GSOP (target driven standards with automatic redress), and Consumer Outcomes (outcomes-based rules and/or a framework for accountability).

The question is how to allocate each tool to the types of interaction and risk where it adds the most value while keeping the regime clear and avoiding “layering”.

Ofgem’s previous qualitative consumer research¹⁶ found that consumers broadly support principles where interactions require judgement, empathy and tailoring (for example, billing queries and debt discussions), because every case can be different and consumers value the “right attitude” and fair treatment. At the same time, the research found strong support for targets/standards in a subset of high harm- interactions because targets provide a clear benchmark, certainty of redress, and a “safety net”, particularly for vulnerable consumers. The research panel also noted that principles alone were often perceived as too vague or open to interpretation to help consumers hold suppliers to account without tangible benchmarks.

This consumer evidence maps naturally onto the four tools:

- **Prescriptive licence conditions** are most appropriate where detriment is potentially severe or systemic and where Ofgem needs clear, enforceable minimum safeguards (for example, financial resilience), because the cost of failure is high and consumers cannot protect themselves through engagement.
- **Principles (SLC 0/0A)** are best suited to “behaviour and treatment” issues where rigid targets would either be impractical or would drive undesirable, inflexible behaviour, such as fairness, clarity of information, empathy, ownership and fit for purpose processes.
- **GSOP** should be reserved for **binary, objectively measurable** failures where automatic compensation is feasible and valuable (appointments, urgent faults), because consumers explicitly value targets for empowerment and redress and see them as a guard against service dropping below minimum levels.
- **Consumer Outcomes** are most valuable where Ofgem wants to specify *the result consumers should experience* on supplier-controllable journeys while leaving flexibility on delivery and where outcomes can support senior accountability without re-creating process rules via monitoring. Ofgem’s more recent satisfaction evidence reinforces the value of focusing outcomes on the journeys consumers most associate with satisfaction (e.g., contact and billing experience).

We summarise the decision criteria, strengths, and weaknesses of Ofgem’s four regulatory tools in [Table 5](#).

¹⁶ [Ofgem Consumer First Panel – Year 5: Research to Inform Ofgem’s Review of the Guaranteed and Overall Standards of Performance \(GOSP\) | Ofgem](#)

Table 5: Summary of decision criteria, strengths, and weaknesses of Ofgem's four regulatory tools

| Tool | Best used when... (decision criteria) | Strengths | Key risks |
|---|---|--|--|
| Prescriptive licence conditions | <ul style="list-style-type: none"> Potential for high severity or systemic detriment Need for legal certainty and consistent safeguards Need early, objective regulatory triggers Appropriate where the "floor" must be unambiguous and enforceable | <ul style="list-style-type: none"> High certainty and enforceability Reduces interpretive disputes Supports prompt regulatory action | <ul style="list-style-type: none"> Can ossify processes and inhibit innovation Can become outdated |
| Principles-based regulation (Standards of Conduct) | <ul style="list-style-type: none"> Interactions requiring judgement, empathy, and tailoring to individual circumstances Where outcomes depend on behaviour, tone, fairness and communication quality Where setting universal time/metric targets is impractical. | <ul style="list-style-type: none"> Drives consumer centric culture Captures varied circumstances Avoids "one size fits all" Supports innovation in delivery channels | <ul style="list-style-type: none"> Can be perceived by consumers as "woolly" Uncertainty about differing interpretations without extensive guidance/examples |
| GSOP (target-driven standards + automatic redress) | <ul style="list-style-type: none"> Binary, objectively measurable service failures where consumers want a clear benchmark, certainty of redress Where breaches can be identified and paid automatically without subjective judgement | <ul style="list-style-type: none"> Guarantees minimum service Tangible consumer recourse Reduces enforcement burden where rules are objective Helps prevent a "race to the bottom" | <ul style="list-style-type: none"> Can be inflexible Risk "aiming for the target" Cost concerns if poorly designed |
| Consumer Outcomes (outcomes-based rules / framework) | <ul style="list-style-type: none"> Where specify what consumers should experience while allowing flexibility in delivery Best for supplier controllable journeys where innovation in service design is valuable, but accountability still required Useful for system-level goals (tracked separately) where delivery depends on multiple actors | <ul style="list-style-type: none"> Enables innovation Reduces need for frequent rule changes if outcomes stay stable Can improve senior accountability if outcomes are few and clear | <ul style="list-style-type: none"> Risk of regulatory uncertainty and "prescription through monitoring" if too many metrics are attached or outcomes are poorly defined |

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.

A credible outcomes framework requires a monitoring approach that is **proportionate, comparable, and operationally workable**. Ofgem notes that outcomes-based rules can increase uncertainty and enforcement complexity, and that monitoring must avoid “prescription through monitoring”. In our view, monitoring will only be robust if each outcome is supported by **a small number of simple, quantitative metrics** with clear definitions and (where appropriate) indicative thresholds. Without this, outcomes risk becoming either unenforceable “aspirations” or, conversely, generating excessive narrative reporting and bespoke information requests to evidence delivery, thereby undermining Ofgem’s objective of a “clear, simple and low burden” framework.

We note that the FCA uses 15 metrics to assess progress across its four topline consumer outcomes¹⁷ and would encourage Ofgem to similarly be similarly focused.

We note a potential tension in the consultation’s description of monitoring under an outcomes framework. Ofgem states it would “need to monitor whether consumers receive good outcomes throughout their interactions with suppliers, and not just at the end of the process”¹⁸ (underlined for emphasis). While we agree that poor outcomes can arise at different points in a journey, routinely monitoring the full set of interactions as a matter of course risks drifting into process--based regulation and undermining the intended benefits of a more outcomes--based regime. A more proportionate approach is to monitor delivery against a small set of outcome metrics and thresholds and then use targeted “journey” evidence and deeper diagnostic data only where those indicators suggest that an outcome is not being achieved. This preserves an outcomes-focus while enabling Ofgem to intervene quickly and effectively when harm is indicated.

Preferred approach: Ofgem-led core dashboard + targeted supplier assurance (risk-based), explicitly non-additive.

We consider the most effective model to be a **hybrid monitoring approach**, but designed to be **substitutive** rather than additive:

1. **Ofgem-led core dashboard** using a limited set of metrics per outcome (typically 2 to 4), focused on comparability across suppliers and early warning of poor outcomes. This approach provides transparency and consistency while reducing scope for divergent

¹⁷ [Consumer topline outcomes and metrics | FCA](#)

¹⁸ Consumer Outcomes consultation, para 4.43

interpretations. This would build on Ofgem's existing reporting of domestic customer satisfaction by supplier¹⁹.

2. **Targeted, risk-based supplier assurance** (short narrative plus evidence pack) triggered only where the dashboard indicates potential harm or underperformance, rather than requiring universal annual narrative reporting for all outcomes. This aligns with the logic of outcomes-based regulation: monitor the outcome, then investigate the process **only when the outcome appears at risk**, rather than monitoring every step of the journey as a matter of course.

This approach also responds to our experience of monitoring burden: in the last 12 months E.ON has handled extensive Ofgem data requests and engagement hours; any new outcomes regime must therefore include a clear commitment to stop collecting duplicative data and reduce bespoke requests, not add to them.

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?

Ofgem could adopt the Consumer Outcomes as a measure of its own success in delivering better consumer outcomes.

We note that Ofgem used to assess its annual performance against its previous five consumer outcomes²⁰, and we believe that the Consumer Outcomes should be more relevant to consumers than the 17 Strategic Objectives that form the basis for Ofgem's Performance Analysis in its Annual Report. Attaching metrics to the outcomes would allow Ofgem to assess the level of success and allow it to move beyond describing programme activity.

Reduced regulatory burden

The indicators that we highlighted to the ESNZ Committee in a further written submission October 2025 were:

- **Volume of requests:** In the past 12 months, E.ON has handled 159 separate data requests from Ofgem, spent over 250 hours in meetings with officials, and a further 2,000 hours fulfilling bespoke requests.
- **Number of consultations:** In 2025 alone, 155 consultations, RFIs, and calls for input have been issued by Ofgem (as of October).

¹⁹ [Customers' satisfaction with their supplier - supplier level findings](#) (Dec 2025)

²⁰ [Ofgem, Consumer impact report FY 2018-19](#)

- **Regulatory complexity:** The energy supplier licence conditions span over 611 pages. The list of codes across energy industry spans more than 10,000 pages²¹.

Nevertheless, Ofgem should be wary of using the length of the licence conditions as single indicator of regulatory complexity²². Simply moving large proportions of the licence conditions into guidance would increase regulatory uncertainty for no real benefit.

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?

As with all regulation more generally, we would wish engagement to be **timely and predictable**.

We are keen to see changes like Consumer Outcomes and GSOP progress. In April 2025, Ofgem said it planned to publish a policy consultation on Consumer Outcomes in “summer 2025”²³. We were disappointed that this consultation was delayed and downgraded to a call for input. We had hoped to see much more developed thinking from Ofgem on how the different implementation options might work and a clear articulation of Ofgem’s objectives.

We were disappointed that Ofgem’s proposed Forward Work Programme for 2026-27²⁴ did not commit to any timelines for this work.

The remainder of this response addresses the questions in Ofgem’s GSOP call for input.

²¹ [Energy UK calls for shake up of energy regulation - Energy UK](#)

²² We note that growth in license length is more understanding where industry schemes are introduced or there needs to be technical detail (e.g., the Feed-in Tariff section has grown by over 200 pages).

²³ Consumer Outcomes Stakeholder Workshop, 3rd April 2025, page 14.

²⁴ [Proposed Forward Work Programme for 2026 to 2027 | Ofgem](#)

Reviewing the Supplier Guaranteed Standards of Performance (GSOP) consultation responses to questions

Role

Q1. Do you have any views on how the GSOP should be used to deliver good consumer outcomes as part of our wider regulatory toolbox?

GSOP should remain the instrument for clear-cut, binary obligations where breaches can be identified and compensated automatically without subjective assessment.

We believe its role is complementary to licence-based prescription and outcomes-based rules: outcomes can operate as market-wide objectives for what “good” looks like for consumers and provide suppliers with room to innovate; simplified licence prescription can provide clear safeguards where serious harm must be avoided, while GSOP provides simple, minimum “floor” standards with guaranteed, automatic redress. This approach aligns with Ofgem’s own framing that GSOPs are best suited to issues that are clear-cut and less reactive than licence changes due to the use of secondary legislation.

Ofgem’s earlier consumer research²⁵ strongly supports this “clear-cut deliverables” role for GSOP. Consumers told Ofgem that, especially alongside principles-based regulation, they want a benchmark/target they can use to compare service and hold suppliers to account when performance is sub-standard.

Crucially, before proposing any changes to GSOP, we believe it is essential for Ofgem to properly evaluate the data that it currently collects (see our response to [Question 4](#)).

We also recommend that GSOP focus protections on the consumer segments most affected by the relevant poor performance. Ofgem should be careful to avoid any unintended and inadvertent regulation overshooting into market segments and customer types not in need of any additional protections (see our response to [Question 8](#)).

Q2. Do you have any comments on our proposed objectives for the GSOP mechanism?

We broadly support the draft objectives and recommend two clarifications to preserve proportionality and effectiveness:

- **Competitive market support:** make explicit that GSOP is deployed where competition and existing rules are insufficient to prevent clear detriment and they reinforce market incentives (rather than replacing).

²⁵ [Ofgem Consumer First Panel - Year 5: Research to Inform Ofgem's Review of the Guaranteed and Overall Standards of Performance \(GOSP\) | Ofgem](#)

- **Supplier control:** state that GSOP obligations apply only to elements within suppliers' reasonable control, with defined "clock-stops" for consumer or third-party dependencies (e.g., property access, TPI-only communication). For example, we do not believe smart meter function should be subject to a GSOP due to the many factors outside of suppliers' control. Without this objective, GSOP would not act as an incentive for improved performance (since it cannot be improved).

Looking at the existing applications of GSOP, it is apparent that different Ofgem policy teams have different interpretations of the objectives for GSOP. We believe consistent application will strengthen the regime. Clarity on GSOP's objective to provide the right incentives, rather than 'compensation' for inconvenience or other harm is important.

To deliver effective consumer outcomes, the GSOP framework must incentivise high service standards without triggering unintended consequences across the value chain. While penalties should drive better behaviours, they must be carefully calibrated to avoid distorting market dynamics such as increased risk-pricing or reduced supplier appetite for complex segments. By focusing on balanced, outcome-based incentives, the GSOP can protect consumers while ensuring that the regulatory burden does not inadvertently stifle competition or complicate the broader customer experience.

Q3. 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?

We agree with the proposed criteria (clear rationale; understandable/administrable; evidence-based and achievable; measurable/enforceable; prevents detriment; identifiable customer; ability to improve; non-duplicative compensation).

To strengthen the criteria, Ofgem should also consider:

- **Stability of the requirement:** the timescales involved in secondary legislation (cf. those for changing supply licenses or guidance) means that the requirement should be robust to market developments for several years.
- **Consistency across rulebooks:** align GSOP drafting and exemptions with REC, BSC, SEC and supply licence to avoid ambiguity and double-counting.
- **Tailoring by segment:** permit objectively different application in domestic vs. non-domestic contexts (e.g., appointment logistics, TPIs), while preserving uniform administration and consumer clarity.
- **Exemptions clarity:** codify explicit exemptions for out-of-scope events (severe weather; network faults; customer refusal of access; external agent failures) and define clock-stops to ensure objectivity.

As part of 'evidence-based and achievable', timeframe standards should be realistic yet sufficiently ambitious to genuinely incentivise suppliers to act promptly and address root causes of poor service, rather than just paying the GSOP payments.

Q4. How effective is the current GSOP framework and individual standards in delivering good consumer outcomes? Please provide evidence where possible.

Ofgem has provided very little transparency about the use of GSOP. Even in this Call for Input, there is no analysis of the most common aspects for GSOP breaches (only aggregate volumes) nor any of GSOP disputes.²⁶ Hence, we cannot comment on the direct linkage of individual GSOPs to consumer satisfaction in those areas.

The Call for Input refers to the "lack of a significant downward trend" in the number of GSOP payments²⁷, but we believe that this should not be viewed in isolation as a failure of the standards. Ofgem's own research shows domestic and business consumers are reporting the highest reported levels of satisfaction:

- Ofgem's *Energy Consumer Satisfaction Survey*²⁸ that domestic customer satisfaction throughout 2025 shows has reached record highs (82%) and dissatisfaction remains at lowest level (6%). Domestic customer satisfaction with customer service also at its highest ever level.
- Ofgem's *Businesses' experiences of the energy market*²⁹ found that 62% of business were satisfied with the overall service provided by their energy supplier (up from 61% in 2023). Only 17% disagreed they were treated fairly by their energy supplier, with those struggling to pay (33%) and those with low self-reported energy literacy (46%) being more likely to disagree.

These research findings are consistent with GSOP being effective in acting as a floor mechanism rather than a continuous improvement tool.

We suggest that Ofgem should refrain from drawing conclusions from the "divergence" in consumer satisfaction without detailed study. Similar differentials between financially vulnerable and non-vulnerable segments are seen in other sectors, such as across financial services (see our response to [Question 2](#) of the Consumer Outcomes consultation,).

²⁶ Ofgem is the channel for individual disputes of GSOP under section 39B of the [Electricity Act 1989](#) and section 33AB of the [Gas Act 1986](#).

²⁷ Reviewing the GSOP Call for Input, para 1.17.

²⁸ [Energy Consumer Satisfaction Survey: July to August 2025 | Ofgem](#) (published December 2025)

²⁹ [Non-domestic Research Report - 2024](#) (published March 2025)



We recommend **Ofgem to publish granular GSOP breach analytics** (by standard, customer segment, cause, geography, double payments) based on the data it already collects and provide root-cause narratives to target improvement where harms are concentrated.

Ofgem should leverage RFIs and assurance to identify repeat process failures and engage with targeted remediation, rather than uniformly raising payment levels without evidence of causal impact.

Scope

Q5. Do you have any views on what would determine if a GSOP or a licence condition is the best tool to improve supplier performance?

We believe GSOP are appropriate where: i) obligations are binary and objectively measurable; ii) breach detection is automatable; and iii) the requirement is relatively stable. There must be no need for subjective judgment or interpretation to determine if a breach has occurred, thereby allowing for automatic payments.

Conversely, licence conditions are appropriate where: (i) rules require contextual judgment or proportionality; (ii) measures interact with broader consumer outcomes; (iii) evolution is likely; (iv) obligations rely on third-party actions or consumer participation.

There should be no duplication across regulatory tools and no application of wider standards onto the specific service aspects covered by GSOP.

While the core GSOP rules are objective, any applicable exemptions must also be clearly and specifically defined (e.g., severe weather events, third-party actions or in-actions, inability to gain access). This still maintains a high level of clarity around when the rule applies. These types of rules stand in contrast to any subjective rules which require investigation, an assessment of individual detriment, and flexible fixes.

Q6. 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?

We strongly believe that there needs to be a widely agreed and established problem statement which requires addressing before any changes are made.

We caution against introducing GSOPs for complaints handling or broad billing requirements, due to duplication and subjectivity. The Complaints Handling Standards³⁰ (CHS) already

³⁰ Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008
Public

prescribes meticulous standards for handling complaints from relevant consumers (including micro-businesses). Billing requirements (e.g., requirement to bill to an actual read every 12 months) could have unintended consequences by incentivise customers to not provide a reading or allow site access to a meter reader.

Instead, we recommend that Ofgem consider narrowly-defined, objective additions where consumer harm is clear and supplier-controllable:

- **Ombudsman remedy implementation:** only if DESNZ does not proceed with direct penalty powers; otherwise duplication risk is high. If adopted, define objective timepoints (acceptance; implementation within 28 days) and clear exemptions.
- **Smart metering response alignment:** review out-of-hours timelines to ensure coherence with the activated 24/7 contact licence requirement, where evidence shows harm and systems can automate breaches.
- **Switching:** maintain current GSOP set and focus on data quality to prevent erroneous transfers rather than expanding subjective elements.

Q7. Should any of the current GSOPs be removed, or replaced with a licence condition to better achieve its policy aim?

On current evidence, we support retaining the existing set of GSOPs. We do not see clear cases where moving standards back to the licence would better achieve Ofgem's regulatory objectives. Where overlap with evolving smart metering rules occurs, we suggest that Ofgem should ensure drafting coherence but keep GSOPs focused on objective milestones (appointments; fault resolution; switching timelines).

Q8. 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?

We strongly believe that it would be inappropriate to extend GSOP to Industrial and Commercial (I&C) customers. These consumers negotiate bespoke service level agreements (SLAs) and contractual remedies; so, a statutory GSOP could conflict with commercial terms and distort risk allocation.

For microbusinesses, we support maintaining (and if necessary, clarifying) coverage limited to making and keeping appointments. Other metering and billing contexts vary materially (TPIs; complex metering) and are better handled via licence duties and targeted enforcement.

Q9. Do you have any views on what the underlying rationale for the payment level and mechanism should be to best achieve the GSOP objectives?

We believe that the original intent for GSOP was to incentivise suppliers to aim for and consistently achieve a reasonable minimum standard of performance. Ofgem has described it in the past as compensation for inconvenience,³¹ but we believe in practice it has never been perceived as compensation for any potential inconvenience (or financial loss) suffered because of a breach.

We believe that "customer inconvenience" is difficult to be defined on an industry level for GSOP as it is specifically designed to be an objective, not subjective, measure. GSOP payments function as a fixed, automatic penalty for the supplier's failure to meet a clear, binary service standard (e.g., a specific timeframe for a final bill or appointment).

In the context of non-domestic customers, particularly larger Industrial and Commercial (I&C) businesses, applying a universal assumption of "inconvenience" as part of a GSOP framework is problematic. These commercial entities operate differently from domestic consumers as they often have dedicated account managers, sophisticated operational resilience plans, and bespoke contractual SLAs that may already address specific service failures. For instance, a delay in a routine administrative process covered by a domestic GSOP might genuinely cause no operational disruption or inconvenience to an I&C customer whose operations are managed through different channels or whose contract makes alternative provisions. Automatically imposing a statutory penalty payment for a deemed inconvenience, that is not actually experienced by the customer, represents a disproportionate regulatory measure. It undermines the established commercial relationship and the customer's ability to negotiate tailored terms that reflect their actual business needs and impact thresholds, which fundamentally differ from those of a standard residential consumer.

Compensation via complaints and alternative dispute resolution (ADR) routes has always been the correct method of ascertaining any inconvenience or financial loss experienced by the customer as this will be established on a case-by-case basis, while also taking into consideration the event which led to the breach, customer size and type. Changing the principle and rationale for GSOP raises further complexities to an established simplified process.

³¹ Ofgem, Supplier Guaranteed Standards of Performance: Consultation on Switching Compensation
Public

Q10. Do you have any views on specific changes to the payment mechanism we should consider, including the examples included in this paper?

Last year we welcomed Ofgem's revision³² of GSOP payments to uplift in line with inflation (£30 to £40). A further singular increase in GSOP payment level is more likely to over-compensate at least some consumers for the inconvenience caused, especially if the scope of GSOP is to be expanded to cover more interactions.

If Ofgem wishes to future-proof GSOP incentives with minimal burden, then it should consider an inflation-link mechanism applied uniformly across standards. We believe that Ofgem should avoid variable levels by severity or customer type, which would unreasonably increase complexity and reduce consumer understanding.

We do not believe there is a strong case to make further changes, especially whilst there is no compelling evidence that the GSOP is effective in improving customer outcomes and there is a causal link with payment levels.

Q11. Are there any issues we should consider with introducing repeat payments for ongoing breaches?

No. We do not support repeat payments for a single ongoing breach. Repeat payments for the same incident risk over-compensation and could drive defensive process behaviours without targeting underlying causes.

Instead, we suggest that Ofgem should clarify what constitutes a "separate breach" (e.g., each missed appointment window; each failure to meet a distinct target timeframe) and ensure one payment per breach with strong expectations for prompt remediation.

Q12. Are there any issues we should consider with introducing variable payment levels for different consumer groups or severity?

We do not support variable payment levels as we believe they would contradict GSOP's objectives:

- GSOP is not a loss valuation but a mechanism to provide suppliers with the right incentive to deliver the minimum standard service on all occasions.
- Variable levels by severity or group would erode simplicity, invite excessive disputes, and add excessive burden to automation.

³² [Supplier Guaranteed Standards of Performance \(GSOP\) Payment Uplift | Ofgem](#)

If Ofgem wishes to recognise materially different harms, then we believe that targeted licence requirements and enforcement are a better alternative to tiered GSOP.

Q13. Are there any specific changes to the current set of exemptions that we should consider?

No. The existing exemptions within section 9 of the Regulations³³ should be retained as they cover circumstances outside of the supplier's control or because of the customer's actions.

Ofgem should consider issuing guidance on the exemptions to support consistent interpretation across suppliers.

Q14. Are there any specific changes to the target levels of existing standards that we should consider?

No. Based on the current evidence, the target levels should not be changed.

The GSOP design criteria imply that any changes should be evidence-led and tested for automatable detection, consumer clarity, and alignment with other regulations.

Operation

Q15. Are there any improvements we can make to the way we collect data from suppliers specifically on their compliance with the GSOP?

No, although we encourage Ofgem to publish aggregate dashboards of the GSOP data that it receives. We note that even within this Call for Input, very little data was presented: one chart and three paragraphs of analysis/commentary. Transparency will help suppliers make the necessary improvements.

We note that for E.ON Next we publish our quarterly performance of GSOP for electricity and gas appointment on our website³⁴. This covers number of cases, number of breaches, and how much we paid to customers.

³³ [The Electricity and Gas \(Standards of Performance\) \(Suppliers\) Regulations 2015](#)

³⁴ [Guaranteed Standards of Performance – our policies](#)

Q16. Are there any additional risks that we should consider when exploring our approach to monitoring and ensuring supplier compliance with the GSOP?

The most significant risk to GSOP monitoring and compliance is that Ofgem collects a large amount of data that is either unfitting (asking wrong questions) or not acted upon.

Inconsistent interpretation of exemption is another key risk, which could partly be mitigated through further guidance.

As with all monitoring and compliance activity, Ofgem should assess the administrative burden of any new requests and carefully consider the proportionality. It should assess whether relevant data is already collected by Ofgem for other purposes.

Q17. Is there a need for any supporting guidance, either aimed at suppliers or consumers, to improve the effectiveness of the GSOP?

Additional high-level guidance on common scenarios for exemptions and clock-stops would help suppliers and consumers understand better how GSOP apply in individual circumstances. Ofgem should avoid prescriptive 'case catalogues' given the difficulty of complete alignment.

Q18. Is it important that consumers are aware of GSOPs? Why?

Consumer awareness is beneficial but should not be a prerequisite to redress.

To aid consumer awareness of GSOPs, we publish and maintain a statement for customers that describes the GSOP on our websites³⁵. We also highlight the dispute resolution process and publish our quarterly GSOP performance statistics (number of cases, number of breaches, amount paid to customers) for gas and electricity appointments.

Q19. Are there any actions that Ofgem or suppliers should take to improve consumer awareness of the Guaranteed Standards?

We would not object to any communication that Ofgem issue to consumers on informing them of their rights under GSOP or any other supplier licence condition.

³⁵ E.ON Next: [Guaranteed Standards of Performance – our policies](#)
nPower Business Solutions: [Guaranteed-Standards-of-Performance-2024.pdf](#)