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# Energy Systems Catapult response to Ofgem's call for input on Energy Consumer Outcomes

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## Summary

A more outcomes-based, diversity-friendly regulatory framework is needed to enable innovation and market growth while ensuring consumer protection, trust, and clarity of accountability across an increasingly fragmented energy ecosystem.

Energy Systems Catapult welcomes the opportunity to respond to this Ofgem Call for Input on Energy Consumer Outcomes.<sup>1</sup>

The Catapult was set up to accelerate the transformation of the UK's energy system and ensure UK businesses and consumers capture the opportunities of clean growth. The Catapult is an independent, not-for-profit centre of excellence that bridges the gap between industry, Government, academia, and research. We take a whole systems view of the energy sector, including in policy design and implementation, helping us to identify and address innovation priorities and market barriers, to decarbonise the energy system at the lowest cost.

Our main messages are:

- **Regulatory diversity is needed to enable innovation.** The current framework is built around a single, traditional supplier model, creating fixed costs and complexity that deter new entrants. A more outcomes-based approach would allow requirements to be tailored to different business models and risk profiles, supporting innovation while maintaining core protections.
- **Consumer protection should reflect real needs.** Consumers vary widely in motivation, capability, and vulnerability. Regulation should focus on fairness, simplicity, and meaningful outcomes – such as bill clarity, value, and access to support – rather than overly prescriptive processes.
- **Trust requires clear accountability.** As markets fragment across suppliers, platforms, and third parties, responsibility for harm is often unclear. Outcome-based obligations should apply across the ecosystem, supported by clear, measurable expectations and transparent reporting to maintain trust and enable informed choice.

We provide a response to the detailed consultation questions in the annex. We would be happy to further discuss this topic with you.

Sincerely,

Tom Luff (Head of Business Modelling and Policy Innovation)

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<sup>1</sup> <https://www.ofgem.gov.uk/call-for-input/energy-consumer-outcomes>

## Response to detailed 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?***

When updating the regulatory framework for retail energy suppliers, the key factors to consider are enabling innovation and growth while protecting consumers and supporting net-zero goals. The framework should be flexible enough to accommodate diverse supplier models, proportionate and tailored in consumer protections, and designed to maintain trust through fairness and simplicity. It must also reflect the varying levels of consumer understanding and motivation, and ensure outcomes are meaningful, measurable, and relevant to real consumer needs.

#### *Recognise the diversity of supplier models*

The energy market is evolving rapidly, with new models such as EV or heat pump focused tariffs and platform-based arrangements emerging. Regulation should be flexible enough to accommodate different business models rather than assuming a single, traditional retailer archetype. This includes ensuring that rules are adaptable to innovation while maintaining core consumer protections. Evidence from our trial from last year suggests that consumers would be comfortable with multiple suppliers in their home if it resulted in cheaper bills.<sup>2</sup>

#### *Proportionate, tailored consumer protections*

Consumer protections should be risk-based and aligned to the role and degree of consumer exposure. A one-size-fits-all approach is unlikely to be effective or efficient. Instead, the framework should:

- Differentiate between supplier types and functions
- Apply protections in a proportionate manner
- Ensure clear lines of accountability and redress

This approach should preserve consumer confidence without unnecessarily constraining innovative business models.

#### *Build trust through fairness and simplicity*

Even where tailored regimes are appropriate, the framework must address consumer tolerance for complexity and ensure fairness—especially around costs associated with net-zero initiatives. Consumers must feel that:

- Pricing is transparent and fair
- The value they receive matches the price they pay
- Automated systems and dynamic pricing remain understandable and trustworthy

Without simplicity and perceived fairness, consumer trust will erode, which undermines both market growth and net-zero progress.

#### *Recognise varied consumer understanding and motivations*

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<sup>2</sup> [Energy Systems Catapult \(2025\), Exploring the Secondary Supplier Model](#)

Consumers do not enter the energy market from a common starting point. Their understanding of energy, technology, and market offerings varies widely, and their motivations differ. While innovation may primarily aim to support net-zero goals, for many consumers, net-zero is not the primary driver of engagement.

Therefore, regulation should ensure that:

- Information, advice, and guidance are focused on what matters most to consumers
- Communications about net-zero impacts are relevant, not overwhelming
- Messaging does not obscure more immediately important consumer priorities (such as cost, bill clarity, and service reliability)

#### Ensure outcomes are meaningful and measurable

Outcomes should be designed with the consumer context in mind and should be measurable in a way that reflects meaningful engagement. For example:

- Bill comprehension: Consumers should be able to understand their bills to engage with their energy use and compare offers effectively.
- Perceived value: Absolute price may be less relevant than the value consumers feel they receive, given the wide variation in household circumstances and energy needs.

Regulation should therefore focus on outcomes that genuinely support consumer empowerment and engagement, rather than on metrics that may be technically precise but practically irrelevant.

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

We recognise that satisfaction rates are driven by several factors. Consumer cohorts differ in their needs, the barriers they experience in trying to meet those needs and the extent to which those needs are met. As noted in Ofgem's Energy Consumer Satisfaction Survey<sup>3</sup> financial circumstances appear to play a role in dissatisfaction – those experiencing financial pressures are less satisfied than those doing well. The magnitude of financial difficulty may also be greater – research suggests that energy debt was at record levels in March 2024, with the average amount of energy arrears owed by National Debtline clients increasing over a third (37%) between 2023 and 2024<sup>4</sup>.

Affordability is a key need for most consumers, but among those experiencing financial pressures this need may be both more acute and less likely to be met. This may be due to the cost of energy bills (46% of those who were dissatisfied with their supplier mentioned this) and/or predictability of bills (26% reported receiving unexpectedly high bills).

Some cohorts may face more and/or bigger barriers in meeting their affordability needs, for example:

- they may have a lower understanding of their energy consumption and/or billing and so be less well-informed about how to manage energy use;
- they may be experiencing other financial and/or domestic pressures which leave them with less resource (time, effort, headspace) to think about managing their energy use;

<sup>3</sup> Energy Consumer Satisfaction Survey, Wave 20. BMG for Ofgem and Citizens Advice, 2025.

<sup>4</sup> Broken Budgets. Money Advice Trust, 2024.

- they may be unaware or distrusting of available support, or may be unwilling to seek support (e.g. due to embarrassment or fear of negative consequences).

Additionally, and as highlighted in our Inclusive Smart Solutions (ISS) report<sup>5</sup>, some cohorts experience greater barriers to accessing and using smart energy products and services which could help them reduce or better manage their energy use and energy spend. This includes renters, reflecting the findings of Ofgem’s own research, who have less agency to make changes and adopt new services. Renters may also be more likely to find themselves in positions where they need to adapt to unfamiliar technologies installed by landlords, or already installed in properties that they move into, for example heating systems which use a different fuel source (e.g. switching from a gas boiler to an electric heating system) or switching ways of paying for energy (e.g. moving between paying on receipt of a bill and using a prepayment meter). Such changes can require substantial adjustment which may be more difficult to manage for those who have not initiated the change themselves and may not be as well-informed about how to adapt their behaviours.

Ultimately, those consumer cohorts who are less satisfied may have a greater need for affordability and greater difficulty addressing the barriers to meeting those needs.

***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?***

Yes, although we propose some builds, including a shift from emphasis on price to *value*, particularly for outcomes related to fair prices, an emphasis on more objective assessment of informed consent and an expectation in relation to cybersecurity for innovation.

*Shifting emphasis from absolute price to value*

Prices may not be objectively excessive, but different consumers may realise very different value. For example, a household that is heavily rationing energy use and paying little more than the standing charge may feel they are getting very little value; by contrast, a household using smart technology to easily and conveniently benefit from ToU tariffs (and whose standard charge represents a relatively small proportion of their bill) may feel they are getting excellent value. This principle of value extends to interpretation of ‘the best deal’ – this wording typically implies lowest cost, but for some – particularly consumers with low incomes and/or those in vulnerable situations – predictable costs and costs which they perceive they are in control of may be more important and more valuable than the lowest absolute cost. Prepayment meter users, for example, often value the visibility and control that this payment method enables.

*More objective assessments of understanding*

Given the central importance of informed choice and consent, we would like to see suppliers encouraged to support consumers in building understanding of energy which is fit for purpose, where that purpose is being able to understand and anticipate bills, make decisions about if and how to change energy consumption, and navigate and evaluate options available to them.

Consumers may report self-perceived understanding of their energy bills and/or perceived ease of understanding, but high reported self-perceived ease of understanding bills may mask a lack of

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<sup>5</sup> Inclusive Smart Solutions: final report. Energy Systems Catapult, 2025.

more objective understanding of how bills are calculated and how energy consumption and bills are linked. That understanding is needed to:

- anticipate (and support budgeting for) energy bills – that a high proportion (26%) report receiving unexpectedly high bills may indicate that many consumers don't have sufficiently meaningful understanding of their bills to be able to apply that to their needs;
- manage energy consumption/costs and to engage effectively with tariff and supplier switching. Research published by Ofgem<sup>6</sup> showed that most consumers report not knowing what information they need to compare deals on comparison signs, and that financially vulnerable consumer were least confident in finding these. As uptake of ToU tariffs increases<sup>7</sup> it may be increasingly important to ensure, and appropriately measure, consumer understanding of billing – ToU tariffs could represent opportunities for some consumers to get more value from their energy use, but such tariff require increased engagement across the consumer journey from comparing and choosing tariffs to monitoring those tariffs in comparing and choosing tariffs and monitoring those tariffs<sup>8</sup>. Insufficient understanding could make it harder for consumers to take up and benefit from the value these tariffs offer.

### Cybersecurity

In keeping with a recommendation in the most recent UK Customer Satisfaction Index report<sup>9</sup> and a recent Ofgem blog post<sup>10</sup>, we suggest that consumers should trust and expect that their data is managed in a secure fashion, and that cyber incidents are responded to appropriately, with consumers being made aware of breaches and their potential impact. In a global political context where critical national infrastructure is increasingly targeted by actors for nefarious purposes, innovation which is reliant on smart technology poses significant risks to the confidentiality and integrity of consumer data. Breaches will serve to undermine consumer trust in energy innovation. Consumers in vulnerable circumstances also face risks in relation to the handling of *sensitive* data. All consumers should, therefore, expect that innovators and energy companies take these risks seriously and put in place appropriate mitigations.

### Availability of information across multiple channels

We propose a specific expectation that information is made available across a variety of channels for consumers to engage with. Some consumers may not interact, for example, with digital channels, or may refer to different channels at different points, for example referring to digital channels for initial understanding but preferring other channels in later stages of decision-making.

### Distinguishing domestic and non-domestic expectations

We note some inevitable differences in expectations for domestic and business suppliers. We suggest that where expectations vary substantially between domestic and non-domestic supplies, this distinction is made clearer within the Consumer Outcomes. This could involve a separate set of outcomes by consumer type, or a clear division within the explanations for each outcome to ensure

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<sup>6</sup> Understanding Consumers' Energy Tariff Choices: summary of findings. Ofgem, 2025.

<sup>7</sup> State of the market report. Ofgem, 2025.

<sup>8</sup> Smart timing: making time-of-use tariffs work for consumers. Citizens Advice, 2025.

<sup>9</sup> <https://www.instituteofcustomerservice.com/research-insight/ukcsi/>

<sup>10</sup> <https://www.ofgem.gov.uk/blog/futureproofing-cyber-regulation>

that the distinction in expectations is recognised. Such clarity would help to ensure consumers of all types are adequately protected.

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

[Not answered]

**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?**

Yes, we broadly agree with the explanations provided which help clarify the intent of the outcomes, although we would propose some builds.

Debt:

- Outcome 1: consumers should be supported to avoid such situations arising again, e.g. support to identify more suitable tariffs, tailored advice on behaviours which could reduce energy consumption and support to embed these behaviours. *This could further encourage suppliers to be accountable for identifying recurring issues and provided proactive, longer-term support.*

Quality and standards: accessible and responsive:

- Outcome 7: Recognising that some consumers may not raise concerns or issues themselves, for various reasons including dissatisfaction with previous complaint resolution, we propose that suppliers are also encouraged to proactively take on responsibility for ongoing monitoring and identifying issues and patterns.
- Outcome 9: Products and services for domestic consumers should be inclusively designed *as a minimum*. Failure to establish this as a fundamental principle for energy market innovations could increase the risk that consumers become vulnerable because energy markets, products and services aren't designed to support their needs and work in their circumstances.

Transparent & enables choice

- Outcome 11: Given the variety of consumer needs, preferences and circumstances, consumers are likely to vary in terms of when they want to access information and guidance about their choices. Information should be readily available and easy to access at any time; suppliers could provide additional signposting when consumers demonstrate behaviours (e.g. online searches) or are in circumstances (e.g. approaching the end of a fixed term contract, moving home) when they may be more likely to explore energy options. Further, we suggest that a specific expectation that information is made available across a number of channels would be beneficial for consumers.

Help consumers benefit from the energy transition:

- Outcome 15: While we recognise the sentiment behind this expectation, we suggest that emphasis should primarily be on encouraging ongoing innovation to remove barriers for all consumers, rather than those who choose to engage. We suggest this will help to ensure consumers who are currently less engaged and not benefitting from innovation are not left behind, therefore facilitating a more just transition. This could help ensure this outcome is consistent with others which aim to protect all consumers.



Apply innovative solutions to support and protect consumers:

- Outcome 16: building on points we have already made about consumers' varying levels of understanding and engagement, particularly of and with more innovative solutions, we would suggest that 'unexpected risks' is explicitly defined based on what might be expected by a typical consumer with a relatively basic understanding of energy. This should include specific reference to high-priority risks, such as cost and supply.
- Outcome 17: as well as confidence that products and services will work effectively and efficiently, consumers should be reassured of who is responsible for identifying the root cause of issues and coordinating and communicating a resolution, particularly in novel business models involving multiple partners.

Enhanced protections for consumers in vulnerable situations:

- We would suggest that this is expanded to include consumers *at risk of entering* vulnerable situations, to reflect the dynamic nature of some vulnerabilities.
- We suggest that inclusive design principles should be adhered to within engagement and communications for all consumers, including those in vulnerable situations.
- As reflected in point 3.8 of the Call for input, there is a question of whether innovation might place some individuals into vulnerable situations that weren't previously in this group or might exacerbate the circumstances of some existing vulnerable consumers. We propose that a priority focus for innovation should be to consider its potential impact on consumer vulnerability.
- In line with Ofgem's Vulnerability Strategy<sup>11</sup>, we would also suggest that suppliers are explicitly encouraged to better identify signs of vulnerability and provide proactive support, noting that consumers in vulnerable situations may not self-identify or pursue support. This could draw on data and understanding beyond the energy and utilities sector.

**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?**

Similar to our response to Q2, consumer cohorts differ in their needs, the barriers they experience in meeting those needs and the extent to which those needs are met. Some consumers can easily meet their needs and those with the financial means, understanding and knowledge, time, effort and autonomy (among other enablers) have increasingly more options to enhance the value they get from energy, such as reduced bills or increased convenience through smart technology. Others, including but not limited to those who are financially vulnerable, are not only less likely to experience these value enablers but are also struggling to meet their more basic needs – they may be rationing their energy consumption and/or getting into debt.

While the regulatory framework may reflect general needs of all consumers, additional provision may be needed to more intentionally recognise and design for the varied needs, barriers, circumstances and lived experiences of different consumer cohorts. Drawing on a nationally-representative sample, the majority of respondents in the first phase of our ISS research belonged to at least one group that may be more likely of being excluded from a smart future energy system, and the programme found a variety of barriers that may be experienced differently by different consumer groups (for example tenants, low-income households and older consumers). Innovation,

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<sup>11</sup> Consumer Vulnerability Strategy. Ofgem, 2025.

and the regulatory framework supporting it, needs to reflect these differing needs, circumstances and experiences.

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

We think that while consumers will interact with the outcomes in different ways, they are all important. Outcomes 16 and 20 relate to risks arising from innovation and security of supply, and are especially important to ensure the protection of vulnerable consumers. Within the “low-cost transition” category one outcome suggests that consumers should understand how they are contributing to and benefitting from Net Zero products and services. We propose that while this may be important for some consumers, it may not be important for many (or even most) consumers, which may vary in importance for different consumers. Many consumers will not be motivated by the Net Zero benefits that products and services offer them. We suggest that information about Net Zero and how consumers are contributing to it should be available to those who want it; sharing it where consumers are not motivated by it could risk overwhelming people with too much and/or irrelevant information. With some consumers holding strong views on opposition of Net Zero<sup>12</sup>, messaging about environmental benefits could even deter those with conflicting views and motivations.

**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?**

Yes. As energy markets increasingly fragment across suppliers, networks, platforms, and third-party service providers, there is a strong case for applying outcome-based protections across all market participants who can materially influence consumer outcomes—not only licensed retailers. From a consumer perspective, responsibility is attributed to the entity they interact with or the one that controls the outcome, rather than to formal regulatory roles. Where consumers experience harm—such as billing errors, loss of service, poor automation outcomes, misuse of data, or unexpected costs—confusion about whether responsibility lies with a supplier, network, or third party undermines trust and the ability to seek redress.

Outcome-based obligations should therefore apply wherever there is potential for consumer harm, with requirements scaled according to:

- The degree of control a participant has over price, service, or automation;
- The visibility of that participant to the consumer; and
- The severity and reversibility of potential harm.

This approach ensures protections cover the full ecosystem while remaining proportionate and flexible, avoiding unnecessary burdens on low-risk actors and supporting innovation in emerging business models.

**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.**

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<sup>12</sup> Social listening: using social media data to explore topics related to local area decarbonisation. Energy Systems Catapult, due for publication early Spring 2026.



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

[Not answered]

***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?***

A voluntary approach could play a role, but it is unlikely to be effective on its own unless it is credible and enforceable. Consumers often cannot assess supplier behaviour, so voluntary commitments risk being seen as marketing unless they are backed by independent oversight and clear consequences.

For this to work, suppliers would need to make specific, measurable commitments, report performance transparently, and be subject to independent verification. There must also be meaningful consequences for non-delivery, and evidence that self-regulation actually improves outcomes. Without these conditions, voluntary schemes are unlikely to build trust or deliver consistent consumer protection.

***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.***

Yes. The supply market is already heavily regulated, and consumer protection remains essential. However, the current framework is largely built around a single, traditional supplier model, creating complexity and fixed compliance costs that can deter innovative entrants—even where consumer risk is limited. A more outcomes-based framework could unlock innovation and growth by allowing requirements to be tailored to business models and consumer risk, rather than applied uniformly.

For example, secondary suppliers, flexibility aggregators, or platform providers may influence pricing or consumption without holding full retail responsibilities, yet face uncertainty about which rules apply and disproportionate compliance expectations. Automation, dynamic pricing, and V2G services often trigger multiple overlapping obligations (billing, consent, complaints, vulnerability), increasing adoption barriers without necessarily improving consumer experience. Data-driven or AI-enabled services can also be discouraged by prescriptive process rules, even where outcomes such as lower bills, reduced peaks, and maintained comfort are positive.

An outcomes-based approach would preserve strong protections around fairness, transparency, redress, and trust while enabling regulatory diversity. This would reduce unnecessary complexity, lower entry barriers, and allow innovation that genuinely improves consumer experience to scale safely.

***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?

Yes. Certain licence conditions could be less prescriptive to support new business models without compromising consumer protection. A more outcomes-based approach would enable flexibility for different market models while maintaining strong protections around fairness, transparency, redress, and trust.

Areas where regulatory flexibility could help include:

- EV-only suppliers: These businesses focus on vehicle charging and energy services rather than full-home supply. Prescriptive billing or reporting rules designed for traditional supply can be disproportionately burdensome and may not fit their service model.
- Flexibility/aggregator providers: Demand response or load-shifting services often operate without direct alignment to traditional consumption models, meaning obligations tied to standard supply may be inappropriate.
- Community energy schemes: Local co-ops or shared generation projects may face constraints from rules around settlement, disclosure, or metering. Proportionate adaptation could support scalable growth.
- “Discretionary” energy services: Home automation, AI-driven heating control, or platform-based energy management services deliver consumer outcomes indirectly rather than through standard supply. Prescriptive rules can hinder innovation where consumer outcomes are positive and risks are low.

In terms of guidance, helpful guidance includes clear principles on consumer protection, redress, transparency, and risk allocation. Less helpful guidance is overly prescriptive operational detail—such as billing, reporting, or meter handling requirements—that does not map to the service offered.

Overall, adopting outcome-focused, proportionate licence conditions would allow innovation “beyond retail,” enabling new business models to grow while keeping consumers safe and maintaining trust.

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

[Not answered]

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

[Not answered]

***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.***

[Not answered]

***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***

[Not answered]

***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?***

[Not answered]