

## Consumer Outcomes Call for input

**Deadline: 22<sup>nd</sup> January 2026**

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### Introduction

The Centre for Sustainable Energy (CSE) is a charity supporting people and organisations across the UK to tackle the climate emergency and end the suffering caused by cold homes. We do this by sharing our knowledge, practical experience and policy recommendations.

For over 40 years, we have supported people to take effective action on energy in their homes. Our research and analysis focus on making the energy system greener, smarter, and fairer. Through our advice line, home visits and one to one support, we support around 15,000 people a year to reduce their bills and make their homes more energy efficient.

We deliver fuel poverty services for two of the electricity network operators and six local authorities. Through these services we support thousands of people on low incomes who often have multiple vulnerabilities. Our response draws directly on our considerable experience of supporting vulnerable consumers in managing their energy bills and in resolving problems they have with their energy suppliers.

We share the view expressed by Citizens Advice that any decisions on consumer outcomes by Ofgem should not pre-empt the outcome of the Ofgem Review. It is going to be crucial to know if we should be considering the regulatory framework in the context of stronger powers for Ofgem to protect consumers, or if the current regulatory landscape will remain.

In our response to the Ofgem review we supported the creation of a clearer mandate associated with driving robust standards, particularly retail customer service standards. We agree with Citizens Advice that the regulatory framework and powers should be strengthened to ensure that Ofgem can act where appropriate, including enhanced regulatory enforcement powers and power to impose penalties.

We echo Citizens Advice's view that Ofgem does not currently appear to have the capacity to enforce the important rules that have been put in place to protect

vulnerable consumers. These include back-billing rules, requirements for accurate and estimated bills, rules on the installation of pre-payment meters, and obligations on suppliers to accept affordable repayment plans for energy arrears.

Like Citizens Advice, we would like to see effective rules in place to ensure that energy supplier executives are held accountable for good consumer outcomes and for failures in practice. It is vital that Ofgem dedicates sufficient resources to its enforcement and supervision functions before considering a move towards outcomes-based regulation. Ofgem itself acknowledges in the paper that outcomes-based regulation requires greater resources for supervision and enforcement, not fewer. Introducing broader outcomes without first demonstrating a step-change in Ofgem's supervisory and enforcement capacity would be likely to increase, rather than reduce, consumer harm.

We also support their view that there should be prescriptive rules for those most at risk of harm, e.g. people in vulnerable circumstances and people at risk of debt.

We furthermore support and have contributed to the response being submitted by the End Fuel Poverty Coalition.

### 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?

The call for input appears predetermined around an uncritical acceptance that the licence conditions are unnecessarily prescriptive and reduce supplier flexibility but does not present evidence to explain or substantiate these statements. Given there are 60 plus conditions on the license for electricity suppliers, this makes it very difficult to formulate a response.

The current system of principles-based regulation is based on interpretation. We have consistently responded to consultations where we have advocated for improved standards of service (e.g. interpretations services, better record keeping, recognition of advocates), but these have not been implemented across the market.

We echo Citizen Advice's view that Ofgem should protect the interests of vulnerable consumers when considering changes to the regulatory framework, and that consumer interests should be given greater priority than the growth objective.

In respect of the discussion of unnecessary prescription within the consultation, we see rapid change and innovation at the top of the market with the growth of smart tariffs, but more vulnerable customers frequently coming to us for support with quite basic problems around poor customer service, energy debt and sustained inaccurate or infrequent billing. In some cases, poor practice can last for years and even a

successful complaint to the ombudsman doesn't result in effective resolution. We accept the need for the regulatory framework to be flexible enough to allow innovation at the top of the market, but it must do better to ensure that suppliers deliver the fundamental components of good customer service for all.

We acknowledge that many of the key components of minimum acceptable service levels can be captured through guaranteed standards of performance, whilst still allowing flexibility. In our view there is, however, still a role for improved license conditions and significant improvements to the monitoring and enforcement of regulatory standards - whether they are license conditions, GSOPs or consumer outcomes.

Similarly, whilst the market is rapidly developing new smart tariffs for affluent customers with large movable loads, we see a lack of equivalent options on the market for those that may already be marginalised such as those who can't afford new technologies, prepayment customers and those without smart meters. Consumer outcomes must include that the benefits of the transition are shared amongst all electricity customers including vulnerable customers who may be left out through the emergence of a two- tier energy market. We see a key opportunity to bring forward an enhanced approach in tandem with the Warm Homes Plan and the Decent Homes Standard.

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

We agree that the energy market is evolving rapidly, and we see the beginnings of a two-tier energy system emerging, with affluent and vulnerable customers receiving markedly different experiences. More affluent customers are now able to access and benefit from a wide and rapidly expanding range of smart tariffs and technologies designed for them and are able to reduce their bills. Self-evidently vulnerable customers lacking these capabilities are unable to benefit, and we see sustained high levels of demand for our fuel poverty advice services.

Our perception, furthermore, is that the market offer reflects these different customer cohorts with 'better' suppliers offering high levels of customer service to a more affluent customer base accessing smart tariffs, with less need for support from us. Vulnerable customers, often on prepayment meters, by contrast suffer from poorer customer service and need more support from us. For example, some suppliers don't have their PPM tariffs available to view or switch to online, and customers have to call up if they want to switch, whereas if you have a credit meter you can switch to a new supplier online very easily.

Furthermore, whilst energy prices have fallen from their peak, they remain high with many consumers struggling with affording their energy bills amongst stagnant household incomes and wider cost of living pressures.

Financial support and energy debts are covered in a quarter of the enquiries we respond to, and (as also noted in your energy debt call for evidence), household energy debt continues to rise. We note from your latest figures (via NEA<sup>1</sup>) that energy debt and arrears now totalled £4.43 billion in Q2 in 2025, up nearly £300mn from £4.15bn in the previous quarter and up by £0.74 billion on Q2 in 2024. Of this £3.32 billion of this (75%) is arrears, where customers have no arrangement in place to repay.

### 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, the outcomes represent most of the expectations consumers have of energy suppliers, however as drafted the outcomes do not address some clear emergent problems customers face.

Our advisers regularly assist consumers who are struggling with inaccurate and incorrect bills from their supplies, often which have not been resolved for extended periods of time. These problems are systemic and recurring, and for already vulnerable customers can be a cause of significant stress and anxiety. Accurate billing should be a baseline requirement of regulation and needs to be enforced robustly. We therefore support the suggestion from Citizens Advice that outcome 8 should be phrase more directly to read:

*Outcome 8: Consumers ~~should receive accurate bills~~ ~~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...*

Our Smart and Fair programme shows that the very different ways that smart energy products and tariffs are sometimes presented prevents easy comparison by customers, preventing them from making an informed choice and therefore impacting on the competitiveness of the market. We would therefore suggest that outcome 13 is made more explicit to address this emerging trend.

Our suggested revision is below:

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<sup>1</sup> Energy debt and arrears climbs to £4.43 billion [www.nea.org.uk/news/ofgem-debt-figures-sep-25](https://www.nea.org.uk/news/ofgem-debt-figures-sep-25)

*Outcome 13: Consumers understand how to engage with and can make informed choices about the products and services offered by suppliers that support the net zero transition and are presented with standardised information which allows clear comparison between different products and services.*

Furthermore, we have found that smart and flexible tariffs and products tend to be designed for and marketed at affluent customers. We suggest that Outcome 15 is revise as follows:

*Outcome 15: Consumers who choose to engage can and are supported by suppliers who remove barriers within their control. All customers should be able to access some form of smart and low carbon tariff suitable to their needs.*

Through our advice work supporting vulnerable customers, we are regularly appointed as advocates for individual customers in solving problems with their suppliers, but regularly encounter delays with suppliers validating us, due to a lack of record keeping and poor practice. We therefore suggest a minor revision to outcome 24:

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

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

Some outcomes could be consolidated as detailed below but given the step-back from having a rules-based system, we would not wish to see the outcomes cut in scope.

Suggestions for combined outcomes

- Combine outcomes 2 and 3.
- Combine outcomes 14 and 15
- Combine outcomes 18 and 19

#### 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.

However, we suggest that the explanations for outcomes 13 and 24 are extended to capture the issues we have identified about the provision of standardised information

to allow comparison between tariffs and products and advocates be able to easily engage with suppliers on customers behalf.

We suggest A1.13 is revised to read:

*Consumers should have clear, accessible, comparable information that helps them understand and compare the products and services offered by energy suppliers, particularly those that contribute to the net zero transition.*

## 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?

As stated by Citizens Advice the question as to why good outcomes are not happening for all consumer groups really illustrates the point that energy suppliers are not yet consistently following the detailed rules and guidance that have been set by Ofgem. It would seem counterproductive at this stage to remove or water down rules when suppliers are not able to follow these consistently, and to rely on suppliers to achieve good outcomes for consumers using the consumer outcomes alone.

The current system of principles-based regulation is based on interpretation. We have consistently responded to consultations where we have advocated for improved standards of service (e.g. interpretations services, better record keeping, recognition of advocates), but these have not been implemented across the market. In our view there is still a role for improved license conditions in the delivery of better outcomes for consumers. We however acknowledge that many of the key components of minimum acceptable service levels can be captured through guaranteed standards of performance, whilst still allowing flexibility.

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

Given the diverging experiences of affluent and vulnerable consumers, the sustained levels of energy debt and fuel poverty, and problems customers frequently encounter with basic customer service and accurate billing, we think the outcomes around debt, fair prices and quality and standards are the most important for customers.

## 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?

Flexibility service providers, aggregators and load controllers.

As the currently proposed load control licensing regime will adopt several elements of the existing supply license, we would welcome clarity around how any changes to supply license will affect the load control license and assurance that the regulation of load controllers and flexibility service providers will not be weakened.

**Q9. Do you have a preferred approach among those outlined below or should we retain the current framework? Do you have an alternative suggestion? Please explain your reasoning. a) What level of action/intervention do you feel would be proportionate to drive up customer service in the non-domestic sector? Does it differ from domestic?**

We do not support the wholesale removal of current license supply rules. It may seem that some of these rules are unnecessary, but it is likely that the long-standing rules have prevented forms of poor customer service and poor practice which might otherwise have emerged and set useful baseline expectations of energy providers. Their wholesale removal is likely to lead to unexpected outcomes.

We find it unhelpful that the consultation proposes as an option to remove some of the existing license rules but does not clarify which. It also describes the license conditions as unnecessarily prescriptive but does not present evidence to explain or justify this statement.

If Ofgem do decide to remove the license supply rules, we would support the GSOP's being used to enforce minimum service requirements. We appreciate that innovative tariffs and services might mean that some license rules may be outdated, however would argue that even within highly innovative tariffs and offers, consumers will want accurate and regular billing, with timely resolution of errors and complaints and the protection of vulnerable customers.

We agree that reputational incentives can be helpful in reinforcing positive outcomes for consumers and adherence to the rules. Therefore, we would support proposals for Ofgem to publish data on progress against the Consumer Outcomes and / or supplier led consumer outcome reports.

However, we do not consider that reputational incentives on their own will be sufficient to achieve adequate standards across the market, particularly for suppliers at the bottom of the market, competing predominantly on price. A supplier's reputation is irrelevant if a vulnerable customer is unable to switch suppliers because they are in energy debt to that supplier. We strongly doubt the efficiency of supplier-led consumer outcomes reports if the scope and structure and reporting requirements for these reports is not standardised.

**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?**

See Q6. Unfortunately, we do not think this will result in good outcomes for all consumers. Whilst the better suppliers will follow the published principles there remains a group of laggards who do not deliver good outcomes for customers.

The consultation document cites research about the benefits and risks of outcomes-based regulations which finds that to be effective, this form of regulation needs to be embedded within a wider system of supervision and a culture of accountability. Unfortunately, this culture of accountability is not evident across the retail market and we doubt that a voluntary approach would be successful at delivering the culture change needed within the sector or at ensuring positive outcomes for all customers. As the consultation document states, “Outcomes must be clearly defined, measurable, and subject to effective monitoring”. We feel a voluntary approach will not align with this. In addition, formal regulatory change signals a willingness for cultural change from Ofgem and a commitment to a new way of working.

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

**Q12. Are there specific licence conditions where less prescription could benefit the retail market without compromising consumer protection? a) For suppliers: are there any areas where you find guidance helpful or unhelpful?**

**Q13. Are there areas where prescriptive rules should remain in place? If so, why? Call for input Consumer Outcomes**



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

We agree that the guaranteed standards of performance lend themselves best to binary (yes / no) data points which can be captured automatically and do not require interpretation by a human.

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

Q16. How do we best measure our success as to whether we have: a) Improved consumer outcomes and achieved our ambitions for customer service and b) Reduced regulatory burden and encouraged growth and innovation

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