

# Energy UK response to Ofgem: Call for input – Consumer Outcomes

22 January 2026

## About Energy UK

**Energy UK is the trade association for the energy industry, representing companies investing billions of pounds to secure our country's current and future energy needs.**

From growing start-ups to major electricity generators, grid and infrastructure developers, and energy suppliers, our members are driving change across power, heat, transport, and flexibility.

We provide a collective voice for the sector working with governments, regulators, charities and other organisations to provide crucial insight that shapes policy, offers solutions and promotes best practice.

Our broad view across the whole system supports evidence-based positions which are not tied to particular technologies, and are focused on delivering strategic benefits for people, businesses and the economy.

We champion initiatives such as our Vulnerability Commitment, which pushes suppliers to go beyond regulation to support customers with additional needs, and TIDE, the industry's drive for greater inclusion and diversity. Through our Young Energy Professionals Forum, we support the development of future leaders. We are equally committed to our team and are proud to be recognised as a 'Gold' Investors in People employer.

## Executive summary

Energy UK welcomes the opportunity to provide input on the development of the Consumer Outcomes work and the potential to improve the way in which Ofgem will approach interventions in the retail market.

Energy UK has set out in [response to the DESNZ Review of Ofgem](#) and a paper on [the future of energy regulation](#), the potential for energy regulation to enable better outcomes for customers. The way in which Ofgem seeks to use regulatory tools to pursue outcomes for customers must show more significant self-reflection and better articulation of role, priorities and methods, linked to evidence of customer preferences. It must also clearly align to challenges drawn out by the DESNZ Review of Ofgem.

Energy customers require a regulatory framework that encourages investment and innovation and supports a resilient energy market. This means supporting good outcomes for consumers by enabling meaningful competition rather than regulating for homogenised outcomes. From a growth perspective, the framework should support a diversity and tailoring of offerings and support. This is key for domestic energy services, but particularly in the non-domestic sector, to ensure that both energy supply activity and the industrial and commercial markets remain investable.

This workstream will be positive where it reduces burden and lowers costs, enables tailored services, while maintaining targeted protections where they are needed. Use of principles will not in themselves achieve these benefits, particularly if they are also duplicated by prescriptive regulation. Being clear about where Ofgem wants to use principles, prescription and regulatory tools is key for this workstream. It will only enable suppliers to provide greater value to customers if it strips back unnecessary regulatory burden and provides greater investor confidence in Ofgem's priorities and approach to intervention in the retail sector.

24 is too many outcomes. Implementation would be complex and responsibilities unclear. A key step is determining how the intended outcomes will be delivered through a combination of existing obligations and intent for market design, regulation and service delivery. The proposed outcomes need further structuring to set out the role of Ofgem, suppliers, other industry parties and non-regulated actors in delivering these outcomes. Ofgem should clearly identify which outcomes suppliers are directly accountable for and where they are not so that they are transparent and manageable and avoid unnecessary regulatory burden.

Better clarity on intended measures of success will be helpful, but it is vital to understand that consumer perceptions will not always reflect supplier-controlled outcomes. Customer satisfaction is likely to be linked to energy bills and media coverage of the sector and are to some extent beyond supplier control. Assessing supplier performance therefore needs to balance evidence of reliable enduring metrics of supplier activity that minimise adhoc and duplicative requests, with customer perception data. We support robust, high-quality data to direct and then focus on areas of failure. Interventions could then be tailored to address specific outcomes and evaluated regularly to confirm they are achieving the intended results.

We think the framework must reflect on the significant differences across domestic and non-domestic markets to ensure it is effective and proportionate. It must also cover intermediaries to properly cover the full customer experience.

This workstream has been developing for some time and we are keen to see progress in Ofgem's understanding on Customer Outcomes reform. The conflicting approach inherent in ongoing activity such as via work on Guaranteed Standards of Performance (GSoPs) leads to a lack of supplier confidence in this work. There still seems to be a lack of clarity about what Ofgem wants to achieve through this workstream and we think further iterative engagement with suppliers is needed.

This response is not intended to be confidential.

## Responses to 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 reviewing and updating the regulatory framework for retail energy suppliers, it is important to consider the factors that will enable the market to support innovation and growth, while advancing net zero objectives and protecting consumers' interests.

Consumer Outcomes can support innovation and growth where they are applied clearly, proportionately and in a way that is practical and non-burdensome for suppliers. We think a key success would be the better focusing, monitoring and clarity of impact from targeted market interventions, so as to deliver value for consumers while supporting wider energy system goals.

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

Satisfaction varies because different types of energy consumers have very different needs, usage patterns and levels of understanding of the market. The meter type, tariff structure and household circumstances (for domestic customers) all influence how energy customers experience their supplier's service. This can lead to differing expectations across customer groups.

Differing satisfaction levels reflect the differing experiences and needs. This highlights the importance of targeted interventions in the retail market with the intention of shaping outcomes for specific groups. So, it is important to understand consumers' circumstances when considering how best to address satisfaction levels.

The domestic and non-domestic energy supply markets operate very differently, and customers in each have distinct expectations. In the non-domestic market, it would be more meaningful to compare suppliers' customer satisfaction performance against other non-domestic suppliers. This is as opposed to comparison against domestic providers because service models, pricing structures and customer needs are not identical across the two sides of the energy supply market.

Also, price can play a strong role in driving satisfaction for some domestic and non-domestic customer. In the non-domestic sector, particularly for those with more established energy management capability. Expectations can vary also widely in this heterogenous market. While some non-domestic customers have a strong

understanding of energy management, many are not highly sophisticated energy buyers. These differences can lead to some variation in reported satisfaction levels.

For domestic, overall satisfaction with energy suppliers has increased, yet vulnerable customers are less likely to be satisfied. Standard credit customers are more likely to be vulnerable than the average consumer and 57% of standard credit customers do not realise this carries a significant premium that is created primarily by the socialised debt costs created by other customers utilising this payment method. This situation cannot be positively impacting their views of energy suppliers. Neither can the difficulty suppliers face in reliably identifying vulnerable customers based solely on their disclosure. Better confidence and better outcomes will be achieved if government shared data with suppliers which would enable suppliers to make decisions where they have little or no details about a customers' circumstances. Having to repeat disclosure of vulnerability circumstances across all utility services is a problem, with energy suppliers' information more detailed than most. To meaningfully tackle the equitability of customer outcomes in the energy market it is important that Ofgem reflects on systematic drivers such as these.

**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?**

This question is framed in a customer centric way about their expectations. While these are important, the reality of supplier obligation and scope for delivery are likely more finite and constrained. So, while we think the list is extensive, we do not think it provides clarity about how they are achieved, how they interplay or evolve over time.

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

Yes, the Consumer Outcomes should be streamlined further. When refining them, the priority should be that they are internalised by Ofgem to shape its regulatory approach. Having a high number of outcomes can complicate implementation and how they trade off. It is therefore essential to specify clearly the outcomes for which suppliers are accountable, ensuring that responsibility is both visible and manageable for all stakeholders. A smaller, more focused set of outcomes would make implementation easier and allow Ofgem to make and track progress more effectively.

Some areas are necessarily underpinned by prescriptive requirements and are unlikely to warrant removal. In these areas, the priority should be greater clarity from the regulator on expectations of suppliers and there is a role for the discussion of practices suppliers have found successful in serving customers.

In relation to pricing, the non-domestic market operates without a price cap and with limited direct pricing regulation. The absence of regulatory price control in the non-

domestic energy supply market allows suppliers and customers to negotiate flexible, bespoke contracts that reflect individual business needs and market conditions. If Ofgem is considering its expectations on pricing, a gap analysis setting out where existing arrangements fall short of those expectations would be particularly helpful.

For suppliers serving large, non-domestic customers, pricing engagement is often conducted on a bilateral basis due to bespoke contracting arrangements. This means that highly standardised approaches may be less well suited to these customers. In this segment of the market, customers already have access to significant information to support supplier choice. Consequently, these customers often prioritise service quality, which is typically less visible at a market-wide level than price.

While it is understood that the Consumer Outcomes will necessarily be framed at a high and broad level, their effectiveness will depend on how clearly they are defined, streamlining the scope, and how they shape Ofgem's interventions.

**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?**

**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?**

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

While all the desired outcomes for consumers are important, some are likely to have a greater impact on consumers and should be prioritised. For domestic energy supply customers outcomes related to fair pricing, transparent billing and the quality of service are particularly critical as these directly affect affordability and trust.

For non-domestic customers, outcomes around contract clarity, accurate metering, and tailored service provision are likely to be most important. This is given the complexity and bespoke nature of many of these supply arrangements. Across both markets, it is essential that each outcome clearly identifies who is responsible and avoids duplication so that consumers and suppliers can understand where accountability lies.

Regulation should not seek to eliminate risk but ensure transparency so customers can make informed choices. An example of alternative wording that could work across the domestic and non-domestic markets is for Outcome 16 to say,

*“Customers are provided with clear, accurate information about risks associated with innovative products and services, enabling informed decision-making.”*

**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?**

We consider that a wide application of agreed good outcomes for consumers could be beneficial as it would help ensure that all regulated market participants are held to the same high standards but able to meet them in different ways. This would mean consumers receive fair treatment across the market, with scope for meaningful service differentiation.

Suppliers and intermediaries would be encouraged to maintain strong and reliable customer service levels and reduce the risk of more weakly performing market participants undermining consumer confidence. It would also make the market more transparent and help customers compare the energy companies offering them services more easily. In addition, it could support efficient regulatory oversight by establishing clear and consistent benchmarks for performance.

It is important that the incoming regulatory regime for TPIs has consistent rules with the supply market. This should ensure the regime remains robust, provide regulatory certainty and enable effective monitoring and enforcement by the regulator.

**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?**

In the domestic supply market, the outcomes should focus on billing accuracy, customer support, vulnerability protections and clear communications and avoid ambiguity or the risk of inconsistent interpretation. In the non-domestic supply market, the focus should be on contract clarity, fair sales and renewal practices, accurate metering and settlement. Also, the appropriate handling of microbusinesses versus larger customers. Ofgem should recognise here the greater complexity and diversity of the non-domestic supply market.

We encourage Ofgem to collaborate with non-domestic suppliers on clearer minimum standards on billing and contract communications for non-domestic customers. This can include plain-English explanations about charges and consumption data. We suggest that there is a key opportunity here for Ofgem to produce public-facing information explaining regulation-driven charges such as network charges. This would be rather than placing the entire burden on suppliers to explain to their customers why these are increasing their costs at the same time as charging them, which coming from the supplier can look like they are supplier-driven



costs. Explaining key contract terms at onboarding and renewal plus building on an Ofgem explanation of what costs like network charges mean for the customer's bill is something suppliers can work on and is a possible area for TPIs' Standards in the future.

Further, in the non-domestic space we encourage Ofgem to work with suppliers on expectations around issue ownership and complaint handling, such as timely acknowledgement, regular updates, and a single named contact for complex non-domestic cases. The emphasis would be on resolving issues early and explaining outcomes clearly, rather than introducing new automatic payments, say in the GSoPs. This can help improve the customer experience while also reducing customers having to go through escalation to the Ombudsman.

Additionally, language such as "compassionate support" does not reflect the business-to-business context of the non-domestic energy supply market. Business-to-business support differs from household supply where issues can directly affect people's health and wellbeing in ways that cannot quickly be remedied. Non-domestic customer support is most effective when practical and commercially grounded. The Consumer Outcomes should remain commercially achievable for suppliers to ensure costs remain sustainable for all energy customers. To be supportive of domestic and non-domestic customers, Outcome 8 could clarify that those struggling to pay should receive proactive engagement and commercially reasonable options to manage arrears.

**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?**

We do not believe that a voluntary approach to delivering Consumer Outcomes would be effective. Delivering consistent consumer standards requires all suppliers to operate within the same framework, with clear and common expectations across the market.

The Consumer Outcomes would need to be expressed in a way that can be translated into day-to-day operational decisions by suppliers. The outcomes must avoid duplicating existing licence obligations and should clearly state where responsibility sits with suppliers versus other parties. Also, visible regulatory oversight would be essential to avoid the outcomes becoming a marketing badge rather than a meaningful framework. Without consistent and universal adoption across suppliers, a voluntary approach risks entrenching uneven standards and weakening confidence in the market.

Inconsistent market coverage or participation could undermine consumer trust, particularly if some suppliers market their commitment to outcomes while others opt out. In the non-domestic market, partial participation could ultimately distort

competition by giving reputational and commercial advantages to some suppliers. This could influence customer choice and contract expectations in skewed ways, particularly across diverse segments such as microbusinesses, small business customers and large corporates, even where service quality is otherwise comparable.

**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.**

We believe a more outcomes-based framework could bring benefits in certain areas. However, Ofgem will need to develop its position, including whether further SLCs will be required to make the guidance clear, or whether it will incorporate considerations relevant to the Standards of Conduct.

Domestic suppliers already report on their performance for the Energy Switch Guarantee and the Vulnerability Commitment. We are unclear what further reporting is intended or what it is seeking to achieve.

In the non-domestic space, we have reservations around requiring individual suppliers to publicly report their progress against the outcomes, as customers are generally more likely to trust insights provided by Ofgem. With clear guidance and careful implementation, an outcomes-based approach could support innovation and growth where appropriate, while maintaining market confidence.

While suppliers play a significant role in enabling access to products and services and services that support clean energy goals, they do not manage non-domestic customers' decarbonisation journey. For many sectors, decarbonisation involves major investment in plant and machinery beyond the reach of what a given customer's energy supplier can do in the ordinary course of business. Regulation should respect this reality of the supplier-customer commercial relationship. Outcomes 13-15 should reflect this through language around suppliers enabling access to products and services that support net zero where customers choose to engage. The Outcome's language should also make the distinction that this would be without the energy supplier assuming responsibility for the customer's broader energy transformation. There are some examples where non-domestic customers pro-actively choose "brown/grey" power, and the Outcomes may realistically expect suppliers to support choice rather than seek to regulate the customer.

**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?**



Ofgem could usefully focus on reviewing its own approach and reducing unnecessary prescription, rather than attempting to define exactly what it regulates through this exercise. The more constructive question is where prescriptive rules are clearer parameters and consistency in the use of prescription vs outcomes, and how outcomes will ensure clarity of obligation rather than simply which rules should be removed. This approach would help ensure regulation is both proportionate and effective.

Ofgem should keep the principle of treating customers fairly at the forefront when reviewing outcomes. At the same time, it should avoid adding unnecessary complexity or placing additional burdens on suppliers through extra rules or principles. Overly prescriptive rules can ultimately increase costs for customers. Where Ofgem has specific ideas of what compliance means and intends to enforce against this, we consider that prescription should stay.

There are also a couple of specific matters Ofgem should be addressing. Firstly, the proliferation of information requests can itself act as a form of prescriptive burden. While intended to support oversight, excessive requests can be unhelpful, creating unnecessary work for suppliers without delivering clear benefits for customers. The Growth Duty should see proactive controls on regulation with unclear value, particularly where it impacts scope for innovation and growth. Secondly, Ofgem should follow through on its Non-Domestic Market Review commitment to review its body of guidance ensuring it is streamlined, still relevant and clearly aligned with current rules.

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

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

When deciding whether requirements are best delivered through prescription, principles, or outcomes, Ofgem should first assess whether existing rules are clear, effective, and still necessary, rather than adding new layers.

Prescriptive rules are most appropriate where consistency, legal certainty, and enforceability are essential, such as in areas linked to consumer protection or financial resilience.

Outcomes are better suited where flexibility is needed to accommodate different business models, support innovation, or reflect differing domestic and non-domestic

market operation. This is provided the expectations are clearly defined and measurable. There still needs to be clarity on the nature of the obligation.

Whatever the mechanism, Ofgem should consider implementation costs and the impact on consumers as well as its regulated community in the energy market. Thought should also be given to whether the approach chosen avoids duplication while remaining proportionate and targeted.

**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.**

Monitoring performance against outcomes is likely to be more challenging than monitoring compliance against prescriptive rules. New key performance indicators (KPIs) will need to be developed and while survey-based evidence could play a role, this may be difficult to design and apply consistently. For monitoring to be effective, there needs to be clarity on what “good” looks like in practice, including whether the Consumer Outcomes are intended to set a baseline level of acceptable performance and what would be considered “passable”.

It is also important to recognise that customer expectations are not uniform. Some customers in the non-domestic supply market may be willing to pay a premium for a higher level of service. Others may prefer a more basic service at a lower cost. An outcomes-based regime should therefore avoid creating incentives that overly focus on price while simultaneously expecting universally “gold-standard” service levels, as this could lead to unintended consequences for both suppliers and customers.

**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**

A robust approach to measuring success would rely on high-quality, relevant data to identify whether expected outcomes are being met across different customer groups. This would help Ofgem to see patterns of performance, highlight areas requiring attention and design targeted interventions that are tailored to specific outcomes. The outcomes can be used not only for monitoring supplier compliance but also to assess Ofgem’s own effectiveness and reporting on its regulatory priorities.

Success should be evaluated by regulatory confidence and removing unnecessary burdens on suppliers that provide room for innovation and growth, which can then also facilitate customer experience and service quality. Regular, evidence-based review of these measures would ensure the framework remains proportionate, actionable and aligned with both consumer interests and market efficiency.

**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?**

To engage effectively with energy suppliers, Ofgem should ground its work in its core statutory duties, ensuring that updates to the regulatory framework are based on a clear understanding of how existing rules function.

Any reforms that Ofgem carries out on its work should avoid duplication or unnecessary complexity, while creating space for innovation and growth where appropriate. Ofgem's regulatory work should remain focused on delivering tangible benefits for consumers and supporting the broader objectives of a sustainable and efficient energy system.

**If you would like to discuss the above or any other related matters, contact us directly at [rosie.nurse@energy-uk.org.uk](mailto:rosie.nurse@energy-uk.org.uk) and [candice.orr@energy-uk.org.uk](mailto:candice.orr@energy-uk.org.uk).**