

By email only: FutureConsumers@ofgem.gov.uk

22 January 2026

Dear Jemma,

RECCo response to: Consumer Outcomes– Call for Input

We welcome the opportunity to respond to Ofgem's call for input on Consumer Outcomes. Our non-confidential response represents the views of the Retail Energy Code Company Ltd (RECCo) and is based on our role as managing the Retail Energy Code (REC) which governs the Retail Energy Market.

RECCo is a not-for-profit, corporate vehicle ensuring the proper, effective, and efficient implementation and ongoing management of the REC arrangements. We seek to promote trust, innovation and competition, whilst maintaining focus on positive consumer outcomes. Through the REC, the services we manage, and the programmes we run, we are dedicated to building a more effective and efficient energy market for the future.

We share Ofgem's ambition to raise service standards and to develop a simple, future-proof regulatory framework that protects consumers and enables innovation and we understand that Ofgem's underlying aim is to tackle the complexity of the current regulatory regime, which has become more prescriptive over time. We broadly support the move toward a more outcomes-focused approach but believe the proposed set of outcomes conflates consumer experiences with regulatory objectives and risks replicating existing rules. A smaller number of genuinely consumer-facing outcomes, combined with clear rules and guidance where necessary, would provide the clarity suppliers and consumers need while allowing innovation to flourish. Grouping outcomes emphasises the consumer experience, makes monitoring more straightforward and allows new or revised outcomes to be slotted into the most relevant theme without over-specification. We advocate a hybrid model akin to the Solicitors Regulation Authority: retain prescriptive rules where uniform standards are essential, set a small number of high-level consumer outcomes by theme, and use guidance and industry codes like the REC for detailed processes. This would clarify obligations, preserve necessary protections and still give suppliers space to innovate.

Themes for the Consumer Outcomes

The proposed 24 outcomes span both direct consumer experiences and high-level regulatory characteristics. Consolidating them into broader themes would make them easier to understand and monitor and would reduce duplication. We propose six themes:

- **Affordability and fair pricing** – covering the need to prevent excessive prices, ensure prices reflect efficient costs and provide proactive support to customers in or at risk of debt or arrears. This theme captures outcomes 1–5.
- **Service quality and access** – ensuring reliable supply, fair and prompt complaint handling, accurate and comprehensible billing, and products and services that are fit for purpose. This theme consolidates outcomes 6–9.
- **Choice and market participation** – ensuring consumers receive relevant information, understand their options and can choose and switch suppliers without unnecessary barriers. This theme combines outcomes 4–5 and 10–12.

- **Transition and innovation** – enabling consumers to understand and engage with net-zero products and services, benefitting from innovative offerings while being protected from unexpected risks. This theme covers outcomes 13–17.
- **Resilience and market health** – ensuring consumers are protected from the costs of licensee failure, benefit from financially resilient suppliers, and experience continuity of supply. It also covers outcomes related to investment and adequate resourcing (outcomes 18–22).
- **Vulnerability and inclusion** – requiring suppliers to identify and support consumers in vulnerable situations through tailored communications and easy access to support services. This theme covers outcomes 23–24.

Grouping outcomes in this way retains the core protections while avoiding overlap and emphasises the consumer experience rather than internal regulatory objectives. It also allows the regulatory framework to be more adaptive: new or revised outcomes could be slotted into the most relevant theme without over-specifying each scenario.

Balancing rules, outcomes and guidance

Ofgem reports that stakeholders believe the existing supply Licence is difficult to navigate and filled with prescriptive rules. We agree that a shift toward outcomes can encourage innovation and a focus on results rather than processes. As other regulators such as the Solicitors Regulation Authority (SRA) recognised when it introduced outcomes-focused regulation, flexibility must be accompanied by clarity. The SRA's approach aims to provide outcomes-focused regulatory requirements which avoids unnecessary prescriptive rules and provides clear guidance on what firms must achieve. It does not abolish all detailed rules; instead it focuses on requirements that are genuinely needed to protect clients and deliver high standards of service.

While Ofgem has not expressed a preferred regulatory framework, we would recommend Ofgem adopt a similar hybrid model:

- **Rules and principles** should remain in place where uniform standards are necessary to prevent consumer harm. Areas such as financial resilience, debt collection, disconnection, vulnerability protections and security of supply require clear and enforceable requirements.
- **Consumer-facing outcomes** should focus on the experience consumers should receive, leaving suppliers flexibility in how to meet them. These outcomes should be set out in high-level Licence obligations or associated guidance and should be small in number, grouped by theme.
- **Guidance and industry** rules should be used to set out the detailed processes and data flows required to deliver the outcomes. Industry codes are the appropriate place to develop and maintain these detailed procedures, as they can be updated through established governance processes. This ensures consistency across suppliers while allowing more agile changes than would be possible through Licence modification.

In this way, Ofgem can ensure that rules continue to protect consumers where necessary while outcomes encourage innovation and improvement in areas where flexibility would support growth.

We set out below our responses to the consultation questions. Our answers reflect our support for Ofgem's objectives while highlighting the need for a balanced framework of rules, outcomes and guidance.

We are happy to discuss any of the points raised in this response.

Yours sincerely,

Jon Dixon,

Director, Strategy and Development

Appendix: RECCo response 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?
	Any updated regulatory framework must be clear, accessible and proportionate. It should embed essential, prescriptive rules where uniform standards are necessary - for example, to ensure financial resilience, protect vulnerable customers or prevent unfair pricing. At the same time it should set out a limited number of high-level, consumer-facing outcomes that describe the experience that customers should enjoy - reliable supply, fair pricing, good service and the opportunity to engage with net-zero offerings. These outcomes should be genuinely capable of delivering better experiences for consumers, rather than restating existing regulatory objectives. By grouping outcomes into themes and supporting them with guidance and industry procedures, Ofgem can provide clarity while allowing suppliers the flexibility to innovate. This hybrid approach would help tackle the complexity of the current framework and ensure regulation both protects consumers and fosters innovation.
Q2	Why do you think there is such a divergence of satisfaction rates across different consumer cohorts?
	We do not currently have sufficient evidence to explain why consumer satisfaction varies across different cohorts. Ofgem's own research suggests that satisfaction levels vary by segment and that some groups—such as renters, people using prepayment meters and those in vulnerable situations—report lower satisfaction. However, we do not have access to detailed data on the root causes of these differences. We therefore defer to Ofgem's analysis and urge Ofgem to conduct a thorough distributional assessment to inform the final design of the outcomes and ensure that they address the needs of all consumer groups.
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?
	The 24 proposed outcomes cover many important aspects of the consumer experience, but they conflate consumer-facing outcomes with internal regulatory objectives such as market resilience and investment. In our cover letter we explained that this risks replicating existing rules rather than focusing on what matters to consumers. We therefore recommend consolidating the outcomes into a smaller number of themes—affordability and fair pricing; service quality and access; choice and market participation; transition and innovation; resilience and market health; and vulnerability and inclusion. Grouping the outcomes in this way would make the framework easier to understand, reduce duplication and emphasise the distinction between consumer experiences and regulatory requirements. It would also allow Ofgem to focus on addressing the underlying causes of dissatisfaction while retaining flexibility for suppliers to innovate

Q4	Do you think we should streamline or consolidate the Consumer Outcomes further and, if so, which should we prioritise?
	Yes. Streamlining is essential to ensure that the outcomes framework does not simply add another layer of complexity. Fewer, broader outcomes will be easier for suppliers to implement and for Ofgem to monitor. Our cover letter proposes six themes that encompass the current 24 outcomes and clarify the difference between consumer expectations and regulatory requirements. Grouping the outcomes in this way would prevent the list from becoming a de facto rulebook and would provide a structure that can accommodate future changes without continually expanding the list of outcomes.
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?
	Some outcomes overlap or use similar language. For example, outcomes related to “choice” are spread across the fair prices and quality and standards sections. We recommend redrafting the explanations to focus on the consumer experience and to avoid duplicating existing licence obligations. Cross-referencing to the vulnerability strategy and debt standards would help suppliers understand how the outcomes interact with other requirements.
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?
	Ofgem’s own evidence indicates that the current supply-licence regime has become complex and prescriptive. This complexity can make compliance burdensome and may discourage innovation. At the same time, new duties, such as the drive toward net-zero emissions and heightened expectations around supporting customers in vulnerable situations or facing debt, are adding layers of responsibility that suppliers must balance alongside traditional obligations. Supplier performance is uneven and consumers may be unaware of their rights and options, and some suppliers still lack the systems to provide proactive support. A more streamlined framework that distinguishes between essential rules and high-level outcomes could help clarify obligations, balance new and existing requirements, and support more consistent delivery.
Q7	Do you think some outcomes are more important for consumers than others?
	Affordability, fair pricing and debt support are fundamental because they determine whether households can maintain their energy supply and avoid hardship. Reliable service and protections for vulnerable consumers are also critical. However, encouraging consumers to engage with net-zero products and services is equally important for the future retail market. Evidence to date suggests that consumer engagement with net-zero offerings is patchy, and without proactive support low-income and vulnerable consumers may be left behind. Engagement with the energy transition will in turn affect future affordability, pricing and debt levels. Outcomes should therefore take a broad view of both current and future needs, ensuring that consumers are supported to participate in the energy transition in a way that protects affordability and promotes fair pricing. Net-zero engagement should not be viewed as secondary; it is integral to achieving long-term affordability and resilience.

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?
	<p>The retail energy landscape is changing rapidly and consumers are interacting with an increasing number of market participants. Beyond traditional suppliers, this includes heat network providers, demand-side response aggregators, community energy schemes and firms offering energy-as-a-service packages. These entities can materially affect consumer outcomes and should therefore be covered by the framework. However, the obligations should be proportionate to each participant's role and impact. For example, a small technology provider should not face the same resilience obligations as a large supplier or network operator. Ofgem should apply the outcomes flexibly, with sector-specific guidance and clear rules where needed, so that all participants deliver fair and consistent consumer experiences without stifling innovation.</p>
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?
	<p>Overall, we favour a hybrid regulatory model. A small set of high-level, consumer-facing outcomes (grouped into clear themes) should sit in the supply licence and/or supporting guidance, with targeted prescriptive rules retained where uniformity is essential (for example, financial resilience, protections for vulnerable customers, debt and disconnection safeguards and prevention of unfair pricing). Detailed processes and data flows should, where appropriate, be set out in industry codes (including the REC), supporting agile, collaborative updates.</p> <p>In the non-domestic sector, intervention should be proportionate and reflect the diversity of customer capability and contract complexity. For microbusinesses and small non-domestic consumers, customer experience expectations should be broadly comparable to domestic (e.g., clear information, fair treatment, accessible complaint handling and ability to switch), with outcomes monitored and enforced consistently. For larger non-domestic customers, Ofgem could rely more on outcomes and transparency (including publication of comparable service metrics and targeted enforcement for poor practice) rather than extending detailed, prescriptive rules designed for domestic retail. We also recommend distributional assessment to ensure outcomes do not entrench inequalities across consumer cohorts.</p>
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?
	<p>No, we do not believe that a wholly voluntary approach would deliver consistent and reliable consumer outcomes. Without enforceable obligations, suppliers who already deliver good service are likely to continue doing so, but those who prioritise costs over customer care could choose not to comply, leaving consumers exposed. Voluntary</p>

	commitments would also rely on market forces to drive compliance, which may be insufficient in a sector where switching remains challenging for some consumers. While voluntary schemes can be useful for piloting innovations or encouraging best practice, the core outcomes, particularly those relating to affordability, vulnerability and service quality, must be underpinned by mandatory licence conditions and monitored through performance assurance. A balanced framework of rules, outcomes and guidance is more likely to achieve consistent results.
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.
	An outcomes-based framework can unlock innovation and growth by allowing suppliers flexibility in how they deliver services and by focusing on what consumers should experience rather than prescribing processes. Combined with clear rules in areas where uniform standards are essential, this hybrid model can create a more agile market. Suppliers could, for example, develop new tariffs or net-zero products without seeking rule changes, so long as they meet high-level outcomes on affordability, fairness and service quality. Flexibility will be particularly important as the sector transitions to net zero and new technologies emerge. However, flexibility should not come at the expense of clarity. Outcomes must be limited to genuinely consumer-focused goals, and they should be accompanied by prescriptive rules where a minimum standard is essential. This approach would enable positive outcomes to be realised more readily without causing regulatory blocks or lags.
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?
	Less prescription can work well in areas where consumer needs are diverse and innovation can improve service quality, such as how suppliers communicate with customers, design tariffs or offer value-added services. In these areas, clear consumer-facing outcomes must be set to ensure that all consumers receive accurate information and can make informed choices, while allowing suppliers to tailor their offerings. Without clear outcomes, there is a risk that consumers would receive vastly different levels of service. Ofgem could look to the Solicitors Regulation Authority or Financial Conduct Authority as examples of regimes that combine high-level outcomes with targeted rules and guidance. However, we caution against relaxing prescription in areas where this could lead to inconsistent service quality or weakened consumer protection.
Q13	Are there areas where prescriptive rules should remain in place? If so, why?
	Certain aspects of the energy market are inherently regulatory and should continue to be governed by prescriptive rules. These include safeguarding consumers in vulnerable situations; ensuring fair and non-discriminatory pricing; governing debt collection and disconnection practices; maintaining supplier financial resilience and orderly market exit procedures; and ensuring the safety and security of supply and data management. These requirements protect basic consumer rights and underpin market stability and therefore

	should remain as clear rules with explicit enforcement mechanisms. Where an obligation is largely a regulatory requirement rather than an outcome for consumers, it should be set as a rule rather than as an outcome or principle.
Q14	What factors should we consider to determine whether specific rules are best delivered through prescription, principles or outcomes?
	Ofgem should assess several factors when deciding whether an issue should be addressed through prescription, principles or outcomes: the likelihood and severity of consumer harm; the need for consistency across suppliers; the maturity of the market; and the scope for innovation. If the risk of harm is high or the activity is fundamental to market operation (e.g., billing accuracy, safety standards or disconnection rules), then prescriptive rules are warranted. Principles can guide behaviour where specific processes are less critical but consistency is still important. Outcomes are most suitable where the desired end result is clear but multiple delivery methods are possible, such as in consumer engagement or tariff design. Ofgem should also ensure that obligations which are fundamentally regulatory remain as rules rather than being recast as outcomes or principles. This will help maintain clarity between regulatory requirements and aspirational goals. Ofgem should ensure that design principles are established and form the basis for the development of any new regulatory framework.
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 and enforcement will be critical to making an outcomes-based framework work. Ofgem should develop robust arrangements to measure suppliers' performance against each outcome, combining quantitative metrics (such as complaint volumes, debt levels, self-disconnection rates and switching statistics) with qualitative feedback from consumer advocacy groups. It should also require suppliers to report instances of non-compliance and to take corrective action quickly, by placing the onus of reporting on suppliers, they will be required to ensure they monitor their compliance levels. Public performance reporting can provide reputational incentives, but it must be accompanied by active oversight and enforcement. Ofgem should be prepared to intervene early where outcomes are not being met, using its enforcement powers. Monitoring performance can also be undertaken by relevant industry codes where, such as the REC where relevant associated rules, processes and procedures are governed. A more proactive approach to monitoring and enforcement will ensure that a flexible framework does not lead to poorer outcomes for consumers.
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
	Success should be measured by improvements in consumer experience, higher satisfaction across all segments, reduced complaint levels, reduced energy debt and fewer instances of self-disconnection, and by evidence that consumers can easily understand and engage with innovative products. Ofgem should also assess whether

	the regulatory burden on suppliers has decreased and whether new entrants and products have emerged. Periodic reviews, drawing on data and stakeholder feedback, will be essential to evaluate progress.
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?
	Ofgem could improve engagement by providing earlier sight of proposals, allowing sufficient time for stakeholders to respond, and hosting targeted workshops with consumer groups, small suppliers and new market entrants. Working with Code Bodies who may be required to make consequential changes to rules, or undertake now performance assurance, at an earlier stage could also support the development and smooth implementation of any new regulatory regime. Publishing clear summaries of stakeholder feedback and how it has been addressed would build trust. Ofgem should also consider ongoing advisory groups to discuss implementation and monitoring of the outcomes.