



Non-domestic consumer experiences of heat networks

Full report

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ofgem
Making a positive difference
for energy consumers

Thinks
— Insight & Strategy —

Foreword

The Energy Act 2023 named Ofgem as the Regulator for heat networks. The heat network sector is diverse, with an estimated over 14,000 networks ranging from small blocks of flats to large district heating systems, using a range of technologies such as gas boilers, biomass and heat pumps.

In January 2026, we launched new consumer protection rules to start regulating the heat networks sector in Great Britain. This is a major milestone that will, over time, change how these services operate, putting consumers (including businesses) at the heart of everything they do.

It is therefore essential that we understand what is important for heat networks consumers. There has been no prior research with businesses on heat networks. Ofgem has commissioned this piece of research to start filling this gap, with the aim to develop an in-depth understanding of what it's like to run a business supplied by a heat network. The insights gathered in this piece, alongside our ongoing stakeholder engagement with the sector, will inform our regulatory approach and continued development of the regulatory framework.

Helena Charlton, Director of Heat Networks

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Background and methodology

Background and objectives

As Ofgem looked to begin regulating the heat network sector from January 2026, they wanted to deepen their understanding of the experiences of consumers supplied by heat networks.

Whilst some evidence exists on the experiences of domestic consumers served by heat networks (see ‘Needs and experiences of domestic heat network consumers qualitative research’, published alongside this report, as well as a wider body of evidence on heat network domestic consumers ¹) there is a lack of evidence into the experiences of non-domestic customers. Ofgem therefore wanted to conduct research into the needs and priorities of non-domestic consumers, to inform future development of regulations.

This research had two specific objectives:



Understand the **non-domestic HN consumer experience** and how these differ based on business size and type – from how heat/hot water are used, to experiences of being set up on a heat network and receiving support



Identify key **needs and priorities** for non-domestic consumers – from information and service standards to regulation and protection

¹ [Heat network consumer and operator survey \(2022\) - GOV.UK](#); The Social Agency (2025). [Understanding the experience of heat network consumers](#). London: Citizens Advice.

Context: the heat network landscape

The heat network sector is complex, and the way heat networks operate can look different. Below are some key ways in which the heat network supply and setup differed for businesses in our sample:



Different types of heat network

- **Communal heating** supplies different residents in a single building
- **District heating** supplies multiple buildings



Run by different organisations

- Facility management companies
- Energy Services companies
- Housing associations
- Landlords
- Local authorities



Different points of contact

- The heating companies running the heat network
- The landlord or facilities manager
- A third-party billing agent



Different billing formats

- Some received separate heating bills (with a breakdown of usage and cost)
- Some had this bill bundled into their rent / service charge

Note: In this research, we found that low awareness of how heat networks operate, and the involvement of more than one entity for many participants, meant that they often lacked clarity around who the supplier was vs. billing agent vs. landlord. In this report, we have aimed to reflect participants' perceptions and experiences as far as possible, though acknowledge that this may at times not reflect the true sector set-up. We have made note of this throughout where necessary.

Methodology

- This research is one of the first pieces of work exploring the experiences of non-domestic heat network consumers. There is a lack of baseline data in terms of identifying the spread of businesses connected to heat networks across Great Britain, and the experiences across this set of consumers as a whole.
- In January and early February 2026, we conducted **28 in-depth interviews across 26 heat network sites** remotely (either over online video calls or telephone), with business energy decision-makers. Qualitative research helps uncover rich insights into attitudes, behaviours and motivations when exploring a new topic.
- Prior to these depths, we conducted **5 scoping interviews** with stakeholders with expertise on heat networks to gain an overview of sector dynamics, existing knowledge about businesses' experiences and identify considerations for sampling. These included policy experts across government, consumer groups and energy sector bodies.
- We aimed to recruit as diverse a sample as possible given the challenges associated with reaching this very small population. As part of this, we have recruited a mix of business types and sizes, across a range of locations.
- Recruitment was challenging due to the lack of benchmark data on the business population on heat networks and low engagement from the sample, potentially due to a research topic being perceived as not very salient by our target audience.
- As qualitative research with a small sample, it should be noted that the findings are not claimed to be representative of all businesses on heat networks. This report provides an initial early understanding of the experiences of businesses on heat networks, with room for further exploration with a larger sample in the future.

Sample

Category	Criteria and Number of participants
Size of business	Micro business (10) Small business (10) Large business (8)
Supply issues	Yes (12) No (16)
Contact with the supplier in the last 12 months	Yes, to negotiate terms (3) Yes, to make general enquiries (15) Yes, because of issues with heat network (8) No (2)
Region (of the heat network)	London (7) North-West (9) West Midlands (2) South-East (0) South-West (5) East of England (2) Scotland (1) Wales (0)
Age of heat network	Pre 2010 (5) Post 2010 (6) Don't know (15)

Category	Criteria and Number of participants
Sector	Agriculture /mining / utilities (1) Manufacturing (2) Construction (3) Retail and distribution (4) Transport and storage (2) Hotel and catering (5) Finance (0) Property, management and business services (4) Public administration/other (7)
Usage / Impact	My business would not be able to operate (5) The business could operate, but only on a reduced or limited capacity (22) Business could operate normally, without significant impact (1)
Operators	Heating or energy company (13) Council/Local authority (2) A facility management company (1) A private landlord (1) Housing association (2) Public - Private partnership (2) Private – other (1) Don't know (4)
District / Communal	District (17) Communal (5) Don't know (4)

As there are significantly more heat networks in England than in Wales or Scotland, the majority of our sample are businesses in England as recruitment was conducted on a best-efforts basis due to the hard-to-reach nature of the audience..

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Executive summary

Key findings

- 01** **Most participants have limited understanding of heat networks**, especially those inheriting arrangements when moving into a premise, while awareness is higher among businesses that set up their own heat contracts.
- 02** Participants who rent their business premises from a landlord or facilities manager **report having an indirect relationship with their heat network supplier** – this is because they don't have a direct contractual relationship with an energy company, unlike for their gas and electricity supply.
- 03** Overall, **participants in this study were generally satisfied** with their experiences of their heat network. Participants reported only **occasional, short term supply issues**, with the supplier typically responding in a way that met their expectations during interruptions.
- 04** Heat network **charges were generally felt to be affordable by participants in this study**, particularly when compared to a gas boiler. For most, **billing was fairly consistent and predictable**, meeting a key business forecasting need.
- 05** **Lack of billing clarity** has emerged as an issue for some participants, who found bills confusing due to unclear language and poor links between usage and cost, making it hard to identify savings.

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The heat network context for non-domestic consumers

The role of heat and hot water for non-domestic consumers

Heating and hot water are essential to non-domestic consumers' daily business operations, whether for business operations or comfort

Safety and comfort of staff and customers

Participants emphasise the vital role heating office spaces and other business premises has for providing a comfortable, safe environment for staff and customers. This is particularly true for businesses that cater for vulnerable members of society (e.g. care homes), where this can become a health and safety issue. Comfort is also perceived as being directly related to staff productivity.

In winter, participants say they wouldn't be able to open if they couldn't keep their space warm.

Hot water is needed in office spaces for making hot drinks or lunch, and washing up.

Business reputation

Being able to provide a comfortable, warm, well-lit environment is important for a businesses' reputation.

Participants mention that it's essential for customer confidence that the environment is well lit and comfortable, particularly when customers are looking to spend large amounts of money (e.g. to buy a car or rent a home).

Business operations

For some businesses, hot water is essential for them to continue their business operations (beyond comfort). For example:

- A car sales business mention that they have a valet service 7 days a week, so need hot water to wash the cars.
- Food businesses (e.g. bakeries and restaurants) that have to constantly wash up kitchen items. They would need to close without hot water for health and safety reasons.

Case study: A business that cannot operate without heating and hot water



Tony* works as an operations manager for an organisation that supports adults with disabilities.

As their customers live on the site, a reliable supply of heating and hot water is essential. Many of their customers also have specific needs regarding hot water or heating that can impact their disability – for example, some customers need to take regular medicated baths, and others would become very distressed if they were unable to shower as per their usual routine.

The impact of an outage on the business would be immense, and Tony feels the response from the heat network should consider the additional needs of the customers.

“I think when it comes to adults or anybody with vulnerability, there's an extra layer of responsibility and I think I would expect [the HN supplier] to respond accordingly because of that [an outage] would impact medicated baths and things like that, or people with autism have, you know, a lot of routine, and a shower is part of that routine. It would really disrupt things quite a wide scale to be honest.”

*Participant names have been changed to protect anonymity

Please note: Stock images have been used to bring case studies to life

Case study: A business that would be able to temporarily adapt should there be a hot water and heating outage



Simon* works for a property management business that operates in and around Manchester.

The business owns an office space within one of the buildings they manage, and the 10 employees work from this space throughout the week. So far, Simon has not experienced any issues regarding supply from his heat network supplier. Should there be an outage, however, Simon feels confident this would have a minimal impact on the business. The key impact would be on the comfort of the staff working from the office, which could easily be managed by asking the team to work remotely until the issue is resolved.

“If the heating or hot water went down, we would still be able to operate as a business. We would just allow people to work from home and not come into the office, but it wouldn’t really impact things. If there was no heating in the summer, we might not care that much, we know the supplier will be on it. If it was winter, we might push a bit more.”

**Participant names have been changed to protect anonymity*

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Experiences of businesses on heat networks

We explored several aspects of participants' experiences of running a business on a heat network:

Set up and awareness of the heat network

Experience of supply

Relationship with the supplier and customer service

Perceptions of price and affordability

Experience of billing

The following sections explore each in detail

Setting up a business on a heat network

There are two typical scenarios in which participants become connected to a heat network:

1

The business moves into a premise on a heat network: The business takes on a new rental agreement, which includes the heat network contract

Most participants in this research fall into this group

2

The business connects its premise to a heat network: The business chooses to set up a contract with a heat network

Some participants fall into this group, which includes businesses who own and lease their premises

Within this group, there are a variety of ways the participant has connected to the heat network:

- The heat network **already supplies other buildings / tenants within the wider premises**, and the participant chose to also connect their office space to the existing network.
- The participant **independently chooses** to connect their building to a heat network or arranges with the heat network to extend

A minority of participants worked for businesses who had connected to the heat network before they started working at the business, so they were unaware of whether the business had a choice

Most participants have not heard much about heat networks before connecting to one

- For most participants, **this was their first experience of a business on a heat network**. They will typically be used to dealing with traditional energy suppliers for their business utilities.
- Participants' **understanding of how a heat network works is low**. This is especially true for participants working for smaller businesses, where they are typically only managing the heating for 1 or 2 buildings, and this responsibility comes alongside multiple other roles.
- Where the **focus of their role is narrower, or where they have more experience managing multiple sites**, participants demonstrate a stronger understanding of how heat networks operate.

The majority of participants do not choose to be on a heat network. Rather, they move to a premise that is on a heat network and learn about the system they're on once they move in.

"I wouldn't like to say I'm experienced, but I have an understanding to a level. They heat their hot water at source and it comes to us through a pipe system."

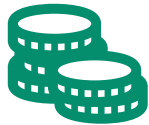
Medium business, transport, North West

"To be honest, I wouldn't have like an in-depth knowledge. I just know that it's a different process - it has been explained to me as kind of a certain process that makes it more sustainable."

Large business, healthcare, North West

A minority of participants choose to connect to a heat network (or choose a site on one). They generally do so because they believe it is a cheaper, more sustainable option

This decision is based on three key factors:



Expectation around cost efficiency: Most participants spontaneously mention that they chose to move onto a heat network because they felt that the running costs over time would be lower than using a gas boiler. Despite installation costs (for those businesses who choose to connect to a heat network), they feel heat networks are more cost effective, especially for businesses using high amounts of heat or hot water (e.g. restaurants).



Assumption around sustainability and the net zero transition: Businesses are increasingly conscious of their green credentials. Participants choosing to connect to a heat network highlight the sustainability benefits compared to a gas boiler, particularly the reduction in carbon emissions – which some need to evidence to support Environmental Social Governance credentials. Whilst cost remains the main deciding factor for most, sustainability can be a key driver of moving onto a heat network.



Concerns around being ‘trapped’ with one supplier: Being unable to change supplier is the main drawback that participants consider when making decisions about a heat network. They are concerned about two things: being in a weak position to negotiate on cost as they are bound to one supplier, and being unclear about how competitive the prices are, as there is no competition between suppliers for customers. Most are aware of this prior to signing a contract.

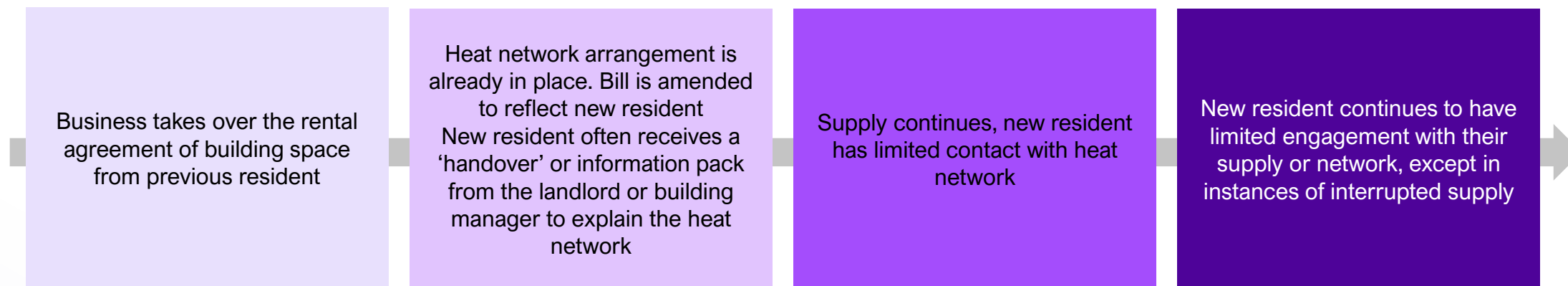
“We see more contracts now referencing lower carbon and emissions [...] That’s probably going to be more of a consideration when we complete contracts for other companies, we’ll have to disclose our environmental and green policies. These things will become more important.”

Small business, leisure, North West

“Cost and forecasting are really important. That’s something I like about the heat network, you know exactly what you’re paying each month.”

Medium business, public services, South West

When participants take over the previous resident's heat network arrangement, the setup process is straightforward and typically seamless



In these instances, the incoming business **does not get involved** in picking the supplier – and has no choice over this. They agree to the arrangement and typically don't have contact with the heat network. The heat network supply often comes as a '**package deal**' with the lease or rental agreement, and is managed by the **landlord or building facilities manager**.

The level of information provided about heat networks can vary

Participants are **generally satisfied with information provided at sign-up**, typically via an information pack, including a **contact number** for issues (often out of hours).

However, others feel they did **not receive much information** about the network or arrangement when signing the lease, such as how the heat network works or an explanation of the different charges that appear on the bill.

“There was no indication about flexibility, nothing on the pros and cons of heat networks. We want to know what to do if something went wrong.”

Small business, retail, North West

Case study: A business that took over a lease with a heat network contract included

Lucy runs an educational consultancy business, focusing specifically on providing support to students with special educational needs.

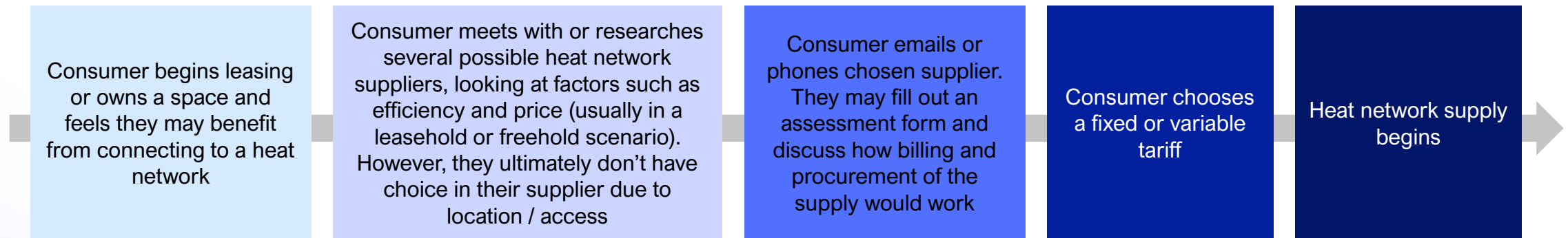
Lucy and her team work out of a hybrid co-working space, where they will often invite students and their parents to meet with them. It is essential for the reputation of Lucy's business that the space feels welcoming, and she feels that ensuring a consistent heating supply is one part of that.

When Lucy first began leasing the office space, she received a welcome pack from the facilities manager of the building, which included some information on how their heating was supplied and who to contact should they have any issues.

“It's something that came as part of, like, a pack, an induction into the building ... it wasn't just about the heat network, it was about utilities as a whole, but it was basically what [the heat network] is, where to kind of go to if we need any help, like, whether it's in hours or out of hours.”

Those who arrange their own supply are more immersed in the set-up process and tend to have greater knowledge of how heat networks work

When participants set up their own heat network supply contract, the process is **longer** and there is much **higher involvement** from the incoming consumer:



Going through this process typically means that the participants have **greater knowledge** of their heat network arrangement and how the heat network operates. However, while they feel that the **pricing structure and tariffs** were explained to them, they often report they did **not have much choice or negotiating power** regarding price.

Businesses who own or have recently bought the premises are the most immersed, often due to the high upfront investment

Those who buy their premises are **responsible for the high upfront costs associated with connecting** the premises to a heat network.

They therefore have a greater involvement in the process, as a significant cost benefit analysis is undertaken before deciding to connect to a heat network, considering things like **cost, sustainability and longevity**.

Case study: A business that bought their premises and set up their heat network

Katie* works for a housing provider in East London. The company owns an office space across 4 floors, which they've been in for 5 years.

When the procurement team started looking into heat networks, they had a presentation from the supplier who explained how the set up process would work, and the team asked questions about tariffs, pricing structure and efficiency.

Katie feels that when they got set up, she found it difficult to identify whether the price was fair due to the lack of competitors. She thinks if they were setting up now, she would have more questions to ask as there more information available about heat networks.

"It was really streamlined to get set up onto the network. The supplier came in and gave a presentation, and there was lots of discussion between the procurement team and the supplier about cost and efficiency."

Running a business on a heat network

Experiences of supply

The extent of hot water and heating usage generally differs according to business size and type. Higher usage businesses are impacted to a greater extent by supply issues



Participants typically report that their heat network supply is reliable, citing only minor or short-term issues

The majority of participants in this sample have experienced a reliable supply, reporting that they have had **no instances of interrupted supply**.

“We’ve had no supply issues. It would affect the customer’s and staff’s comfort, so it’s incredibly important for us.”

Medium business, third sector, South West

When participants in this sample experience issues, these are typically **short-term supply issues** (less than 24 hours). This is the main reason that participants need to get in contact with their supplier.

Although these interruptions are **unplanned**, they are typically resolved quickly and do not negatively impact the business operations.

- **For most, this disruption was an isolated incidence.**
- Only four participants in our sample noted multiple instances of interrupted supply.
- Two participants noted that the heating or water isn’t as warm as they would expect, but that it has been quickly fixed.

“We’ve had times where the heating has gone - in winter when it’s really cold, it affects everyone, but they get it sorted pretty quickly. We usually just ring up, or they send a message to say that they’re having trouble but they’re trying to fix it. It’s in winter when the pipes freeze. Doesn’t happen often, maybe once or twice since I’ve been there. I’m happy with response I get, I can’t complain.”

Large business, construction, North West

Case study: A business that has been impacted by an outage



Lizzie* and her husband run a bakery business in the outskirts of Manchester. Whilst her husband is a professional baker, Lizzie is in charge of the day-to-day running of the business, including everything to do with their utilities.

A constant supply of hot water and heating is essential for Lizzie's business for hygiene reasons.

About a year ago, Lizzie experienced an outage and immediately called her heat network supplier. Lizzie said it took a while to get through to the supplier (a heating or energy company) on the phone, but once she explained to her supplier that her business was unable to function without hot water, she found they were very understanding and proactive. They sent an engineer to fix the problem within 24 hours (and phoned when they were an hour away), so the outage only lasted a day.

As the engineer dealt with the issue quickly, the business was not offered compensation.

“Took a while to get through on the phone lines, if I remember, but we explained that we're a business and we can't function without the hot water, and they were brilliant, they were really good.”

**Participant names have been changed to protect anonymity*

Please note: Stock images have been used to bring case studies to life

Customer service interactions

As for most of their utilities, participants typically have a limited relationship with their heat network, unless there is a supply or billing issue

The overarching relationship between consumer and supplier differs largely based on the circumstances in which they became connected to the heat network:

1

The business moves into premises on a heat network (*take over an existing heat network arrangement*)

Often have a more **anonymous** relationship with the supplier. The relationship is often managed by a 'middleman', such as a landlord or facilities manager, who receive communication and pass this onto the end consumer.

2

The business connects its premises to a heat network (*choose to sign up to a heat network*)

Often have **direct interaction** with the potential supplier during the set up, discussing elements of the contract such as supply, cost and points of contact. For these consumers, the relationship with the supplier is stronger.

However, participants in both groups do have experiences of customer experience interactions, linked to resolving supply issues or billing queries

When participants contact suppliers directly, they are typically satisfied with the response

Most participants report helpful and proactive interactions with their supplier (getting through to someone quickly, staff being understanding and responsive):

- **Interrupted supply:** all participants in this research report that the issue was fixed within 24 hours, which they are satisfied with
 - In most cases, they were kept up to date on progress and when someone would be on site
- **Billing queries:** any mistakes in billing are quickly rectified (e.g. an amended bill for the following month) or costs are clearly explained to the consumer

Whilst communications are often managed by building managers, participants have a direct number to the heating or energy company to contact them in out of hours cases or when the building manager is not available.

The majority of participants in this research **do** feel that they have a clear point of communication at the supplier.

Businesses' views on customer service interactions greatly differ from the views of domestic consumers – this might be down to biases inherent to the sampling approach taken for this research.

“If we do have power dips they are only up the road and have people who can come and help me 24/7. I can do things online, we can dial into their systems and speak to someone remotely. They’re very good at helping out with anything, their customer support is really good and they get someone over late in the evening.”

Small business, manufacturing, North West

“When there were times that the heating hasn’t worked as normal, we have contacted the supplier and they’ve rectified the issue. It’s very easy to get in touch with our supplier – they have phone and email, they’re very responsive on the phone. I’ve always been satisfied with the response I’ve got, they have a good level of empathy and care.”

Large business, housing, London

“The supply went off about 18 months ago, and an engineer came out within 24 hours and we were up and running again. It took a while to get through on the phone line to tell them, but when we said we couldn’t function without water, they said they would send someone out and they phoned when they were an hour away. Getting out sooner would be better, but it’s not realistic. They were really good. We’ve had bad networks over the years, but they are really good.”

Small business, food, North West

A minority of participants report difficulties getting in touch with their supplier

“We have had times where the heating goes, I think in winter when the pipes freeze. We usually just ring up, and they send a message to say they’re trying to fix it. I’m generally happy with the response I get. But one time it took longer to get an engineer out and I was trying to get in touch to find out when they’d send someone – that was the only time really. I kept ringing them and some people went home from work because it was freezing. But it was fixed the next day.”

Large business, construction, North West

“One time when the supply went, we felt a bit left in the dark and had to keep getting in touch for updates. I did escalate it, and they sent someone quicker once I did this. It could be better, especially when you’re paying such a large standing charge for the maintenance contract. Unless they have someone nearby, it’s the next day [it gets fixed]. You’d expect same day.”

Medium business, transport, North West

“I think we should be seeing a rep from [supplier] who visits to ask what we need from the heat network. I think the person who paid to install the heat network should be getting some more customer service.”

Small business, car and motor sales, North West

Whilst participants **acknowledge** that some issues can take time to resolve, they do **expect to be kept up to date on actions and timings**, so they can plan their response accordingly.

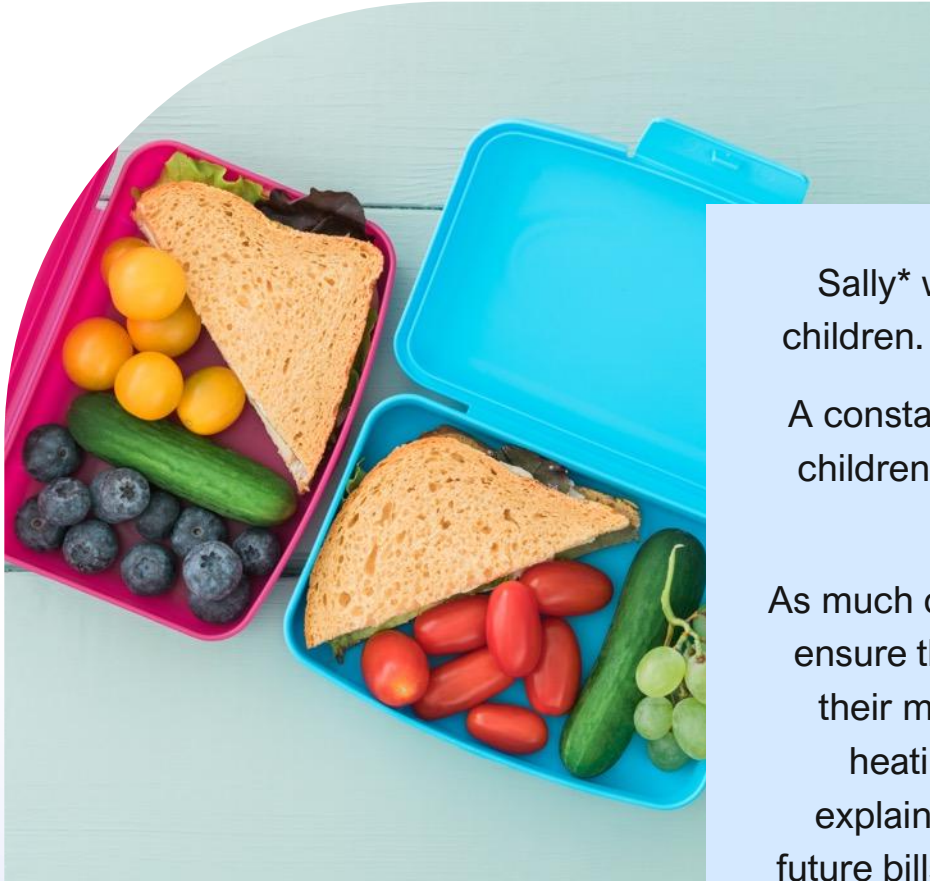
Typically, this is what businesses have experienced, although some businesses report **slower responses**:

- A few participants reported enquiries being responded to slowly, or being placed on hold
- One participant reported having to chase to find out when an engineer would be on-site to fix a broken supply
- One participant mentioned that responses can be slower on weekends

Despite these slower responses, these businesses did not raise it as a significant issue as they were not commercially impacted by the time taken.

More generally, one participant raised that it would be helpful for a representative from the supplier to visit consumers at their premises, to make sure they are happy with the service.

Case study: Example of good customer service (issue with bills)



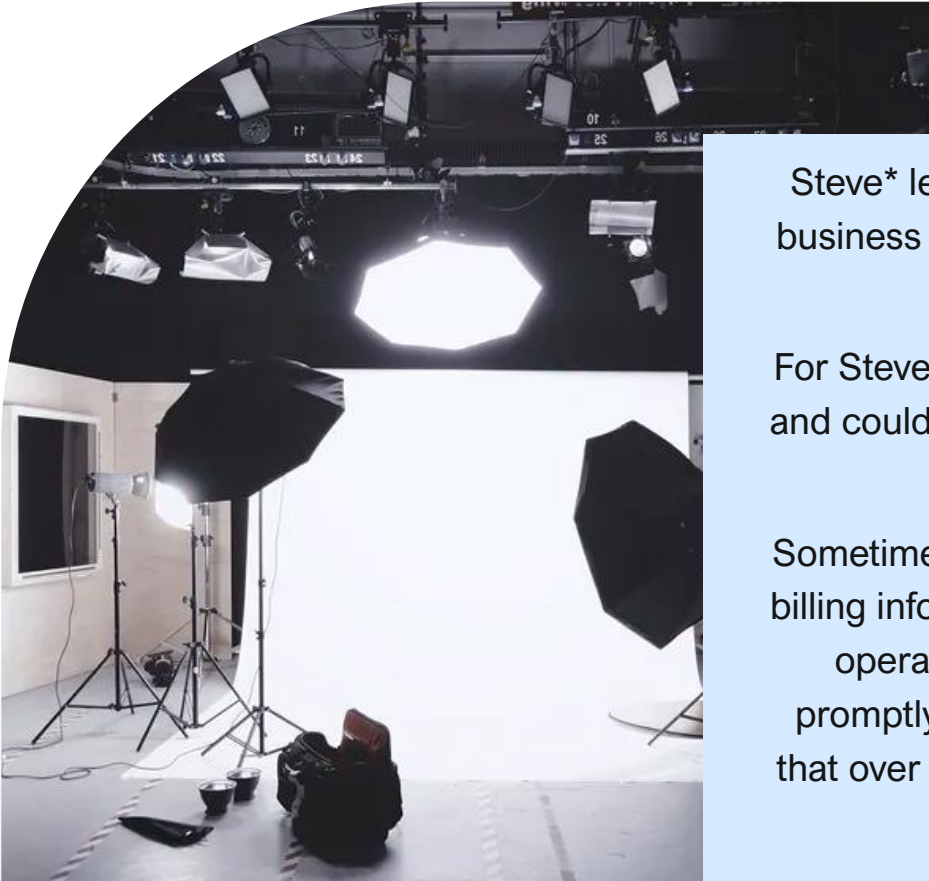
Sally* works for a company who run holiday programmes for primary-school-aged children. One of Sally’s responsibilities is managing their heating and hot water supply. A constant and reliable supply is essential for Sally’s business; they can have up to 60 children in their care at any given time, so they need to ensure the building is heated properly and that hot meals and drinks can be provided.

As much of the business’ funding comes from the government, Sally is always looking to ensure the business is paying a fair price for their utilities, and pays close attention to their monthly bills. Last year, Sally noticed her business had been overcharged for heating and hot water. She promptly contacted her heat network supplier, who explained there had been an error. The heat network supplier then reduced Sally’s future bills to account for overcharging her, which was a solution she was satisfied with.

“We were overcharged as a business - there was an error, from them, and it was rectified.”

**Participant names have been changed to protect anonymity
Please note: Stock images have been used to bring case studies to life*

Case study: Example of poor customer service (seeking information)



Steve* leads an operations department at a business that hires out studio space. The business own studio spaces across the UK and have recently acquired some spaces in Merseyside that are connected to a heat network.

For Steve's business, issues with hot water or heating supply risks reputational damage and could lead to customers booking with the business' competitors should they have a bad experience.

Sometimes Steve will need to contact his heat network supplier to ask for metering and billing information that is needed by his business's potential customers. Although not an operational emergency, it is essential that Steve is able to share this information promptly with his customers to ensure he does not lose their business. He has found that over time his heat network supplier has become slower in their responses to these requests, sometimes taking up to 2 weeks.

"Typical response time used to be 1-3 days, but sometimes it has fallen out of that, and we've had to chase to get responses back. Especially about some metering and billing queries, we've had to chase a few times, and it's been 2 weeks before we got the response we've wanted."

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Perceptions of pricing and affordability

Most participants in this research feel they are being charged a reasonable price for their heating, despite noting yearly price rises (*)

- Most participants **do** feel they are being charged a fair price, with many estimating that their costs are **much lower than they would be with a gas boiler**.
 - While a minority mention high maintenance charges, they do feel that over the long term, the longevity of the heat network is still cheaper than maintaining and replacing a boiler.
 - Those with heating costs bundled into rent are less aware of what they pay for heating / hot water each month, compared to those who have a separate arrangement.
- Most participants have experienced price rises, although these are small yearly rises (which feel reflective of inflation-related price increases). These have been **communicated ahead of time**. Therefore, participants do not push back on them but would like reassurance that prices could be 'capped' in some way.
 - One participant noted a bigger price hike approximately 2 years ago, but since then costs have levelled out.
 - Despite these rises, participants feel the heat network charges are much less volatile than other utility bills, which helps them forecast their costs.

"The price is comparable with other utility providers. Being honest, the standing charges are high if you look at the aggregate over the year. But you need to compare with other commercial premises rather than with my home bill. There is so much volatility with other utilities, the heat network is a lot more stable. From a budget perspective that's really valuable, consistency is really important."
Small business, leisure, North West

"I feel they do inform us about the change in tariff. I think that every network or supplier changes their prices. It's got more expensive, but it has with everyone – not just on heat networks, in your home, it's more expensive. There was a big change a year or two ago, but it seems to have levelled out now."
Large business, construction, North West

(*) Please note that these interviews took place in January and early February 2026, before the 2026 Middle East energy crisis.



Case study: A business who received unreasonably high bills

Lizzie* and her husband run a bakery business in the outskirts of Manchester.

Lizzie was being sent very high bills based on estimated consumption for a food business (approximately £7-8000 a month). The supplier was not happy with Lizzie sending meter readings every month, so they were being sent bills that were far too high. As they couldn't pay these bills, they were getting demand letters and going into debt with the supplier. Lizzie was in conversation with the supplier to dispute the charges for 3-4 months.

However, the supplier then agreed to send someone out to read the meter, and they immediately took £40,000 off the bill and put in a payment plan for the rest of the balance (as Lizzie had previously not been paying the bills due to them being incorrect).

Now, the supplier has agreed that Lizzie can send monthly meter readings, which has brought their bills to an affordable price.

"We got into massive debt because of these high bills, but then someone came out and they knocked 40 grand off the bill. They were good to be fair, they didn't ask us to pay it all in one go, so we paid off a proportion and then put a payment plan in going forward until we went into credit."

**Participant names have been changed to protect anonymity*

Please note: Stock images have been used to bring case studies to life

Experiences of billing

Most participants feel their bills give them the information they need clearly. However, a few mention that language and charges can be confusing

All businesses in our sample receive a bill, rather than paying for their energy through a service charge

Billing information

- Most feel their heat network bills are **clear and informative**
- There is a breakdown of standing charges vs unit rates
- It's clear to most how the **different elements** of the bill (e.g. standing charges, tariffs) combine to make their final price

“The bill is always broken down so you know how much energy you’ve used. I’ve never had a problem, it’s always quite simple.”

Large business, construction, North West

Billing information

- A minority mention that **jargon** can be confusing (e.g. some of the billing metrics and figures may not be clear to all)
- Whilst most feel that there is a clear breakdown of usage, several feel **usage isn’t explained as clearly** as is it with a domestic gas bill (e.g. how much you used this month vs. last)

“When I compare this bill to my home energy bill, you get a clear breakdown at home. Sometimes, it’s unclear what you’ve actually used. The bill breaks down the standing charge and how much you pay per kWh, but it’s not as broken down and visible as at home. I want to see what I’ve spent this month, up or down from last month.”

Small business, leisure, North West

Most participants are happy with the billing process. When there have been issues, participants report that these have been quickly resolved

Experience of billing

- Participants appreciate that they can choose from a **selection of billing dates**
- Where **billing errors** were experienced (e.g. being billed too much or not enough), suppliers **quickly rectified** this and amended the next month's bill to reflect the error

"The bills are all clear, we get a bill a week before it is due, and we can choose from a selection of billing dates which is helpful."

Medium business, education, South West

Experience of billing

- A few note they would like to be able to access their bill **online** (although some already do this)
- One participant experienced '**back billing**' of one month that should have been allocated to the previous tenant. After a couple of weeks of emails between themselves, the supplier and the landlord, this was resolved.

"The first few months, they do some kind of back-billing and it was a bit strange. They pinpointed it to the previous tenant. But with very minimal back and forth it was explained that these charges should be for the previous tenant. It did get resolved in roughly 2 weeks because we had to involve the landlord, but it all got resolved over email."

Medium business, property, London

A minority of participants would like their bill to provide additional context about the price they are charged

Whilst most are satisfied with their billing experience, a minority of consumers would like their bill to also show them:

- A breakdown of **when** they have used their energy (e.g. times of day), to help businesses reduce their usage (and therefore cost) where possible.
- How much **money they are saving** by using a heat network compared to gas heating.
- How much **other suppliers are charging on other networks**, to see if they are getting a competitive deal.

Participants would use this information to help with their future planning (i.e. whether they should continue to rent the building they are in longer-term).

"[The bill shows] KWH of how much you've used, but doesn't breakdown how it's used. If I knew when we used most heat, we could maximise where we can reduce."
Small business, car and motor sales, North West

"I would like to see how much I spent this month, more visibility on that. It might be something that you can control – it's hard to control your usage in a commercial property."
Small business, leisure, North West

Case study: A business who finds it difficult to interpret bills

Sam* and her husband run a business selling cars in Cheshire.

As a small, family-run business, Sam is always looking for ways to keep costs down. She finds that the bills from her heat network are lengthy and confusing, and don't contain all the information she'd like to have about her energy usage. This in turn makes it harder for Sam to know how to reduce their energy usage and keep costs down.

Ideally, Sam would like more information about *how* the business is using energy (i.e. what times of day the business uses most energy), so that she can see where they might cut back and save. She would also like details on how much money the business has saved over the years through being on a heat network.

"I find that when I'm deciphering the bill from EON, it's quite difficult to understand ... If I compare to, say, my British gas bill at home, I completely understand where I'm using my gas ... I just think if you perhaps had an indication of when you use the most heat, then obviously it's just making sure that you are maximizing the fact that you could reduce it."

**Participant names have been changed to protect anonymity*

Please note: Stock images have been used to bring case studies to life

5

Key needs and priorities for businesses on a heat network

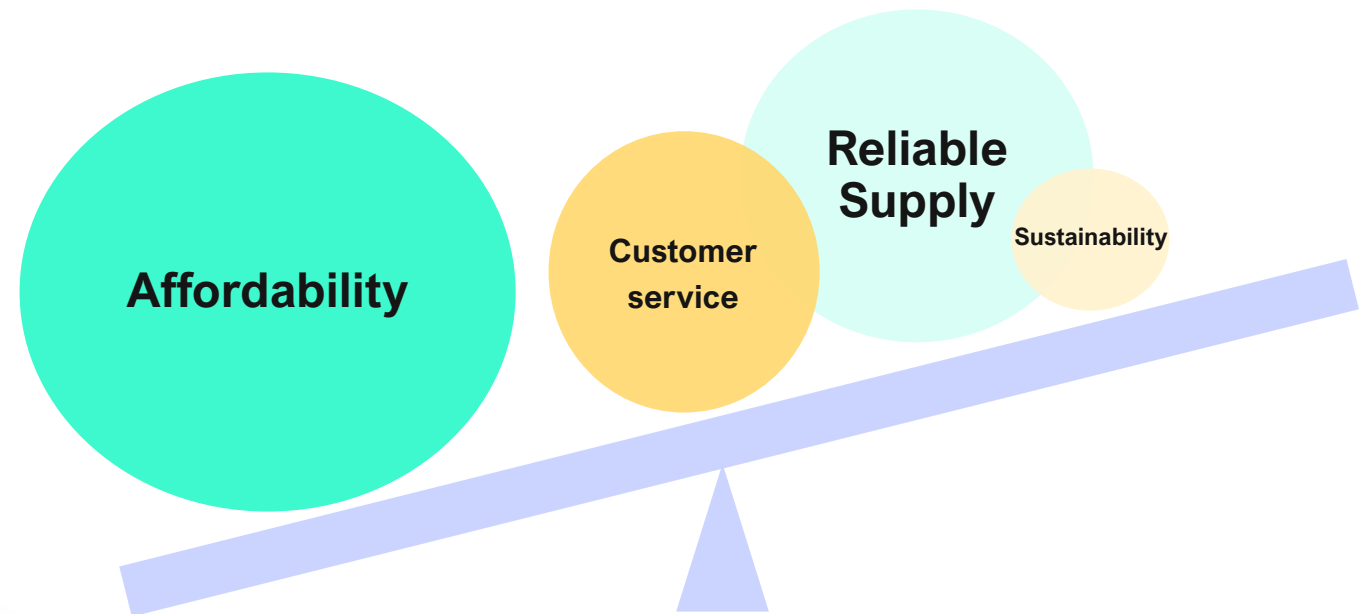
Cost efficiency and a reliable supply are essential needs for businesses, whilst customer service and sustainability are ‘nice-to-have’

Businesses’ decisions around energy are predominantly determined by cost.

However, when asked about their wider priorities, participants say they are also looking for a reliable supply, good customer service and (in some cases) a commitment to sustainability.

“As you can imagine, with many organisations, it’s all about value for money and trying to cut costs where necessary.”

Large business, housing, London



The cost of heating and hot water is a key priority for all businesses, particularly in the context of rising prices across their supply chains

Businesses are being squeezed financially in many ways (e.g. rising costs of materials and utilities, changes in tax).

In this context, affordable costs for their heating and hot water is a priority for all participants we spoke to. Participants therefore want:

- Clear information about their billing, the tariffs and the standing charges. This is important so that businesses can forecast their future costs.
- Proactive communication regarding any changes in the price of their energy. It's worth noting that participants feel they do receive this.

"[The tariff structure] was made very clear. A number of conversations took place. I've also received documentation in relation to forecasted costs ... I found it very useful."

Large business, housing, London

"There is so much volatility and rate caps with other utilities, [this is] a lot more stable. From a budget perspective that's really valuable, consistency is really important ... it would be great to see how much we spent this month, how does that compare to previous months, etc. Having more detail and visibility like that, I think, is really good, because it's something perhaps you can control. "

Small business, catering, North West

For businesses who cannot operate without heating or hot water, reliability of supply is vital to the success of their business

Impact on the business:

- Participants' key concern is that their **reputation**, the **service** they provide or their **finances**, are not **negatively impacted** by an interrupted supply.
- If a business would have to shut down or send customers / service users home in the event of a supply interruption, then a **guaranteed** supply is paramount to avoid **erosion of trust or lost income**.

Customer needs:

- Participants expect **information and reassurance** about how reliable the supply is predicted to be.
- They want to know what the **process** is when the supply is down (e.g. call out times), and plans for regular maintenance and servicing
- Participants expect to be **regularly updated** on efforts to restore supply, and the estimated timeline.
- They expect an on-site visit from the supplier (or remote resolution) on the **same day** (or within 24 hours). Should it take longer than this, they expect **compensation** (e.g. money off their next bill or credit to their account). Participants gave 24 hours as the threshold for receiving this.

“We wouldn’t be able to operate if the heating or hot water went down, it always has to be connected. We’d have to get portable heating in, but we wouldn’t be able to make hot meals for the kids, and the staff.”

Medium business, community interest, London

“Because we have kitchens, if we didn’t have hot water we’d have to close down. If it couldn’t be fixed straight away I’d need a timeline and an action plan, to see if I would need to bring in portable heaters to keep the business running. On the call out, if it’s an emergency, and I say we need someone in today then we need that and if that’s not possible we’d need to know.”

Medium business, leisure, East of England

Customer service is most important when things go wrong, but support always needs to be proactive, empathetic and accessible

The key elements of strong customer service include:

- A **clear and consistent point of contact**, who they can contact if issues arise, even if businesses typically interact with a ‘middleman’ (e.g. landlord).
- **Fast resolution of supply interruptions**, to avoid or minimise negative impacts.
- **Proactive and early communication** about billing changes, supply issues or planned outages – and efforts to fix these.
 - As we hear in other utilities research, participants are generally understanding that it can take some time to fix issues, as long as they are kept informed about steps being taken.
- Ability to speak to a **real person**, rather than a chatbot, in a timely manner. They want the supplier to listen to their issue and respond empathetically, making it clear they understand the issue and how it might impact the business.
- Communication that is **jargon-free** and easy to understand.

“Communication is probably 90% of the job. I need to know if it's like, okay, you can't get there till Wednesday. I need you to let me know that. I don't need you to tell me, ‘oh, I might come on Monday, I might come on Tuesday’. I just need to know.”

Medium business, leisure, East of England



Although a lower priority concern, businesses want transparency around the environmental impact of heat networks, to support their sustainability goals

Some participants would like more information about how the heat network supports **sustainability and low carbon emissions**. They assume that it is a 'greener' option (due to lower carbon emissions) but want more clarity.

As found in wider research, businesses want this to be able to **promote their sustainability credentials**, for reasons including:

- Marketing purposes (e.g. a badge on their website, appealing to sustainability-minded customers)
- Meeting criteria when bidding for work (e.g. public sector contracts)



Although important to businesses of all sizes, **larger businesses are more likely to have a need to formalize their sustainability commitments** to support certifications or credentials, and in some cases bid for contracts (i.e. proving sustainable supply chain).

"I think being really transparent with the sustainability stuff is always really helpful. It's something that feels unique [to heat networks] and would be good to communicate that."

Medium business, education, South West

"One of our key stakeholders are young adults, and young adults are concerned about the environment, they are concerned about sustainability, decarbonisation. That gets intertwined into our own strategic objectives. For us, the key benefits are the decarbonisation factor."

Large business, education, London

6

Considerations for non-domestic consumer protections going forward

There are three key areas of need which non-domestic consumers feel protections should address

Key needs for non-domestic consumers

Affordability: all businesses need heating / hot water prices to be affordable and predictable, to allow them to forecast their outgoings and keep up with their day to day running costs



Reliable supply: consumers' key need is a reliable, uninterrupted supply



Empathetic support: businesses need easily accessible and friendly customer service. Businesses need to be able to get through to someone quickly and feel like the supplier cares about their issue



Priorities for consumer protections

Price guarantees: such as limits on the amount suppliers can increase the price each year.

Accountability: for the continuous and reliable supply. Where there are issues, suppliers are accountable for proactive support and communication about resolution. This includes guaranteed call out times during supply faults.

Accessibility: ensuring access to empathetic customer support and sharing easily digestible customer communications

Further considerations for Ofgem:

➤ **Consistent consumer protections:** Participants' expectations for how they would be protected while connected to a heat network were very much in line with their expectations from other utilities suppliers. This research suggests that a consistent regulatory approach across gas/electricity and heat networks could help reflect consumer needs and desired outcomes.

However, this expectation needs to be considered in the light of a unique trait of the heat network market that colours the interaction between consumers and suppliers:

➤ **Lack of informed decision-making and choice:** Most businesses lack understanding and awareness about heat networks prior to joining them. Combined with a lack of 'choice' about the supplier, businesses do not currently feel informed about their decision to be on a heat network or that they have choice in the matter. Ofgem could consider regulatory approaches taken for 'monopolies', such as gas networks, to help support consumer understanding.

7

Appendix

Recruitment approach

We took a number of different approaches to recruitment, given the hard-to-reach nature of this audience. These are outlined below to help inform future research approaches:

Recruitment approach	Number of participants recruited using this approach
Onboarding a professional research recruitment agency to engage businesses via their panels and proactive outreach in areas known to be connected to heat networks	27
Including the research in newsletters and email blasts from DESNZ	0
Based on information found in the public Energy Performance of Buildings database, we invited 221 businesses listed as being supplied by district heating via email or phone call	1
Paid-for adverts on LinkedIn	0

Reflections on recruiting this sample:

- A relatively small number of businesses are currently supplied by a heat network, compared to traditional gas. This meant this is a small audience to try and reach.
- It was unclear from existing data what the make-up of the heat network business population is like.
 - This raised challenges around what quotas or spread to aim for in terms of region, business type and heat network type (hence seeking a diverse mix in this research).
 - Lack of information on the make-up of the population also makes it hard to assess whether the sample achieved is representative or skewed – for example, almost half of businesses (13) were on a heat network run by an energy company – whereas in the domestic research carried out by Ofgem, most of heat network consumers were served by a heat network run by either a housing association or a local authority. This may explain some of the differences in experiences between domestic and non-domestic participants witnessed across these two pieces of research.

Split of sample according to business size

Small business	Medium business	Large business
<p>In total, there were 10 small businesses in the sample:</p> <ul style="list-style-type: none"> 4 x retail 2 x catering 1 x manufacturing 1 x property 1 x transport 1 x business services 	<p>In total, there were 10 medium businesses in the sample:</p> <ul style="list-style-type: none"> 3 x catering 3 x public administration 2 x property 1 x transport 1 x manufacturing 	<p>In total, there were 8 large businesses in the sample:</p> <ul style="list-style-type: none"> 3 x construction 3 x public administration 1 x business services 1 x utilities
<p>Participants from small businesses worked in the following roles:</p> <ul style="list-style-type: none"> 5 x business owners 5 x Operations manager 	<p>Participants from medium businesses worked in the following roles:</p> <ul style="list-style-type: none"> 2 x CEO 2 x Director 2 x Manager 1 x Head of operations 3 x Operations manager 	<p>Participants from large businesses worked in the following roles:</p> <ul style="list-style-type: none"> 1 x Director 1 x General manager 6 x Operations manager



Thank you

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