

Emailed to: FutureConsumers@Ofgem.gov.uk

22 January 2026

Ofgem Call for Input Reviewing the Supplier Guaranteed Standards of Performance (GSOP)

Thank you for the opportunity to respond to this call for input reviewing the supplier guaranteed standards of performance framework. We think it is right for Ofgem to review the GSOP framework and we agree that it makes sense for this to be informed by the progress made in developing and implementing the Consumer Outcomes as part of a wider regulatory approach. The criteria for setting the individual GSOP standards look sensible.

We think that auto-compensation is a useful tool where there is a clear and widespread service failure on the part of a supplier and where the impact on consumers is broadly similar. It can help to resolve consumer disputes quickly without the need to complain and can incentivise suppliers to improve the service they offer. However, it is a broad-brush approach. Compensation should be set at a level that recognises the experience and impact the average consumer suffers and therefore may not fully recognise the shortfalls in service a consumer may have experienced. GSOP therefore needs to operate alongside the Energy Ombudsman, and it is important consumers have the right to an individual review of their complaint if they feel the compensation offered does not adequately recognise the impact on them.

In many of the GSOP complaints we receive, consumers are much more focussed on the problem they are encountering being resolved, and to receive a better service in the future, rather than just receiving compensation for a poor experience. We therefore believe that the review should consider how GSOPs can encourage suppliers to improve the services they operate and the way in which they resolve problems.

While recognising the limitations and complexity of making changes to GSOP, given that these are set by secondary legislation, we believe there is an opportunity to interrogate what the GSOP framework delivers for consumers, what the licence conditions can deliver and what it means about wider systemic issues in the sector. While the GSOP framework encourages compliance with specific standards, it is important to understand what this indicates about how the sector is working, where consumers are experiencing detriment and where processes can be improved. The fact that Ofgem has identified that GSOP payments have not significantly declined since the introduction of the measure may suggest that the incentives created by GSOPs should be reviewed.

While the GSOP framework is useful for ensuring that consumers experience consistent minimum standards, we also think this should not stop suppliers from going beyond these or indeed innovating to ensure their consumers have a better experience. We think that this is where suppliers can demonstrate their commitment to delivering improved consumer outcomes and help to build trust in the energy sector.

We commonly see suppliers interpret the GSOP payment as the compensation to be awarded to the consumer in all circumstances; the supplier makes the required payment and thinks they have resolved the complaint fairly. We see the GSOP as a minimum standard which recognises

the average level of detriment suffered by a consumer. It may be useful for Ofgem to set out its expectations on suppliers if they receive complaints and indicate a range rather than one set payment. And it may also be reasonable to set a higher payment expectation for consumers who have had particularly poor experiences, to again try to dispel the idea that if a GSOP is paid, the matter is settled.

We think it would also be useful to consider how non-domestic consumers benefit from the GSOP mechanism. In some cases, however, it is likely that any automatic compensation scheme will be inadequate to recognise the losses a business may have suffered as a result of a service failing. We think this is where awareness of the GSOP standards and of our scheme are important.

We also think it is worthwhile looking at how to improve awareness of standards whether through guidance or information on apps, websites or bills. We think ensuring consumers are aware the standards exist helps to build trust and confidence in the sector.

Scope changes for what GSOP could apply to are put forward and we have seen significant issues with signposting to our service and remedies. Auto-compensation was included in the recent Department for Energy Security and Net Zero (DESNZ) consultation on Fairer, Faster Redress and we think there is merit in looking at where financial incentives could enhance compliance.

Please do not hesitate to contact us should you wish to discuss our response in more detail. Our response is not confidential.

For more information on this response, please contact:

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