

22 January 2026

**ICoSS Response to Call for Input – Reviewing the Supplier Guaranteed Standards of Performance (GSOP)**

The Industrial and Commercial Shippers and Suppliers (ICoSS) group is the trade body representing non-domestic industrial and commercial (I&C) suppliers in the GB energy market<sup>1</sup>.

Please note we have restricted our assessment to the impact on the non-domestic retail sector.

**Role**

**Q1. Do you have any views on how the GSOP should be used to deliver good consumer outcomes as part of our wider regulatory toolbox?**

GSOP is a prescriptive process intended to compensate consumers when a supplier fails to achieve a clear, measurable target. We believe that such prescriptive regulation cannot easily co-exist with an outcomes-based regime where the objective is to achieve a strategic, high-level goal, better consumer-outcomes. If an outcomes based approach is adopted in certain market areas, GSOPs will need to be removed along with other prescriptive regulation. In addition GSOPs should not be utilised in those areas where effective market competition incentivises appropriate supplier engagement with customers when they provide a poor consumer experience. We believe this applies to the non-domestic sector where switching rates and competition is higher than in the domestic sector.

**Q2. Do you have any comments on our proposed objectives for the GSOP mechanism?**

We agree that the GSOP process should be assessed in conjunction with a competitive market, but believe that GSOP processes should not be used as a substitute for competitive market pressures, which should be seen as the primary way to ensure good consumer outcomes.

**Q3. Do you have any comments on our proposed criteria for the design of any new Guaranteed Standards, or how we intend to use the criteria?**

The proposed criteria do not cover whether a GSOP is necessary, or whether market forces can deliver the outcome desired. We believe that this is a fundamental step before any GSOP is required or extended.

**Q4. How effective is the current GSOP framework and individual standards in delivering good consumer outcomes? Please provide evidence where possible.**

The current GSOP framework has limited application to the non-domestic sector, which has a higher level of market engagement and so we have not sought to answer this question.

## **Scope**

**Q5. Do you have any views on what would determine if a GSOP or a licence condition is the best tool to improve supplier performance?**

We believe that the most effective way to improve supplier performance is to promote effective competition. Licence conditions or GSOP targets should only be used as a last resort where market forces cannot be brought to bear.

**Q6. Are there any supplier service areas where it would be appropriate for us to explore new GSOPs, or move an existing licence condition into the GSOP framework?**

We do not believe that the focus should be on creating more GSOP standards, but instead to reduce the regulatory burden and so improve competition.

**Q7. Should any of the current GSOPs be removed, or replaced with a licence condition to better achieve its policy aim?**

We do not believe a GSOP regime in the non-domestic sector is needed to ensure good customer outcomes, but effective market competition.

**Q8. Should we consider expanding the GSOP mechanism to cover non-domestic customers, or a sub-section of non-domestic customers? If so, which existing or potential future standards would be most appropriate?**

No. We do not believe that the focus should be on creating more GSOP standards, but instead to reduce the regulatory burden to enhance competition and so improve supplier performance. We agree with the challenges identified by Ofgem regarding the extension of GSOP to non-domestic customers. We also note that market competition is much higher in the non-domestic sector, which drives better consumer experiences. We do not believe that the market is failing in the non-domestic sector and so a GSOP regime is not required.

## **Design**

**Q9. Do you have any views on what the underlying rationale for the payment level and mechanism should be to best achieve the GSOP objectives?**

We agree that any payment process should not be seen as compensating for reflect actual loss or harm caused by a breach and should stay at the current level.

**Q10. Do you have any views on specific changes to the payment mechanism we should consider, including the examples included in this paper?**

We would be concerned regarding over any one-off or annual change to the current payment amount of £40 which was only recently increased by 33%. Further increases may deter some suppliers for engaging with low consuming customers where the fixed GSOP payment may represent a large proportion of the annual bill and a high risk.

Further to our answer to Q12, we agree with Ofgem regarding the potential complications of varying payment by customer or breach.

**Q11. Are there any issues we should consider with introducing repeat payments for ongoing breaches?**

We would have concerns over repeated payments for the same issue, which may be outside of a supplier's control and may deter some suppliers from engaging with risky customers.

**Q12. Are there any issues we should consider with introducing variable payment levels for different consumer groups or severity?**

We agree with the outcome of the previous review by Ofgem that concluded that payment levels should remain the same on the basis they reflect the inconvenience caused to the customer which is the same for both microbusiness and domestic customers.

**Q13. Are there any specific changes to the current set of exemptions that we should consider?**

We do not identified any specific changes at this time.

**Q14. Are there any specific changes to the target levels of existing standards that we should consider?**

We do not identified any specific changes at this time.

**Operation**

**Q15. Are there any improvements we can make to the way we collect data from suppliers specifically on their compliance with the GSOP?**

Substantial amounts of information is already provided by suppliers to Ofgem regarding the GSOP process. We would like to explore ways in which this regulatory burden can be streamlined.

**Q16. Are there any additional risks that we should consider when exploring our approach to monitoring and ensuring supplier compliance with the GSOP?**

The risk that are listed in paragraphs 4.6-4.7 both represent non-compliance with the regulation which should be subject to enforcement action. The risk in 4.5, differing interpretations we believe is small and can be addressed in the first instance through dialogue with the regulator. We believe sufficient tools exist to address these issues.

**Q17. Is there a need for any supporting guidance, either aimed at suppliers or consumers, to improve the effectiveness of the GSOP?**

We agree that guidance will not cover every scenario without becoming highly detailed. It is also our experience that guidance being published by Ofgem can become difficult to find as there is no central register of such documents. We would believe that any ambiguity in the existing obligations should be addressed through amendments to the legislation. Our view however is that the existing GSOP provisions are sufficiently clear to ensure supplier compliance. Non-compliance with the regulations should be subject to enforcement action and we would welcome the regulator doing so if it believes there are serious non-compliance issues.

**Q18. Is it important that consumers are aware of GSOPs? Why?**

The underlying principle of the GSOP process is that supplier self-monitor compliance against the standards and, where appropriate, compensate the customer. The process is designed that customers are not required to raise queries to receive compensation. We do not feel there is a need for customers to be aware of the process,

**Q19. Are there any actions that Ofgem or suppliers should take to improve consumer awareness of the Guaranteed Standards?**

Suppliers are already required to publish a statement regarding GSOP which provides sufficient visibility of the process. We do not feel that there will be any benefit in undertaking additional activities to improve customer awareness of the GSOP as suppliers are expected to self-regulate. Any marketing activities will increase costs for suppliers and the regulator.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'G. Evans'.

Gareth Evans

