

## **Appendix - GSOP Review question responses**

### **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?**

Yes. GSOPs can play a valuable role within the regulatory toolkit where they are used in a targeted and proportionate way, particularly as a mechanism for providing redress for individual consumer detriment. However, their effectiveness in delivering good customer outcomes depends on clear alignment with, and differentiation from, other regulatory tools. Specifically, we think that GSOPs:

- **Should be used to compensate for service failure, not to prevent it.** This distinction should be central to decisions about what tool is appropriate e.g. GSOPs or regulatory requirements. We think they are not the right tool where meeting standards in an area is of critical importance and/or where failures could result in significant customer detriment. In these cases other interventions should be considered.
- **Could play a useful role in raising standards in certain areas.** They are likely to be most effective where there is already some alignment with supplier interests/incentives, but widespread poor performance persists despite evidence that standards can be reasonably met in the vast majority of cases. In these circumstances, GSOPs (along with competitive pressure) may help 'tip the balance' and drive improved performance. Where there is no underlying incentive to meet a particular standard, simply layering on GSOPs is unlikely to lead to meaningful improvement. We think the areas in which this is appropriate requires further thought from Ofgem and working collaboratively with industry to ensure any new GSOPS are appropriate.
- **Should not be layered on top of already prescriptive requirements.** This is because in principle, a regulatory requirement should broadly operate in one of two ways: a) either as a firm standard set through the licence, where compliance is expected in all cases and failures are addressed through enforcement action; or b) as a GSOP, where the expectation is that most customers will receive the service, but where occasional failures are anticipated and addressed through automatic compensation rather than compliance action. Applying both approaches to the same activity increases cost and complexity without delivering additional protection for customers. For each area of activity, Ofgem should therefore explicitly set out which regulatory tool is being relied upon and why, taking into account the nature of the harm, the prevalence of poor performance, and the role of competition in driving overall service improvements.
- **Could play a role in improving customer outcomes more broadly across the industry.** Specifically by being introduced in areas where the regulated

party is best placed to control the outcome e.g. Distribution Network Operators in relation to delays to low carbon technology connection times.

Given the ongoing development of the Consumer Outcomes<sup>1</sup> framework, and the significant implications this will have for the overall shape and balance of the regulatory toolbox, we consider that substantive work on GSOPs should only proceed once the Outcomes framework is finalised. This will allow Ofgem to determine, in a joined up way, where GSOPs are genuinely the most appropriate tool, and to ensure they are well targeted, proportionate, and complementary to other regulatory interventions, rather than duplicative or layered on top of them.

By way of example, the recent proposals to introduce new Smart GSOPs<sup>2</sup> highlight the risks of developing GSOPs in parallel with a new regulatory framework, before there is sufficient evidence of how that framework will operate in practice or whether it leaves material, unaddressed risks to customer outcomes. In this case, the proposed Smart GSOPs will introduce additional costs<sup>3</sup> for customers without evidence that they would deliver proportionate and/or systemic improvements in outcomes.

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

Yes. We do not object to the proposed objectives in principle, but we do not consider that they can be meaningfully assessed or applied until the Consumer Outcomes framework is finalised and the role of GSOPs within the wider regulatory toolbox is clearly defined. Whether these objectives are appropriate or achievable through GSOPs depends on the nature of the harm being addressed and on which other regulatory tools are being relied upon in each area.

We would also caution against the use of blanket objectives across *all* GSOPs, as these risk being overly onerous given the inherently targeted and issue specific nature of GSOPs. Instead, we think that objectives should be defined on a GSOP by GSOP basis once the Consumer Outcomes framework is complete, ensuring that each GSOP has clearly articulated objectives that are directly linked to the specific harm it is intended to address.

Regarding the specific objectives Ofgem has outlined in its proposals:

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<sup>1</sup>[Energy consumer outcomes](#)

<sup>2</sup>[Statutory consultation on smart meter guaranteed standards of performance.](#)

<sup>3</sup>Our estimate is that the proposals could add ~£11 p/a to a typical fixed tariff customer's bill (this cost is derived by taking a cost of GSOPs (£117mn) and dividing it equally amongst 37% of households (37% of customers are on fixed tariffs as per Ofgem's July 2025 cap announcement)).

- Several of the proposed objectives (minimum levels of performance and minimising poor service) are already delivered through existing licence conditions<sup>4</sup> and guidance in many areas. Without clarity on which requirements will be retained under the Outcomes framework, it is unclear what additional outcomes GSOPs are intended to deliver, or where they would provide incremental benefit rather than duplication.
- The objective of ‘supporting a competitive market’ requires further consideration. GSOPs are inherently highly prescriptive and can therefore limit service differentiation; whether this is appropriate depends on whether performance below a defined threshold represents genuine consumer harm, or whether competition should instead be relied upon to drive improvements. Without clarity on how Ofgem expects competition to operate within the Consumer Outcomes framework, and the degree of variation it considers acceptable, this objective cannot be meaningfully applied to GSOPs.
- We would also suggest revisiting the objective of ‘ensuring clear and consistent minimum levels of supplier performance’. In practice, supplier performance will vary, and some will inevitably incur more GSOP payments than others. For example, some suppliers may decide it is more cost efficient to pay GSOPs where breaches occur, rather than redesign their whole customer journey to avoid automatic payments. However, if GSOPs are clearly defined and proportionally calibrated, they can be an effective tool for lifting the performance of poorer performing suppliers, particularly where GSOP performance data is published, allowing transparency and competition to drive improvements.
- By contrast, the objective of providing automatic compensation is where GSOPs are likely most well suited. Used in a well designed and targeted way, GSOPs could provide efficient redress for individual customer detriment, particularly in areas where overall performance is generally acceptable but individual failures can have significant impacts.

**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?**

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<sup>4</sup> SLC 27.17: Where the responsibility for the supply of electricity to a Domestic Customer transfers from the licensee to another Electricity Supplier or otherwise terminates, the licensee must take all reasonable steps to send a final Bill or statement of account of the Domestic Customer's account within 6 weeks of the supplier transfer or termination of the Domestic Supply Contract;

SLC 14A.4: Where a condition in paragraph 14A.3 (a) to (e) applies the Supplier Transfer must be completed as soon as reasonably practicable and, in any event, within five Working Days of the date on which the condition ceases to apply (or, if more than one condition applies, when all relevant conditions cease to apply).

Yes. We broadly agree that the proposed criteria capture many of the relevant considerations for the design of individual GSOPs. However, as with the proposed objectives, we do not consider that these criteria can be meaningfully evaluated in absence of a clear understanding on the Consumer Outcomes framework, or without clarity on the respective roles of GSOPs, licence conditions, guidance and principles within the broader regulatory framework. We would also caution against blanket applying *all* criteria for every GSOP. Given the issue specific nature of GSOPs, we consider that there needs to be a certain degree of flexibility on a case by case basis to ensure the GSOPs deliver the intended outcomes. We have provided more detailed views below.

We welcome that several of the proposed criteria<sup>5</sup> reinforce the inherently targeted nature of GSOPs. We also support the emphasis on evidence based, achievable standards with clear and measurable metrics. However, delivering this in practice requires robust evidence that performance targets are achievable across the market and within suppliers' reasonable control. Therefore, we think Ofgem must take care to ensure standards are not set at levels that effectively mandate uniform service delivery in areas where some degree of variation may be appropriate and/or where competition could otherwise drive improvements.

We also support the criteria that automatic compensation should not duplicate compensation already provided through other standards or obligations. More generally, this highlights the need for Ofgem to clearly articulate how GSOPs interact with other regulatory requirements, and specifically how they avoid layering GSOPs on top of existing obligations in a way that creates duplication/double jeopardy without clear customer benefit.

In addition, we think that the criteria relating to suppliers' ability to improve service requires additional consideration, specifically to ensure that GSOPs are only applied where suppliers have reasonable control over the drivers of performance. Introducing GSOPs in areas where control is limited e.g. DCC performance, risks driving up customer costs without delivering proportionate improvements in outcomes.

We would also suggest that, alongside the existing criteria, Ofgem considers introducing additional criteria to ensure that GSOPs are designed in a way that supports consistent application and effective automatic compensation; namely:

- GSOPs should be based on simple, unambiguous definitions so that they can be implemented consistently across all suppliers and deliver

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<sup>5</sup>Specifically: the need for a clear, customer centric rationale; identifiable individual detriment; an identifiable affected customer; and the ability to provide automatic compensation.

streamlined outcomes for all customers.

- Automatic compensation should be triggered by clear, objective actions and/or timelines, rather than by requirements that rely on interpretation. As such, we think GSOPs should be limited to single, objectively measurable actions or time bound obligations, rather than layered or interpretive requirements. For example, a GSOP should specify 'respond within five working days' rather than the more ambiguous and judgement based requirement to 'respond within five working days, in a way that is reasonable'.
- GSOP should only be introduced where there is systemic evidence that the relevant requirement is not already adequately addressed through licence conditions or other regulatory obligations. Where standards already exist in the licence, layering a GSOP on top risks duplication and increased cost without demonstrable benefit to customers. In those cases, the more proportionate approach may be to rely on existing obligations, supported by monitoring and enforcement, rather than introducing automatic compensation.

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

Our experience shows that GSOPs have not been an effective driver of improved service and, in some cases, simply add cost and administrative burden without meaningful benefit.

This is because the strongest improvements in customer experience over recent years, e.g. improvements in ease of contact<sup>6</sup>, falling complaints<sup>7</sup>, and higher satisfaction<sup>8</sup> have all occurred in areas where no GSOPs apply. These improvements have been driven by competition, reputational incentives, and suppliers investing in better service, rather than by automatic compensation mechanisms.

We have not seen clear evidence that existing GSOPs have materially improved standards in the areas they cover. For example, the final bills GSOP, introduced in 2020, has not delivered a sustained uplift in performance<sup>9</sup> and is duplicative of

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<sup>6</sup> Wait times dropped from 187s in Q2 2023 to 140s in Q2 2025 - Citizen's Advice Data

<sup>7</sup> [Energy Ombudsman sees consumer complaints fall by 25% in the first half of 2025](#)

<sup>8</sup> Satisfaction rose to a record 81% in January 2025 - [What drives consumer satisfaction with energy suppliers](#); Ofgem

<sup>9</sup> Prior to the introduction of GSOPs, performance fluctuated between 90% and 96%. Since their introduction, performance has varied between 84% and 98% (ESG Data)

existing licence obligations<sup>10</sup>. The same is true across the other GSOPs. Despite their prescriptive nature and associated costs, sector-level performance has not shifted in a way that can be attributed to GSOPs themselves.

Further, several GSOPs have also been overtaken by system reform and/or are duplicated in licence obligations, making them both unnecessary and disproportionate. For instance, the switching GSOP was introduced to address slow and unreliable switching processes, but industry-wide Faster Switching has eliminated the underlying harm<sup>11</sup>. Retaining this GSOP adds cost and complexity without preventing a problem that no longer exists and is already covered by the licence<sup>12</sup>.

**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?**

Yes. As a general principle, GSOPs are unlikely to be the primary driver of sector wide performance improvements. However, GSOPs could play a targeted role to drive up market performance in areas that are being systemically overlooked and where existing regulation does not drive acceptable performance levels.

That said, as explained elsewhere, further clarity on the wider regulatory framework is needed before decisions can be made about where GSOPs should sit. Until the Consumer Outcomes work is complete, it is not possible to assess whether GSOPs or licence conditions are the right intervention in specific areas.

**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?**

At this stage, none. Starting with ‘what should be a GSOP?’ risks adding prescription without clarity on the underlying harm, the role GSOPs are meant to play, or whether other, less prescriptive and costly regulatory tools would deliver better results.

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

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<sup>10</sup> SLC 27.17: *Where the responsibility for the supply of electricity to a Domestic Customer transfers from the licensee to another Electricity Supplier or otherwise terminates, the licensee must take all reasonable steps to send a final Bill or statement of account of the Domestic Customer's account within 6 weeks of the supplier transfer or termination of the Domestic Supply Contract.*

<sup>11</sup> The GSOP timeframe for delayed switches was amended to 5WD in April 2024. However, approximately 99% of switches were already being completed within 5WD by Q4 2023, and supplier performance did not materially change following the amendment (ESG data).

<sup>12</sup> SLC 14A.4: *Where a condition in paragraph 14A.3 (a) to (e) applies the Supplier Transfer must be completed as soon as reasonably practicable and, in any event, within five Working Days of the date on which the condition ceases to apply (or, if more than one condition applies, when all relevant conditions cease to apply).*



Yes, please refer to our response to Question 4. At a minimum, we suggest removing switching and final bill GSOPs given performance is consistently high.

**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, as with domestic customers we believe that it is important there is clarity on the broader regulatory toolbox, which can then pave the path to ascertain if there is a specific need for targeted GSOPs. That said, we suggest Ofgem consider whether GSOPs should apply to a wider range of market participants where their performance has a direct impact on customer outcomes. For example, given their role in shaping customer experience, GSOPs for Distribution Network Operators could be introduced to support faster delivery of Low Carbon Technology installs.

**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?**

At this stage, we can't comment meaningfully on payment levels or mechanisms. As set out elsewhere in our response, the role and purpose of GSOPs can only be defined once broader regulatory work is completed.

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

No.

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

Yes. Introducing repeat payments risks significantly increasing the overall costs associated with GSOPs, which would ultimately be borne by consumers. Repeat payments should therefore only be considered where there is clear evidence that the level of ongoing customer detriment justifies the additional cost. In our view, the starting principle for considering any repeat payment mechanism should be a clear assessment of whether the expected improvement in customer outcomes is proportionate to, and outweighs, the increased costs that such payments would create.

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

Yes. We think that GSOPs are most effective when they operate as a clear, simple and consistent baseline level for automatic compensation. These characteristics of GSOPs help customers understand what they are entitled to and when, and enable suppliers to implement GSOPs in a consistent way. It also reflects the

intended role of GSOPs<sup>13</sup> being a standardised mechanism for baseline compensation, rather than a tool for assessing or compensating individual financial loss.

In our experience the severity of detriment experienced by a customer will often depend on individual factors surrounding the failure, including personal circumstances and the specific nature of the issue. Where customers experience more severe impacts and additional remediation may therefore be appropriate, these cases are better addressed through existing escalation and redress routes on a case by case basis. This allows suppliers to respond in a more tailored way and deliver better overall customer outcomes.

That being said, we recognise that there are inherent differences between the domestic and non-domestic sectors, and that this *may* justify consideration of different baseline payment levels in some circumstances. In our view, the most prudent way to explore this would be on a GSOP by GSOP basis, using a data driven approach to assess whether any adjustment to payment levels is necessary.

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

Yes. We would note that exemptions should remain aligned to areas suppliers can control, but broader changes to exemptions should be considered after work on Consumer Outcomes is finalised.

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

At this stage, we do not have any specific proposals for changes to the target levels of existing standards.

As set out throughout our response, decisions about target levels should flow from clarity on the intended role of GSOPs within the wider regulatory framework, including the Consumer Outcomes work and the respective roles of GSOPs, licence conditions and other tools. Without this context, it is not possible to assess whether existing targets are appropriately calibrated, duplicative of licence obligations, or delivering proportionate consumer benefit.

We also note that in several areas current performance is already consistently high or the underlying consumer harm has been materially reduced through wider system reform or competition. In those circumstances, revisiting target

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<sup>13</sup> 'Our previous review concluded that domestic customers and microbusinesses should receive the same payment as it was not GSOP's role to compensate for actual or potential financial losses of a customer.' - [Reviewing the Supplier Guaranteed Standards of Performance \(GSOP\)](#)



levels risks increasing prescription and cost without clear evidence that tighter standards would deliver meaningful improvements in outcomes.

Any future consideration of changes to target levels should therefore be GSOP-specific, based on clear evidence, and undertaken alongside a broader assessment of scope, exemptions and the interaction with licence requirements, to ensure proportionality and avoid duplication.

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

Yes, we think as part of any future GSOP development Ofgem could consider how publishing aggregated, comparable performance data could support driving improvements and market transparency.

Should Ofgem continue with existing standards we would welcome Ofgem re-assessing the existing GSOP reporting to ensure returns are consistent and, where appropriate, update relevant guidance.

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

Yes. There is a risk that additional GSOP monitoring requirements could duplicate existing monitoring where there is overlap with other regulatory obligations, unnecessarily increasing the administrative burden on both suppliers and Ofgem. A more prudent approach would therefore be to allow the broader regulatory framework changes, including the approach to monitoring and assurance under the Consumer Outcomes framework, to be established and embedded before determining what, if any, additional GSOP specific monitoring is required.

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

No. In principle, well designed and targeted GSOPs should not require additional supporting guidance. Instead, Ofgem should work closely with industry to ensure that the core requirements are clear, unambiguous and capable of being applied consistently across all suppliers. We think any additional guidance should be subject to a high bar, used sparingly, always published and only considered where there is a clear, evidenced risk of divergence in GSOP application.

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

Customer awareness is not the primary lever for making GSOPs effective: a well designed standard should operate automatically and not depend on consumers

spotting errors. That said, transparency and a basic level of awareness can, in some cases, help to surface instances where GSOPs have not been applied. In practice, the need for awareness raising is likely to vary on a case by case basis. For example, awareness raising may be less effective or relevant for more technically complex GSOPs than for those that are straightforward for customers to understand.

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

Any decisions on consumer awareness should follow decisions on whether and how GSOPs fit within the Outcomes framework. It is not possible to design awareness strategies before the purpose, scope, and necessity of GSOPs are established.

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