

Utilita's response to the 'Reviewing the Supplier GSOP' Call for Input

About Utilita

Utilita is the UK's leading smart prepayment specialist serving c.730,000 households and small businesses. Our digitally enabled services empower our customers to participate in the UK's net-zero journey while maximising their energy efficiency.

Smart pre-pay, or pay as you go (PAYG) energy, is part of the solution to ending fuel poverty. It gives customers control over their usage and spending, helping them avoid unexpected bills and reducing the risk of problem debt. It is also the cheapest regulated payment type, with Standard Credit costing almost £200 more per year. Contrary to misconceptions, the vast majority of customers choose smart PAYG because of its overwhelming benefits.

Utilita was founded to help households use less energy and make their energy spend go further. We are a trusted supplier offering innovative products and services to customers that were historically underserved. We are rated 'Excellent' on Trustpilot and consistently perform well in Ofgem's customer satisfaction survey.

The entry of Utilita introduced fresh innovation and higher service standards for this group without any specific GSOP. Utilita pioneered the use of the newest smart meter technology for prepay users, giving customers real-time information and remote top-up capabilities. This was not required by regulation, it was driven by Utilita's competitive strategy to differentiate itself. The result was greater convenience (e.g. the ability to top up via a mobile app instead of visiting a pay point) and better consumption awareness for consumers. Utilita tailored its offerings to prepayment users' needs. For example, no standing charges (so customers pay only for energy used) and "friendly credit" hours to prevent night time or weekend disconnections. It also invested in accessible customer support (including face-to-face service at high-street hubs and an award winning smartphone app). Again, none of these enhancements were mandated by GSOP; they were market-driven improvements aiming to attract and retain customers.

Executive summary

It is important that Ofgem consider the benefits of a competitive energy market where suppliers have a direct financial incentive to provide excellent service levels as dissatisfied customers can switch suppliers and reputation is crucial. This creates a continuous improvement dynamic that rigid rules cannot match. Unlike prescriptive GSOP requirements which should be used to ensure a minimal floor of performance, competition motivates companies to strive for a ceiling of performance. Suppliers that deliver faster problem resolution, easier access to support, or innovative tariffs gain market share, while those offering poor service lose customers.

We support GSOPs as a targeted regulatory backstop, ensuring minimum service levels to support where outcomes-based rules will not prescribe a minimum floor. GSOPs should be clear, objective, achievable, and funded through the price cap to enable innovation and avoid punitive effects. The proposed GSOP objectives are broadly supported, with emphasis on clarity, simplicity, and reducing breaches rather than just compensating them. Exceptions and safeguards are needed to ensure fairness and prevent consumer gaming.

New GSOPs should have a clear consumer rationale, focus on individual interactions, and be within supplier control. Definitions of “under supplier control” must be clear to avoid unfair penalties. We caution against expanding GSOPs to areas such as call waiting times and complaints due to operational complexity and risk of unintended consequences. Broader or subjective issues should be addressed through the proposed outcomes or existing Standard Licence Conditions and/or Regulations.

Utilita calls for more efficient data collection and reporting and supports efforts to raise consumer awareness of GSOPs through clear communication and public campaigns.

This response sets out Utilita’s view from our unique perspective as a smart prepayment specialist. We also endorse the response from Energy UK.

Responses to questions

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 should be used as a minimum standard, GSOP should not be used to increase standards. This can only be done sustainably through innovation and competition creating a more efficient and resilient market with greater choice for consumers.

GSOPs should act as a targeted backstop within the regulatory framework, ensuring minimum service levels. Principles or outcomes-based rules cannot prescribe this minimum standard and should be used in combination with innovation and competition to improve standards.

GSOP work best for clear, straightforward obligations where simple, predictable customer service levels are identified and are directly attributable to suppliers' actions, or inactions. and c.

It is also important that GSOPs do not bring about unintended negative consequences. For example, on the face of it, a GSOP on complaint handling times could reduce avoidable delays and automatic redress will motivate suppliers to achieve better outcomes, however, if complaints are resolved quickly but to poor quality, outcomes would be worsened. Introducing an additional GSOP for reopened complaints could mitigate this, but there may be a situation where a complaint is reopened for a reason other than the supplier’s fault and so exceptions should naturally be built into any GSOP.

As GSOPs are currently set in secondary legislation, making them typically slower to adapt, they should be targeted, objective and future proof so that they do not require regular change. This also gives suppliers certainty to develop long-lasting system changes that will not require costly and burdensome iterative updates. Allowing suppliers to make meaningful innovative changes elsewhere will also support Ofgem’s aims of developing an investable market sector and increasing customer satisfaction.

Issues requiring subjective judgment or complex root cause analysis are better addressed through licence conditions, principles or proposed consumer outcomes, as GSOPs lack flexibility and nuance.

They should not be prescriptive in conjunction with existing principles or licence such that it would cause a “double jeopardy” effect. Instead, GSOP objectives should complement the proposed broader outcomes reform by covering basic service areas.

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

We broadly support the objectives.

Clarity and simplicity are essential for ‘Ensure clear and consistent minimum levels of supplier performance that protect consumers from unacceptably poor service’. Standards must be easy to understand and administer; overly complex rules risk undermining consumer confidence and comparability.

‘Minimise the frequency and severity of poor service experienced by consumers by incentivising suppliers to improve performance’ is critical. Success should be measured by reducing breaches, not just compensation paid. The levels should be set at a level where innovation and improvement in performance are possible. Funding should be built into the price cap to enable suppliers to invest in creating better services thereby contributing to the first aim to build consumer confidence and trust.

The objectives should also cover the risk of customer gaming. Consumers should not be able to benefit from the payments by their actions or inactions (for example, if a bill is dependent on a customer meter read and the customer fails to provide one after multiple requests, then a GSOP should not be offered where a bill based on meter readings hasn't been sent). Easy and straightforward exceptions should be built into the process.

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?

We agree with the criteria.

Clear consumer-centric rationale

We agree. Each GSOP should address a genuine negative consumer experience and deliver measurable improvement. This ensures standards are introduced to solve defined problems.

Prevents detriment and involves an identifiable customer

We agree. This criterion ensures GSOPs are limited to individual service interactions and not designed to tackle systemic or market-wide issues. However, we would expect the broad term of ‘detriment’ to be clearly defined within the GSOP to ensure consistency minimum application and prevent scope creep.

Supplier ability to improve (under supplier control)

We agree. Standards must cover services that suppliers can meaningfully influence and improve. GSOPs should not penalise suppliers for delays caused entirely by third parties or matters outside of their control. (the exceptions built into the existing supplier GSOP regulations are a good example of the types of matters that are outside of a supplier’s control).

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

GSOP is not effective at delivering good consumer outcomes, nor should it be. GSOP should set a minimum standard which is acceptable, good to great customer outcomes are driven by innovation and competition.

Using GSOP to deliver 'good' customer Outcomes drives convergence to an average supplier. Supplier should be free to innovate and drive for excellent customer Outcomes in the segments where they chose to compete, this provides customers with greater choice. Customers can switch suppliers; competitive pressure provides better customer Outcomes.

For example, an existing GSOP requires a supplier to send an engineer to an appointment within a four-hour window. If there is an unusual amount of traffic, roadworks or an unavoidable accident on the road, which means the engineer is late, this cannot ever be predicted, accounted for or improved. A customer may argue that the engineer should leave in good time for the appointment, but we must consider what other behaviour this might drive, i.e. engineers rushing previous jobs, leading to negative outcomes elsewhere or suppliers engineer fewer appointments to do each day ensuring maximum travel time, causing natural time wastage if the roads are clear, thereby increasing the length some customers may have to wait for their appointment, impacting another GSOP where customers must not wait an unreasonable time for an appointment.

As noted previously in this response, GSOPs should be achievable and totally within a supplier's control to improve. But there should be an expectation that not all GSOPs will be 100% preventable – even where a supplier has the best system improvements.

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?

GSOP should not be used as a tool to drive improvements to supplier performance. As above, it should be used to set a minimum level of service. Outcomes or principle-based regulation should be used to drive an innovative and competitive energy retail market. This is a more efficient use of bill payers funds in driving improvements in supplier performance.

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 note that Ofgem has received views on the introduction of GSOP changes for call waiting times and we strongly believe this will not introduce good consumer outcomes. Applying GSOP to call waiting times, will mean that suppliers will be faced with commercial decisions such as resourcing for peaks or to accept the cost is a GSOP, ultimately both are inefficient use of resources for suppliers and will cost consumers. The drivers for call wait times are not always within suppliers control and ultimately will undermine the effectiveness of GSOP to set a minimum standard across the industry.

Call wait times should instead be a matter for Ofgem to investigate under a consumer outcome framework simply measuring the call wait time is not indicative of a good or bad outcome but could be used as an indicator, so that Ofgem can review with the supplier if good outcomes have been achieved. The context can then be taken into account, for example, a possible surge or issue with the call waiting times being outside of the suppliers control and to work with the supplier to improve their service levels, if this is required.

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

Yes. For example:

The Regulation 3 "Appointments" GSOPs should be reviewed.

There are five individual service standards within this regulation, and they currently create uncertainty and ambiguity.

Reg 3(3) states that a supplier must within a reasonable time offer an appointment that itself is within a reasonable time – what constitutes reasonable is not defined and therefore subject to interpretation and subjectivity.

Reg 3(9) also states that an engineer must have the necessary skills, experience and resources to fulfil the purpose of the appointment – but this can also be incredibly subjective and open to disagreements between a customer's expectation and a supplier's view.

The Reconnection Regulation under Regulation 6 might also be out of date given many suppliers will not disconnect a domestic customer for non-payment.

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?

We echo Energy UK's response to this question.

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 understand the merits that GSOPs payment amounts could vary depending on the level of inconvenience or impact on the consumer. However we don't believe this to be operationally efficient. Consumers already have other channels for additional compensation which take into account the specific circumstances, such as Good Will Gestures, Complaints and Ombudsman escalation.

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

Any changes to the payment depending on the breach and the customer type will require long implementation timescales which must be adequately funded by the price cap to ensure suppliers have the funds to introduce the complex changes required. Changes in the way GSOPs are monitored and reported may come with additional costs which must be reflected.

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

The additional payment for a missed GSOP payment currently works well and we believe that altering how this by creating more repeat payments will result in unnecessary and burdensome development changes and higher administrative costs. Where there are certain customer scenarios that are incredibly complex to resolve, a repeat GSOP will become punitive in nature and may divert the suppliers' resources to focus on a small, nuanced problem rather than incentivise them to resolve larger issues affecting a greater proportion of customers. It may also incentivise create a perverse incentive for a customer to delay a resolution to their problem to get more payments.

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

We do not believe that variable payments should exist for different consumer groups unless those groups are clearly defined and not transitional in nature i.e. non-domestic and domestic. If the groups were split by age or vulnerability, it may incentivise a customer to claim that they are in a different consumer group in order to get more value from their payment.

We set out our position on variable payments for severity in our response to Q9.

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

Depending on the GSOP, a clearer expectation on what is "circumstances of an exceptional nature beyond the control of the supplier" would be beneficial, particularly if the GSOP breach was dependent on a third party that is not wholly controlled by the supplier. For example: disputed meter readings between suppliers, issues relating to the DCC network, crossed meter sites (where a meter is linked to the wrong property in industry databases), misdirected customer payments between suppliers (i.e. due to a switch in process, incorrect account details, etc).

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

No comment.

Operation

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

Ofgem's current approach to data collection is highly inefficient for both suppliers and the regulator. Suppliers respond to approximately 150 RFIs annually (around 13–15 in a quarterly-reporting month and 10 in a monthly-reporting month). Many RFIs address similar issues but are issued by different teams, with little evidence of internal coordination to manage conflicting deadlines or assess the cumulative reporting burden. Suppliers frequently provide identical or near-identical information to multiple Ofgem teams simultaneously. Furthermore, data submission methods lack consistency, with information provided via email and across several different portals. The absence of a centralised system has increased administrative complexity and operational compliance costs, delivering minimal benefit to customers.

Strengthening Ofgem's data capabilities—both in terms of resource and process—would enable a more efficient RFI framework. A streamlined system would ensure Ofgem obtains the data it needs in a timely manner without imposing disproportionate burdens on suppliers, reducing costs on both sides. Fewer, more targeted RFIs, clearer communication of intended data use, and publication of aggregated data would deliver tangible benefits to the industry and consumers.

This is particularly relevant if RFIs are adopted as the mechanism for GSOP expansion. The GSOP for Appointments template requires improvement. The current workbook is heavily protected, preventing direct data entry. Suppliers must therefore maintain a separate working file and manually transfer values into the locked template—a process that is unnecessarily time-consuming and increases the risk of manual error. A more efficient approach would be to protect only formula cells while leaving input fields editable. This would preserve template integrity while allowing suppliers to populate data directly. Notably, the GSOP for Switching workbook is unprotected and does not present the same issue.

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

Currently, exceptions to the GSOP payments are not routinely monitored and are left to the discretion of suppliers to report. A spot check of some of the cases which had exceptions could be undertaken, if only to gather feedback on how this is applied across suppliers to ensure consistency. They can also be used to feedback on where exemptions need to be considered (see Question 13).

Sharing performance against GSOPs with competitors anonymised with each supplier would be beneficial to support industry benchmarking and incentivise suppliers further. Seeing a supplier achieve better results than their competitor will show that improvements are possible and that a “perceived ceiling” has not been hit. This can increase performance without the publicity of naming and shaming suppliers which may erode customer trust.

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

Not currently. If the GSOP is written well with no ambiguity, there should be no need for further guidance.

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

Yes. Customers should be aware of their rights to ensure they do receive GSOP when it is appropriate. Having the knowledge to know when their service has been breached and what to expect and when will be crucial to the customer feedback loop and ensure suppliers are effectively implementing standards.

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 information on the current GSOP on their websites and in customer literature, including when GSOPs become applicable (through the Regulation) therefore improving consumer awareness via other bodies can be more beneficial.

An infographic from Ofgem could be useful and frequent social media messaging from all parties, including consumer groups or DESNZ to ensure as many customers as possible are made aware. Bulletins in Doctors Surgeries or Libraries and other public places can also assist those who are not regularly accessing the internet.

For further information or to discuss this response in further detail, please contact Utilita Head of Regulation, Faye Widdowson on: fayewiddowson@utilita.co.uk.