Consumer Vulnerability Strategy:
Progress Report

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for energy consumers

Consumer Vulnerability Strategy: Progress Report

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Guidance

Contents

Executive summary

The Consumer Vulnerability Strategy (CVS) sets out Ofgem's approach to protecting consumers in vulnerable situations and improving outcomes, embedding vulnerability across our work as markets change through decarbonisation, digitalisation and innovation.

The CVS was designed to focus on the outcomes consumers experience in practice. Through the Vulnerability Focus Sessions (sessions), we considered how suppliers' support and operations translate into outcomes. This anticipated Ofgem's wider move towards outcomes-based regulation, including the Consumer Outcomes set out in our Consumer Outcomes Strategic Direction.

This report is published against the context of sustained affordability pressures, high levels of debt and arrears, and wider cost-of-living challenges. Vulnerability is broader than affordability and can be dynamic, complex and transient, but current debt and affordability pressures increase the risk of harm where protections are not applied consistently, or consumers do not receive support early enough.

The CVS sets out four themes: improving identification and smarter use of data; supporting consumers who are struggling to pay; improving customer service for vulnerable groups; and encouraging positive and inclusive innovation, supported by a cross-cutting theme of working with others. This first Progress Report focuses mainly on the first two themes and considers supplier governance, reflecting the current debt and affordability context and the importance of accountability, oversight and culture in delivering good outcomes.

Summary of findings

Overall, we found promising practice across the sector, but delivery remains uneven with some approaches well developed in parts of the market and others still emerging or not yet supported by clear outcome evidence. The strongest examples are where suppliers can show a clear link between identifying need, taking timely action and improving consumer outcomes. In summary, we found that:

- Identification of consumers in vulnerable situations and smarter use of data is improving, but is not yet consistent across the sector.
- Support for consumers who are struggling to pay their bills is strengthening, but delivery remains uneven in places.
- Governance arrangements are more established and there is some good practice that can be built on more widely.

CVS Theme 1: Identification and smarter use of data is improving, but could be more widespread. Suppliers described a wide range of approaches to identify consumers in vulnerable situations, including frontline training, prompts that help frontline staff ask the right questions and record support needs consistently, support in different languages, simpler ways for customers to share information once, partnerships with third-sector organisations, and better use of payment, contact, consumption data and digital tools.

Some variation in identification reflects differences in supplier customer bases and operating models. However, the sessions also showed differences in supplier practice, including how far they rely on customers to disclose their needs; how well they use the data they already hold; whether they face barriers to sharing data with partners; and how quickly they are adopting tools that can identify risk earlier. This means identification can remain too reactive, particularly for less engaged consumers who may not know what support is available or be less likely to disclose their circumstances. Where suppliers do not identify need early, consumers may be missed or only receive help once problems have escalated.

Priority Services Register (PSR) coverage is a useful signal, but not a sufficient measure of success. The PSR remains important, but stakeholders, including suppliers, consumer groups and charities, alongside the National Audit Office in its recent report on protecting consumers in vulnerable circumstances, have raised concerns about how consistently needs are recorded and how effectively PSR data is used to target support. Our PSR review and wider data-sharing work will consider how vulnerability data can better support timely, practical help for consumers.

CVS Theme 2: Support for consumers who are struggling to pay their bills is strengthening in places but not yet delivered consistently. Suppliers described developing more personalised engagement, including specialist teams, home visits, priority routing, direct financial support, emergency credit and referrals to debt advice or income maximisation services. We also saw good practice through partnerships with debt advice providers, consumer groups and charities, although feedback suggests this is not consistent across the sector.

However, the central concern is that too many customers in debt are not being brought into structured repayment arrangements. At the end of 2025, around 58% of consumers who were behind on their bills were in arrears without a repayment plan. Without support that reflects ability to pay, these customers are unlikely to see their debt position improve. More needs to be done to move customers into sustainable repayment arrangements and joined-up support.

The sessions also highlighted issues in billing accuracy and meter access, particularly for those with traditional meters: inaccurate bills, delayed bills or missing meter readings can make it harder for consumers to understand what they owe, engage with their supplier or agree support that reflects their circumstances. While affordability pressures sit beyond suppliers' direct control, suppliers can make further progress by strengthening partnerships with debt advice providers, consumer groups and charities, offering more flexible payment options, using data earlier to identify payment difficulty, and providing accurate, easy-to-understand bills.

Governance arrangements are becoming more established. Some suppliers have clear governance arrangements, including senior accountability, Vulnerability Champions and oversight forums. Where these work well, they support decision-making, frontline delivery, outcome monitoring and a culture focused on good outcomes. However, this is not consistent across the market. In some cases, strong strategic oversight is not reflected in day-to-day practice; in others, positive frontline activity is not matched by clear leadership direction or outcome measurement.

Key recommendations

These recommendations draw on evidence from the sessions and wider analysis, setting out the key recommendations for suppliers and Ofgem. They are intended to help clarify how suppliers can demonstrate progress towards the outcomes for consumers in vulnerable situations set out in the CVS, while aligning with Ofgem's wider move towards outcomes-based regulation. They are not intended to create prescriptive requirements; rather, they reflect supplier feedback from the sessions that clearer examples of what good practice looks like would support more consistent delivery. The recommendations are set out in more detail in the main report.

- Suppliers should:
    - identify vulnerability earlier using data, frontline insight and partnerships;
    - move more customers into sustainable repayment arrangements that reflect ability to pay;
    - target short-term support at those most at risk of harm;
    - strengthen evidence of outcomes; and
    - link governance to frontline delivery and senior accountability.
- Ofgem should:
    - review the PSR to understand how we can improve how customers in vulnerable situations are identified and tracked;
    - take forward measures to reduce the amount of debt consumers are building up; and
    - drive improvements in billing standards through both compliance and potentially rule changes.

We will continue to work with government on efforts to enable data sharing and more joined up approaches to identifying vulnerability, targeted affordability support and wider policy or cross-sector arrangements that affect outcomes for consumers in vulnerable situations.

Next steps

Findings from this Report will inform the next phase of Strategy delivery, including future focus sessions, monitoring activity and wider policy development across Ofgem's consumer work programmes. This will align with our wider Consumer Outcomes work, so future evidence requests support the developing outcomes monitoring framework and avoid duplication where possible.

The next cycle of focus sessions is planned for early 2027, to align with annual Social Obligations Reporting data. It will place greater emphasis on innovation, including whether new tools and approaches are inclusive, evidence-based and support positive outcomes for consumers in vulnerable situations.

Introduction

The challenges facing energy consumers today

Energy consumers continue to face significant affordability pressures, alongside wider cost of living challenges. While average earnings and spending on energy have increased at broadly similar rates since 2019, there is evidence that affordability has worsened for some groups, particularly those in vulnerable circumstances, for example, consumers on Universal Credit (Ofgem analysis).

These pressures are reflected in growing financial strain across the sector. Total domestic energy debt reached a historic high of £4.79bn in Q1 2026 (Debt and arrears indicators | Ofgem), and lower-income households continue to spend a significantly higher proportion of their disposable income on energy than other groups (Ofgem analysis using Households below average income |GOV.UK). Fuel poverty remains widespread, affecting 9.4% of households in England in 2025 (Annual Fuel Poverty Statistics Report: 2026 | GOV.UK), 25% in Wales (2024) (Fuel poverty modelled estimates for Wales | GOV.WALES), and 28.7% in Scotland (2024) (Scottish House Condition Survey: 2024| Gov.Scot).

These challenges do not sit in isolation. Many households are facing financial pressures across essential services, including in water and council tax. Further, in May 2026, 66% of UK adults reported that their cost of living had increased compared to the previous month, and 63% said they were worried or very worried about rising living costs (ONS).

At the same time, vulnerability remains widespread, dynamic and transient. Survey data from May 2024 outlines that around 26.4 million UK adults (49%) had characteristics of vulnerability and this vulnerability could arise from a range of factors, including poor health, negative life events, low financial or emotional resilience, and limited capability (Financial Lives 2024 survey | FCA).

The Consumer Vulnerability Strategy and purpose of this report

In April 2025, we published our refreshed Consumer Vulnerability Strategy (CVS). The CVS was an early signal of our move towards a stronger outcomes focus, and we have continued to reflect vulnerability through our work on Consumer Outcomes, debt and billing, compliance and enforcement activity, networks price control and support schemes. The CVS sets out the themes and outcomes we want the sector to achieve for consumers in vulnerable situations and guides Ofgem's approach to vulnerability.

Since publishing the CVS, we have taken forward work to embed vulnerability across our wider regulatory approach. Debt and affordability has been a key focus: we have set expectations for how suppliers should work with debt advice organisations and committed to a sampling project, progressed work on the Debt Relief Scheme with government, consulted on billing outcomes, and continued compliance and enforcement activity on Additional Support Credit, prepayment meters and billing.

We also use our role to help support consumers directly through wider regulatory and scheme activity, including RIIO-GD3 vulnerability funding, the Vulnerability and Carbon

Monoxide Allowance, Radio Teleswitch meter replacement, outage-related support, the Warm Home Discount, ECO, and the Energy Redress Scheme.

This shows progress in embedding vulnerability across Ofgem's policy, compliance, enforcement, networks and schemes work, while recognising that some areas remain subject to further development and decision-making with government, including the Debt Relief Scheme and automated PSR data sharing across energy and water.

To inform this report, we introduced bilateral Vulnerability Focus Sessions with energy suppliers in 2025/26. Suppliers are often the first point of contact for consumers and are an important source of evidence on consumer needs and how well support is working in practice. The sessions were designed to:

- build a more comprehensive picture of supplier activity and progress in supporting consumers in vulnerable situations;
- identify and share examples of emerging good practice, alongside areas where further improvement is needed; and
- strengthen the evidence base for policy development and regulatory oversight, drawing on qualitative insight and quantitative data where available.

The sessions focused primarily on Themes 1 and 2 of the CVS

The sessions focused primarily on Strategy Theme 1: Improving identification and smarter use of data, and Theme 2: Supporting those struggling to pay their bills. We also asked about suppliers' governance arrangements on vulnerability and how these supported good outcomes for consumers.

Although Themes 1 and 2 were the primary areas of focus, the cross-cutting theme on working with others is reflected throughout, given its central role in enabling effective identification, access to support and improved outcomes for consumers in vulnerable situations. While the primary emphasis was on the first two Themes, we encouraged suppliers to consider and include evidence to the remaining CVS themes where possible and relevant.

Evidence base and links with the Energy UK Vulnerability Commitment

This report synthesises insights from the Vulnerability Focus Sessions and existing evidence sources, including Social Obligations Reporting (SOR), Requests for Information (RFIs), Ofgem consumer surveys and insights from consumer groups and charities. We also refer, where relevant, to the Energy UK Vulnerability Commitment, which provides additional industry-led insight into emerging practices. Alongside the findings from the Vulnerability Focus Sessions, we have assessed progress against our own Consumer Vulnerability Strategy workplan. This reflects delivery across key programmes supporting improved identification, data-sharing and affordability outcomes. A summary of this assessment is set out in Appendix 1.

While there are areas of overlap with the Energy UK Vulnerability Commitment, our work serves a distinct and essential purpose. As the regulator, it is important that we engage directly with suppliers on vulnerability, build our own evidence base, and understand both emerging good practice and where further improvement may be needed. Given the importance of vulnerability to consumer outcomes, maintaining our own channels for assessment, challenge and learning provides an important counterpart to industry-led initiatives.

Our work supports the move towards outcomes-based regulation

A common theme across our engagements is that, although suppliers have demonstrated clear ambition to deliver positive outcomes for consumers in vulnerable situations, further work is needed to evidence how these outcomes are being achieved in practice. This is particularly important given the ambition to move towards outcomes-based regulation, as set out in the documents published on 23 June, which will require clear and demonstrable links between supplier actions and consumer outcomes. This is also reinforced by the Ofgem Review: Final report (2026), which emphasises a more outcomes-focused approach to regulation. It also emphasises the importance of consumer protections operating effectively in practice.

This report is not an assessment of suppliers' compliance with their obligations and the findings from the sessions are not an assessment of compliance or enforcement performance.

Theme 1: Improving identification and smarter use of data

Overall assessment: We saw evidence of improving approaches to identification and data use, but these are not yet consistently embedded across the sector, with variation in how effectively suppliers identify vulnerability and translate this into timely support.

Summary Outcome

Consumers in vulnerable situations should have their needs identified, be able to easily notify and update their circumstances, and have good understanding of and access to support services designed to suit their circumstances and meet their needs.

Outcome 1.1
Consumers in vulnerable situations should have minimal burden in notifying and updating energy companies of their circumstances.

Outcome 1.2
Consumers in vulnerable situations should have good understanding of, and easy access to, the support and services available to them, including via the Priority Services Register (PSR).

What success looks like:

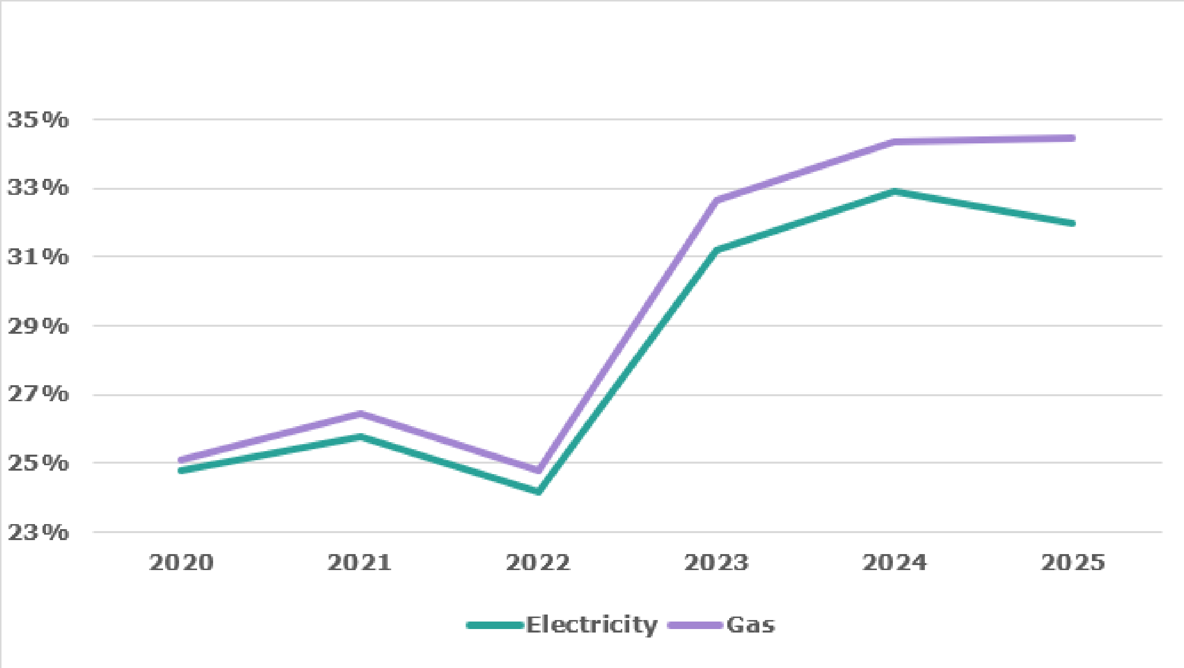
Suppliers are:

- identifying vulnerability early, and proactively;
- using a range of indicators, including contact, payment, consumption and third-party data where appropriate;
- making it easy for consumers to disclose information about their circumstances and have that information used consistently;
- ensuring PSR registration or vulnerability flags lead to practical support; and
- monitoring whether identification approaches are improving outcomes, not just recording more customers.

Methods of identifying consumers in vulnerable situations

Across the sessions, we saw evidence of suppliers moving to more proactive and structured identification of consumers in vulnerable situations. This is reflected in the proportion of domestic electricity customers on the PSR rising from around 25% at the end of 2020 to around 32% at the end of 2025, as shown in Figure 1. Alongside this, some suppliers are developing more proactive approaches that complement PSR registration, including changes in consumption, payment patterns, repeat contact, and what customers say when they get in touch.

Figure 1: Proportion of domestic customers on the PSR at the end of each year (%)



Source: SOR data. Note that y-axis does not start at 0

Some suppliers are embedding identification into frontline interactions, using prompts and training to help staff identify potential vulnerability during routine contact. Examples of emerging good practice include:

- Scottish Power have embedded identification into frontline interactions, with staff trained to ask sensitive, open questions and to look for cues such as confusion, repeated explanations, background noise, or references to health or personal circumstances to support identification.
- British Gas described developing the use of real-time alerts, system prompts, frontline training and speech analytics to support earlier identification of vulnerability during customer interactions, alongside guided journeys to help staff record needs consistently and route customers to appropriate support.
- Similarly, Octopus Energy outlined how they equip frontline teams with sensitive conversation prompts, helping guide disclosure in a way that reduces consumer burden.

Some suppliers are also using outreach and partnerships to identify consumers whose needs may not be visible through routine contact. For example:

- Good Energy's extra-care teams help build consistency in how consumers are identified and escalated for additional support.

Several suppliers also described how external partnerships can support earlier identification of consumers in vulnerable situations. For example:

- Utilita, Utility Warehouse, British Gas, E.ON and EDF outlined working with third-sector advice bodies and community organisations to help identify needs that may not be visible through routine contact, and support identification of consumers in vulnerable situations, including through referrals and additional data sources.
- So Energy highlighted taking a targeted approach to developing partnerships that are aligned with the needs of their customer base and focused on delivering meaningful support.

These approaches are positive where they are supported by quality assurance, clear escalation routes and monitoring of whether identification leads to practical support, and align with findings from the Energy UK Vulnerability Commitment Good Practice Guide (2025), which emphasises the importance of approaches that go beyond routine contact, including outreach and external partnerships, to identify and support consumers whose needs may not be visible through typical interactions with their supplier.

Consumer groups and charities (CGCs) broadly welcomed the direction of travel towards stronger identification and improved access routes. However, they highlighted that identification remains inconsistent and often reactive in practice, with limited proactive assessment of consumer circumstances. CGCs also noted that PSR registration does not consistently translate into timely, practical support once vulnerability has been recorded.

Overall, identification practices vary across suppliers. Some suppliers continue to rely more heavily on consumer-led disclosure and challenges remain where consumers are disengaged from the market, have limited contact with their supplier or have less visible needs. This is reflected in our domestic consumer survey, which shows that a considerable proportion of domestic consumers who are struggling to pay their bills are not in contact with their supplier at all. In January 2026, 28% of domestic consumers who had fallen behind on their energy bills or run out of credit on their meters for affordability reasons reported no contact with their supplier, increasing from 20% in Jul/Aug 25, but significantly below the peak observed during the energy crisis in Mar/Apr 22, where it was 52% (Energy Consumer Satisfaction Survey: January 2026 | Ofgem).

Digital tools and use of data

Increasingly, suppliers are using digital tools, smart meter data, and broader datasets for earlier, more precise identification of consumers in vulnerable situations. These approaches can help suppliers identify risk indicators that may not be visible through direct customer disclosure alone. Examples of emerging good practice include:

- EDF, Octopus, Good Energy, British Gas and Scottish Power described using consumption, affordability or smart meter data to identify changes in usage or payment patterns that may indicate financial stress or barriers to energy access, prompting earlier outreach and support. Utilita similarly outlined how they use smart meter data to identify self-disconnection, prompting early outreach and support.
- Octopus and Good Energy have introduced analytics on consumer emails and calls to flag vulnerability 'triggers' even where consumers do not-self identify.

AI-enabled tools are also becoming more common, particularly among larger suppliers, and can support more consistent identification where they are embedded into frontline processes. For example:

- Scottish Power have introduced its Ask Bruce AI assistant, which directs agents through appropriate vulnerability prompts and digital assessments embedded in CRM systems to support consistent capture of vulnerability information.
- So Energy described how it is developing its Natural Language Processing (NLP) tool, Project Butterfly, to identify indicators of vulnerability within consumer interactions, ensuring that digital innovation enhances, rather than reduces, accessibility for consumers who may not explicitly disclose their circumstances.

These approaches are improving earlier identification and helping suppliers tailor support. They align with findings from the Energy UK Vulnerability Commitment Good Practice Guide (2025), which notes that many suppliers are adopting more proactive, data-driven identification methods, while also recognising that digital maturity varies across the sector and some suppliers are still developing these capabilities. We saw similar variation across the sessions. Challenges also remain where smart meter connectivity is inconsistent, traditional meters are in use, data sharing with partners is restricted, or suppliers have limited access to external information due to consent requirements or data protection considerations.

Minimising burden of self-identification

Several suppliers have taken steps to reduce the burden on consumers to self-identify their circumstances. Digital assessments, app-based vulnerability update tools and online self-serve options are being used by some suppliers to provide easier routes for consumers to update their circumstances, while also reducing the need for repeated disclosure:

- E.ON has developed an internal tool (Next Care) to support sensitive, consent-based capture of more detailed information about consumers' circumstances beyond high-level PSR flags. The tool prompts structured, empathetic conversations, helping frontline staff ask more targeted questions about how circumstances can affect day-to-day needs and access to services. This enables vulnerabilities to be recorded with greater specificity and kept up-to-date over time. The tool also provides personalised signposting, with automation built to support specialists signpost to charities and partners based on the specific vulnerable circumstances.

- Both Utility Warehouse and Octopus Energy described steps to reduce the burden on consumers having to repeatedly disclose their circumstances. Utility Warehouse outlined the consolidation of vulnerability information across services, alongside self-service options to notify on changes in circumstances. Octopus Energy redesigned customer journeys so that consumers only need to explain their circumstances once, with information stored centrally and applied consistently across contact channels, including through use of the PSR.

These tools do not remove the need for consumers to self-identify in all cases, but they can make disclosure easier and less repetitive by offering different routes for consumers to share or update information in ways that suit their needs. They are most effective when used alongside staff-led conversations, data-led prompts, partnerships and outreach, so suppliers are not relying solely on consumers initiating disclosure.

These approaches align with the Energy UK Vulnerability Commitment's emphasis on proactive, routine identification of vulnerability within day-to-day journeys, reducing reliance on consumers to initiate disclosure. Consumer survey data provides wider context on how this approach can relate to consumer experience, showing that domestic consumer satisfaction with services received on the PSR has increased from 61% in January/February 24 to 74% in January 2026, suggesting a consistent experience of services once support is in place (Energy Consumer Satisfaction Survey: January 2026 | Ofgem).

Suppliers also described using analytics on customer interactions, including repeat contact, to support identification and prioritisation of consumer needs. Good Energy, for example, outlined using contact-pattern analysis alongside sentiment analysis, guided questioning and agent prompts during calls to help identify consumers who may be hesitant to disclose information and to ensure they receive additional support where needed. While this approach can support identification where contact occurs, it may be less effective for consumers who have limited interaction with their supplier or who do not proactively disclose personal circumstances.

We know that PSR coverage has improved over time. However, feedback from suppliers during the sessions, and subsequent engagement with consumer groups and charities highlighted shared concerns about the role and limitations of the PSR. Several suppliers noted that, while the PSR is an important mechanism for recording certain support needs, it was not originally designed to capture the full range or complexity of vulnerabilities now relevant to affordability, engagement and service outcomes.

We are starting work on the purpose of the PSR

We are currently assessing the effectiveness of the PSR as a tool for identifying and responding to consumer vulnerability, drawing on evidence from stakeholder engagement with suppliers, consumer groups and charities, as well as analysis of how the register is currently used in practice. This includes exploring the extent to which the PSR captures the full range of consumer needs, how consistently support is delivered once customers are registered, and whether the existing framework remains fit for purpose in the context of evolving vulnerability and policy objectives.

Accessibility and ease of contacting/comms

Suppliers continue to expand multi-channel access routes to ensure consumers can make contact in a way that suits their needs, offering a range of contact channels including phone, email, online portals and webchat services. Alongside this, suppliers are placing increasing emphasis on the accessibility and clarity of communications:

- Good Energy highlighted work to improve the clarity and accessibility of customer communications, including making bills easier to understand and helping consumers identify key information and routes to support.
- EDF has undertaken work to improve billing clarity and develop more accessible journeys to support consumers engaging with services, including accessibility reviews, redesigned bill layouts and large-print or alternative formats to make key information clearer.
- Octopus Energy provides translation support across more than 60 languages, while British Gas offers language support and a free voice translation service, supporting access to help for consumers with language or communication needs.

Suppliers have taken steps to remove barriers and make contacting them easier:

- Octopus Energy has ensured that all outbound emails can be replied to, reducing reliance on ‘no-reply’ communications, making it easier for customers to get in touch. They also described using Energy Specialists who can resolve most query types, reducing the need for customers to be transferred between departments or repeat information.
- E and Outfox emphasised the value of responsive contact models, such as short call wait times, person-centred email handling, and simplified app journeys.
- Good Energy monitor repeated contact patterns to identify where consumers may be struggling and proactively offer support.
- So Energy has introduced digital vulnerability-update tools that allow customers to submit information through app-based and online channels, providing additional routes to contact and update their circumstances without relying on telephone engagement.

Clearer bill formats and improved signposting to support services were highlighted by many suppliers as essential in reducing confusion and avoiding unnecessary repeat contact. These developments reflect the expectations of the Energy UK Vulnerability Commitment, which encourages suppliers to minimise communication burdens and make support routes easier to navigate, and align with our Consumer Vulnerability Strategy (Consumer Vulnerability Strategy | Ofgem), which emphasises accessible, low-burden engagement and clear routes to support.

In assessing overall performance, it is helpful to consider different aspects of the consumer experience. Market-wide data provides an indication of the overall picture, while recognising that experiences may differ for consumers in vulnerable situations. Ease of contacting suppliers appears to be improving: domestic survey satisfaction remained broadly stable at 78% in January 2026, and supplier data shows market-average call wait times are now around two to three minutes, a substantial improvement compared with previous years. However, this masks variation between suppliers, with the best-performing suppliers reporting average waits of under one minute and some suppliers continuing to report longer waits. Satisfaction with the ease of understanding bills remains higher overall, but declined slightly from 85% in July/August 2025 to 82% in January 2026. This suggests that, while contact performance has improved, bill clarity and understanding remains an area requiring continued attention (Energy Consumer Satisfaction Survey: January 2026 | Ofgem).

Overall, these findings indicate progress, but also continued variation in responsiveness and accessibility across the sector. Communication challenges continue to affect a proportion of domestic consumers, particularly those who are digitally disengaged, have limited connectivity, or find written communications difficult to understand. Suppliers recognised the need to continue simplifying communications, improving accessibility and ensuring that consumers have multiple low-burden routes to seek help.

Progress across the sector on improving customer contact also aligns with the National Audit Office (NAO)'s recent report "Regulating water, energy and broadband to protect consumers in vulnerable circumstances" which, as part of its recommendation on improving customer contact, which recommended that Ofgem reviews or evaluates options for making it easier for consumers to contact their company using communication channels that meet their needs. The NAO also highlighted that consumers in financially vulnerable circumstances report lower-than-average satisfaction, and that regulators, including Ofgem, have not fully resolved challenges around customer contact and effective signposting to redress, and also suggest that Ofgem takes steps to increase the percentage of consumers being effectively signposted to the relevant ombudsman in the event of unresolved complaints.

Theme 2: Supporting those who are struggling to pay their bills

Overall assessment: Support for consumers in payment difficulty is uneven, with a continued reliance on reactive interventions and limited evidence of consistent, sustainable affordability pathways at scale.

Summary Outcome

Consumers in vulnerable situations who are struggling to pay their bills should receive accurate bills that are easy to understand. They should receive compassionate, consistent and affordable support, and flexibility in payment methods and frequencies.

Outcome 2.1:

Consumers in vulnerable situations should have accurate, easy to understand bills that support flexible payment methods and frequencies.

Outcome 2.2:

Consumers in vulnerable situations who are struggling to pay their bills, or are indebted, should have proactive and consistent support, based on their ability to pay, that is delivered with compassion and understanding.

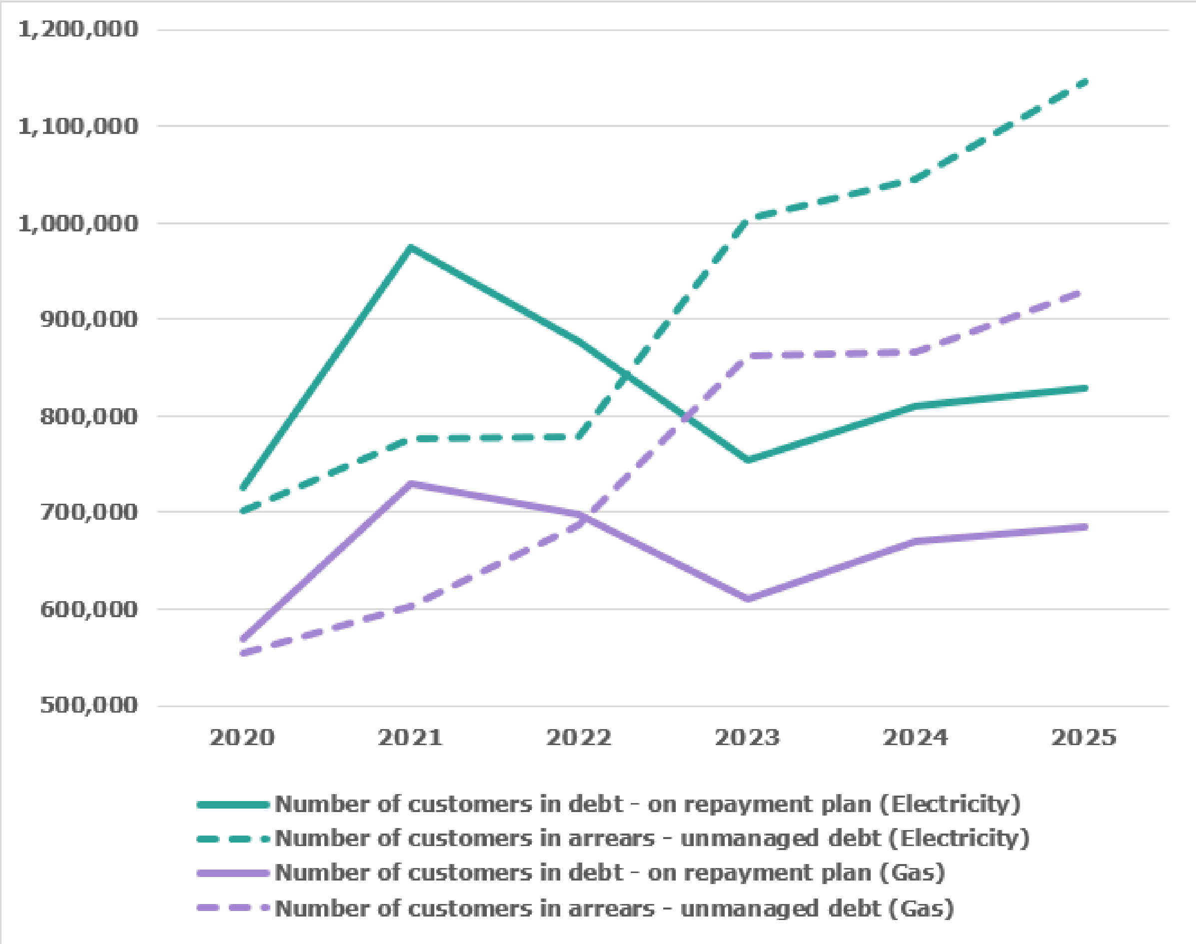
What success looks like:

Suppliers are:

- engaging consumers early before debt escalates, rather than primarily at crisis point;
- offering support that reflects consumers' ability to pay, with consistent and compassionate affordability assessments;
- moving consumers into sustainable repayment arrangements, reducing reliance on short-term or repeat interventions;
- applying protections and support in a timely and consistent way across teams and channels; and
- working in partnership with advice organisations and others to provide holistic support beyond energy debt where needed.

Our Social Obligations Reporting (SOR) data shows that the number of customers in debt or arrears has increased over time. Figure 2 below shows that at the end of 2025, around 2 million electricity customers and 1.6 million gas customers were in debt or arrears, representing just under 7% of customers. This is up from around 1.4 million electricity customers and 1.1 million gas customers at the end of 2020, when this was around 5% of customers.

Figure 2: Number of domestic energy customers on a repayment plan or in arrears at the end of each year



Source: SOR data. Note that y-axis does not start at 0

Partnerships with third-parties to support affordability

Third parties can help suppliers identify financial difficulty earlier, provide trusted routes into support, and connect consumers to advice, grants or income maximisation services that suppliers cannot provide directly. Some suppliers outlined how partnerships or third-party data are being used to strengthen support for customers in payment difficulty. For example:

- EDF, E.ON and So Energy described using third-party data or partner tools to identify financially vulnerable customers, target support, and inform sustainable repayment planning.
- Tru Energy and British Gas referred to piloting or exploring the use of open banking (with consumer consent).

Some suppliers are also working with advice and community organisations to identify consumers whose needs may not be visible through routine contact and connect them to wider support. For example:

- E.ON, Utilita, British Gas, Utility Warehouse and EDF described working with advice and community organisations to help identify consumers in vulnerable situations whose needs may not be visible through routine contact.
- EDF, Octopus and Good Energy highlighted engagement with charity-sector working groups and forums, using these partnerships to inform internal training, policy development and operational practices. Octopus also described employing social workers to support customers whose needs may extend beyond energy bills.

Some suppliers also outlined more established referral pathways with charities, enabling customers to access wider support, such as debt advice or welfare services, beyond what suppliers can provide directly. Others emphasised the importance of developing partnerships aligned to their customer base, including collaboration with local organisations to deliver more targeted, place-based support and improve access for harder-to-reach consumers.

These developments reflect the direction of the Energy UK Vulnerability Commitment, which emphasises the role of shared learning, proactive collaboration and stronger external partnerships in improving support for consumers in vulnerable situations. Some suppliers noted that broader structural issues affecting consumers in vulnerable situations fall outside the energy sector and some suppliers are proactively seeking cross-sector partnerships, including with health organisations, so they can identify consumers' needs earlier and target support more effectively where those needs extend beyond energy.

Overall, the strength and maturity of partnerships vary across suppliers. While some have well-established referral pathways and long-standing relationships with third-sector bodies, others described early-stage or planned activity with limited evidence of current impact. There is scope for suppliers to go further, particularly by strengthening referral pathways and evidencing how these arrangements support improved outcomes for consumers, for example through feedback loops and data-sharing processes that support smoother customer journeys.

Billing practices

Accurate billing is a necessary foundation for effective affordability support. We saw continued efforts to improve billing accuracy, bill clarity and communication practices to support consumers who may be at risk of falling behind on payments. Some suppliers are using smart meter and behavioural data to reduce billing errors and identify issues earlier. Examples of emerging good practice include:

- E, Scottish Power and E.ON use smart-meter and behavioural analytics to spot usage anomalies or patterns inconsistent with expected consumption, request updated meter readings or review expected annual consumption.

- Good Energy and EDF use smart meter data to support more accurate billing and offer clearer visibility of consumption patterns over time.

Some suppliers are also improving bill clarity and accessibility to support consumer understanding. For example:

- Good Energy, EDF and British Gas described accessibility reviews, customer testing or redesigned bill layouts to ensure key information is presented clearly and accessibly, including balances, billing periods, meter readings and explanations of estimated billing, consumption and VAT.
- Tru Energy use explanation boxes to clarify common areas of confusion, including gas conversion calculations or consumption comparisons, helping consumers better understand their usage and charges.

However, billing exceptions, back-billing issues and consumer understanding remain drivers of repeat contact for some suppliers. To support this, our domestic consumer survey data shows that while dissatisfaction remains low, consumers reporting satisfaction with ease of understanding bills has dropped slightly between July/August 2025 (85%) and January 2026 (82%), after having improved across previous survey waves. Further, the proportion of consumers receiving an unexpectedly high bill increased to 26% in January 2026, levels last seen in January 2025. Together, these may indicate that billing-related issues could be persisting for a proportion of consumers (Energy Consumer Satisfaction Survey: January 2026 | Ofgem). This is also reflected in supplier complaints data, where billing and meter reading have remained the largest reported category over the past year, comprising around one-third of complaints.

These challenges are not experienced evenly. Financially vulnerable consumers, those in receipt of benefits, those in rented accommodation, those who report being behind on bills, and consumers with a disability are significantly less likely to be satisfied with the ease of understanding their bills. Consumers receiving unexpectedly high bills also report lower satisfaction. More broadly, billing continues to play a critical role in shaping overall consumer experience. Our analysis shows that satisfaction with billing and ease of contacting a supplier are the joint strongest drivers of overall consumer satisfaction (Energy Consumer Satisfaction Survey: January 2026 | Ofgem, Factors shaping overall satisfaction with energy suppliers, August 2023 to January 2025 | Ofgem).

Our proposed billing outcome, as part of our Consumer Confidence workstream in shifting to outcomes-based regulation, aims to reflect the elements that are essential to positive billing experiences in ensuring that consumers receive accurate, timely, accessible and understandable energy bills.

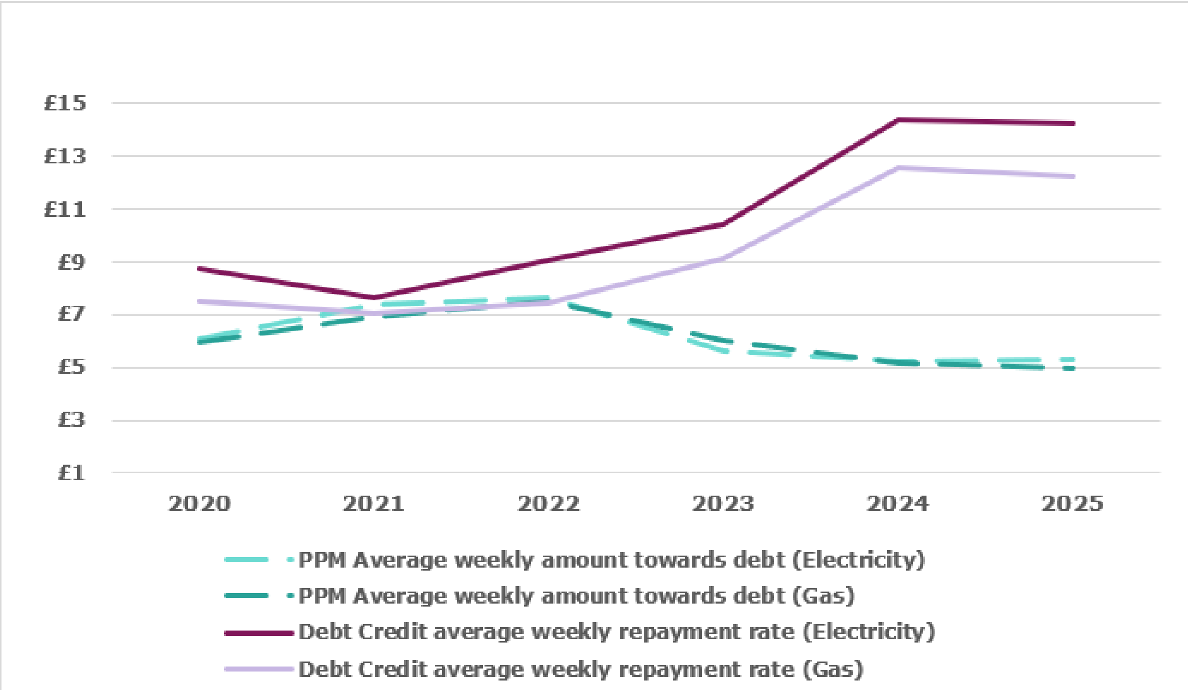
Flexible payments

Some suppliers are offering greater flexibility in how consumers pay and how payment difficulty is identified and managed. This includes flexibility within existing payment methods, earlier identification of payment difficulties, frontline discretion, specialist affordability teams and short-term support where needed to maintain supply. For example, Octopus outlined offering weekly or fortnightly direct debits, with payments reviewed and adjusted more easily. This can give consumers greater control over payment frequency and amounts, and may help those without regular income maintain payments and reduce the risk of falling into arrears.

However, most suppliers focused on flexibility in the context of debt repayment arrangements, rather than flexibility in how consumers pay before falling behind. This reflects differences in whether suppliers use payment options flexibly to adapt to consumers' circumstances and ability to pay, rather than simply whether those payment options exist.

The below data provides context on how flexibility in debt repayment arrangements appears to be operating at a market level. As shown in Figure 3, average weekly repayment amounts for credit customers have gradually increased, rising from around £7–£9 per week in 2020, to around £12–£14 per week in 2025. At the same time, the average number of weeks to repay debts was lower in 2025 (107 for electricity and 102 for gas) than in 2020 (127 and 121 respectively), see Figure 4. This could suggest that, for these customers, weekly repayment amounts have increased while repayment durations have remained relatively stable compared with 2020. This may indicate less flexibility in repayment terms for credit customers, although it could also reflect consumers choosing to pay more to clear debts sooner, or changes in the size and profile of debts entering repayment plans.

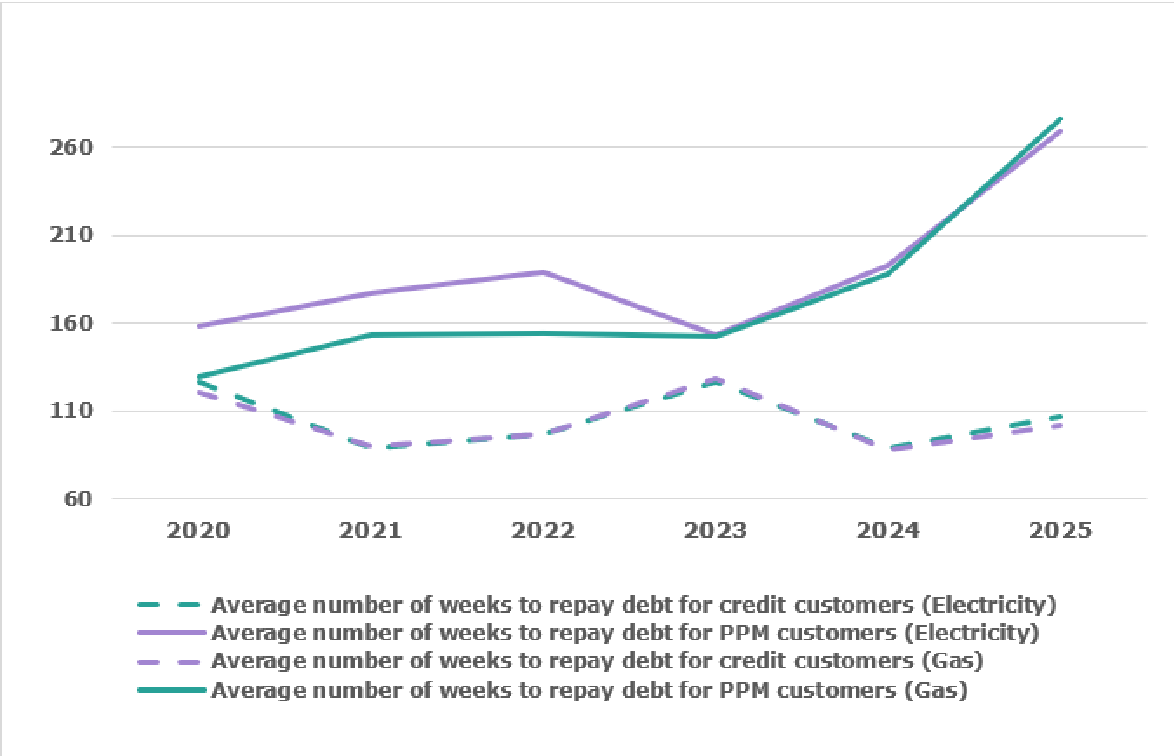
Figure 3: Average weekly debt payments for credit and PPM customers



Source: SOR data. Note that y-axis does not start at 0

For prepayment meter (PPM) customers, the pattern differs. Average weekly repayment amounts fell in 2023 and have remained broadly stable since, decreasing from around £8 for both electricity and gas in 2022 to around £5 in 2025 (see Figure 3). In contrast to credit customers, repayment durations for PPM customers have increased sharply. Figure 4 shows an increase from 158 weeks at the end of 2020 to 269 weeks for electricity, and from 130 weeks to 276 weeks for gas in 2025. This appears consistent with suppliers keeping weekly deductions low to manage affordability as they recognise PPM customers could be particularly impacted by high levels of debt, but it also means this group may be repaying debt over much longer periods. While the above covers average weekly repayments towards debt, our Additional Support Credit (ASC) data from 2025 also shows that energy affordability and repayments could be particularly challenging for PPM customers during winter months. For example, 42% of the total monetary amount of gas ASC provided in 2025 was in January, February and December 2025, months that made up around 25% of the year. This is less pronounced for electricity ASC (28%) but may reflect the additional need for gas heating during colder months. This seasonal impact further highlights the importance of considering consumer needs and providing flexible support during periods where they may face particular pressures on energy affordability.

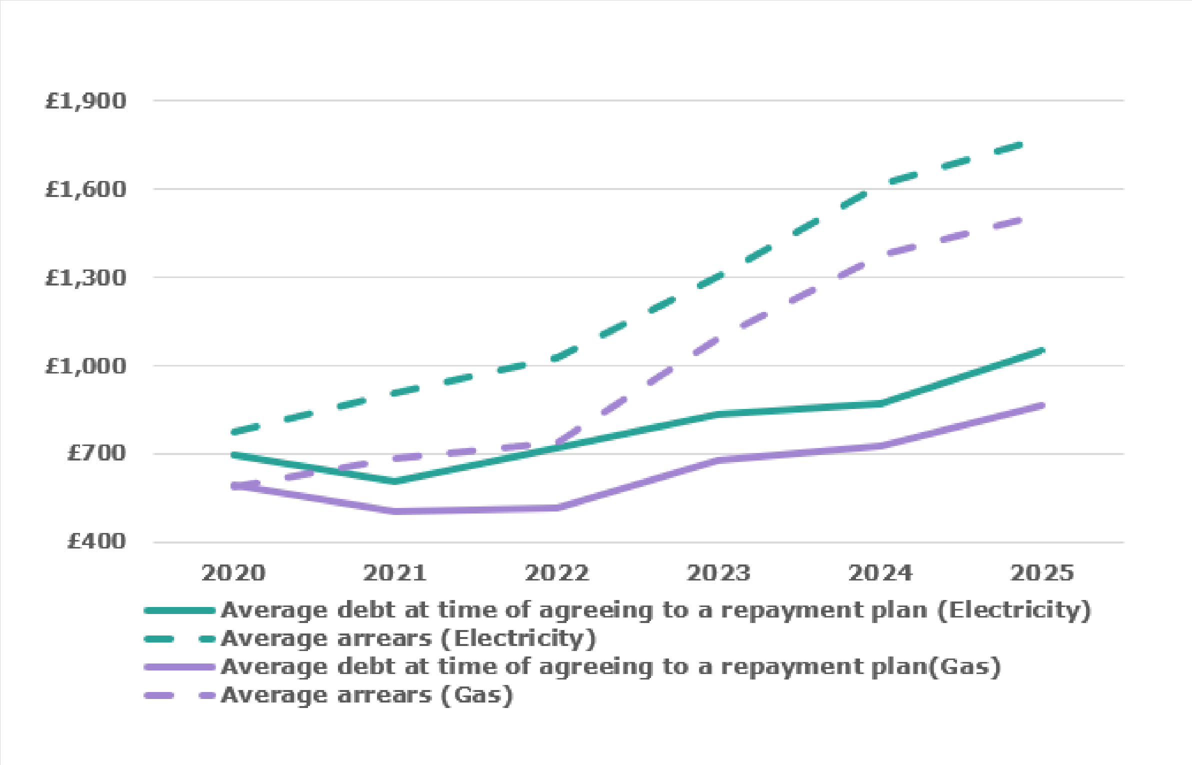
Figure 4: Average number of weeks to repay debt for credit and PPM customers



Source: SOR data. Note that y-axis does not start at 0

The increase in repayment durations may also be linked to consumers entering repayment plans with larger starting debt balances. The average arrears balance when a repayment plan was agreed, known as take-on debt, increased from around £698 for electricity and £592 for gas in 2020 to £1,049 and £862 respectively in 2025 (see Figure 5). Larger starting balances may mean suppliers need to spread repayments over longer periods to keep weekly amounts affordable. This highlights the importance of earlier engagement, before debts escalate and consumers need longer-term structured repayment support.

Figure 5: Average debt at time of agreeing a repayment plan and average arrears



Source: SOR data. Note y-axis does not start at 0

Proactive support and engagement

Suppliers also described earlier identification and intervention to prevent debt escalation. For example, E.ON and Scottish Power use automated triggers, such as repeat payment failures, cancelled direct debits, irregular top-up behaviour or prolonged non-payment to prompt proactive contact with consumers to discuss affordability concerns.

Some suppliers also emphasised the importance of embedding vulnerability and affordability within day-to-day operations, enabling frontline teams or specialist teams to respond more quickly once payment difficulty is identified. For example:

- Outfox and Good Energy, have empowered frontline staff to make timely decisions such as offering support credits, adjusting repayment schedules or escalating cases for further review without requiring extensive internal referral processes.
- Octopus, E.ON, British Gas, Scottish Power and Tru Energy described establishing specialist teams trained to deliver tailored affordability assessments and support consumers through payment difficulties. EDF described a similar model delivered through a vulnerability partnership.

Alongside these approaches, several suppliers also described debt forgiveness and discretionary use of Additional Support Credit (ASC), where necessary for supply-dependent consumers or those experiencing acute vulnerability in order to maintain supply. For example:

- Good Energy highlighted around £400k in supplier funded debt forgiveness and the use of flexible ASC for high-risk prepayment customers. These measures form part of the wider engagement approaches to support consumers who are struggling to pay their bills.

These approaches are positive where they support timely, tailored affordability support and are linked to longer-term pathways that reflect consumers' ability to pay. Some suppliers enable protections to be applied quickly at the point of contact, while others use additional review or escalation steps before action is taken, particularly where circumstances are complex or not yet fully understood. These differences reflect varying operational approaches and risk appetites across suppliers. Where timely action is needed, decisions still need to be informed by sufficiently up-to-date information about the consumer's circumstances, including any relevant safety and wellbeing considerations.

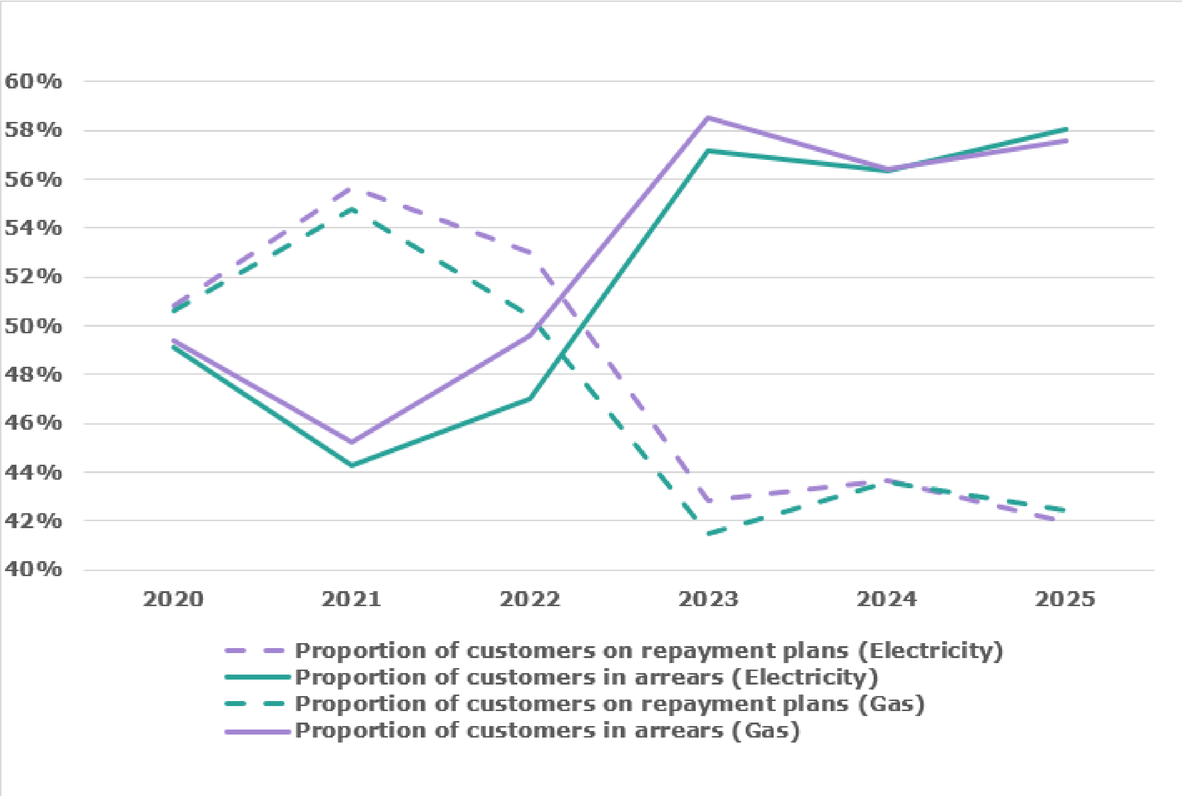
While short-term support such as Additional Support Credit can be important for maintaining supply during acute financial pressure, it is not always paired with progression onto longer-term solutions to help with affordability. However, we have seen supplier practices change on Additional Support Credit since we published an expectations letter on the original policy intent in August 2025. Some suppliers are now restricting Additional Support Credit to consumers in acute but temporary financial stress, rather than as ongoing or unlimited support. This is a positive development, as it supports more consistent and sustainable affordability pathways, rather than reliance on repeated short-term interventions.

Feedback from consumer groups and charities reinforces this picture, highlighting that while approaches are evolving, the depth of affordability pressures facing consumers means these interventions can often only mitigate, rather than resolve, underlying issues. They note that vulnerability is increasing in both scale and complexity, with more consumers facing multiple, intersecting challenges. As a result, it is increasingly difficult to identify, monitor and provide effective, tailored support, particularly where needs are dynamic or extend beyond the energy system.

Customers in arrears without repayment plans

The proportion of customers in arrears without a repayment plan has increased, suggesting that customers are not consistently being moved into structured repayment arrangements. These challenges are reflected in market-level data. Our SOR data provides further insight into how consumers move into these pathways. At market level, over half of customers in debt remain in arrears without a repayment plan. Figure 6 below shows that at the end of 2025, around 58% of electricity and gas customers who were behind with their bills were in arrears without a repayment plan, a substantial increase from around 49% at the end of 2020. Customers who were in arrears without a repayment plan also held larger negative balances (see Figure 5), indicating that debt is more concentrated among those not in structured repayment arrangements. This suggests that, while more customer accounts are being identified as in arrears (see Figure 2), they are not consistently being transitioned into structured debt pathways or repayment solutions. As a result, some consumers may rely on other forms of support such as short-term support or they may accumulate higher arrears balances before entering a sustainable repayment arrangement.

Figure 6: Proportion of customers in debt on repayment plans and in arrears



Source: SOR data. Note y-axis does not start at 0

Consumer groups and charities (CGCs) emphasised that support is too often offered late, once consumers reach crisis, and that affordability support can remain reactive rather than proactive in practice. They highlighted limited evidence of early or preventative engagement, including early advice and timely movement into repayment support. It is important to recognise that CGC perspectives may be shaped by the consumers they most often support, who are more likely to be in, or close to, crisis. This may mean that proactive or early interventions, where they are working well, are less visible to these organisations. However, this does not remove the need for suppliers to demonstrate, through evidence and outcomes data, that early support is being delivered consistently and at scale.

Governance and overarching approaches

Overall assessment: Governance arrangements are in place across suppliers, but their effectiveness varies, with more limited evidence that these consistently translate into delivery in practice or improved outcomes for consumers.

The role of governance in supporting delivery of outcomes

Strong and clearly defined governance arrangements can help support the delivery of outcomes for consumers in vulnerable situations, ensuring:

- clear accountability at senior levels,
- oversight of how policies and support are implemented in practice, and
- consistency of delivery across teams and channels.

Robust governance structures can also enable suppliers to move beyond a focus on activity or process but supporting monitoring and evaluation of whether interventions are delivering their intended impact for consumers. As regulation moves towards outcomes-based expectations, governance arrangements that support and facilitate learning, challenge and continuous improvement will be important in enabling suppliers to demonstrate how their approaches deliver meaningful and sustained improvements for consumers over time.

What success looks like:
Suppliers are:

- establishing clear senior accountability for vulnerability;
- putting in place governance arrangements that provide effective oversight of support;
- ensuring strategic priorities are translated into consistent frontline delivery;
- embedding processes to review, learn from and improve approaches over time; and
- demonstrating that governance arrangements are supporting consistent and effective outcomes for consumers.

Governance structures and leadership roles

We saw evidence of suppliers embedding responsibility for vulnerability within senior leadership and governance arrangements. Several suppliers described senior-level Vulnerability Champions, structured oversight forums and risk or audit committees that provide accountability for vulnerability and visibility over how support is implemented and monitored in practice. Some suppliers have established vulnerability steering groups, working groups and oversight forums to monitor performance and review the support provided to consumers in vulnerable situations, helping ensure vulnerability remains visible at senior levels within the organisation. For example, E.ON described an ongoing Vulnerable Assurance Programme, designed to strengthen identification, knowledge and monitoring across the organisation. This supports oversight of affordability and vulnerability outcomes and helps embed continuous improvement in operational delivery.

These approaches are consistent with the expectations set out in the Energy UK Vulnerability Commitment, which emphasises clear governance structures, senior accountability for vulnerability, and the need for leadership to embed support for consumers in vulnerable situations across all levels of the organisation.

However, the effectiveness of these arrangements varies. In some cases, governance structures provide clear oversight but are not consistently translated into day-to-day operations. In others, strong frontline delivery is not matched by clear strategic director alignment in leadership messaging.

Strategic frameworks and operational practices

The majority of suppliers have formal governance and oversight arrangements in place to guide their approach to identifying and supporting consumers in vulnerable situations. These include:

- multi-disciplinary governance groups and formal oversight structure, alongside approaches such as E.ON's Vulnerable Assurance Programme, which provides organisation-wide oversight of vulnerability, supporting monitoring, learning and continuous improvement, and three-lines-of-defence models, incorporating audit, risk oversight and board-level reporting.
- integrating vulnerability into everyday processes, utilising AI tools, digital wellbeing assessments, and CRM prompts. For example, Scottish Power has introduced real-time call prompts which support frontline staff in identifying risk and signposting consumers to the appropriate support.
- autonomy for frontline staff to act quickly and respond to consumers' needs, such as Octopus and Good Energy, alongside more structured escalation models carried out by Ecotricity, enabling agents to adjust payment plans, provide support credits, and escalate cases for deeper affordability review.

These approaches can help ensure vulnerability considerations are embedded throughout supplier operations rather than being managed through standalone processes.

However, practices vary across suppliers. Some described formal frameworks and governance models, although these were not always fully reflected in everyday practices or outcomes delivered for consumers. This reflects the findings of Energy UK Vulnerability Commitment Good Practice Guide (2025), which highlights that while most suppliers have established governance frameworks, some are still at early stages of embedding them into routine operations, with limited evidence of consistent delivery or impact on outcomes.

Sector-wide engagement and collaboration

Across the sessions, suppliers consistently recognised the value of wider collaboration with industry peers, charities and sector-led forums in shaping their approaches to vulnerability. For example:

- EDF, Octopus and Good Energy described how participation in Ofgem-led forums or charity-sector working groups feeds into internal updates to training, policy development and operational processes.

The Energy UK Vulnerability Commitment similarly emphasises the role of insights from partnerships, and visible leadership from Vulnerability Champions in supporting continuous improvement and better outcomes for consumers in vulnerable situations. Across the sessions, many suppliers described internal and external forums for sharing learning, alongside governance structures intended to keep vulnerability visible from board level through to frontline delivery, reflecting a focus on learning and cross-organisational dialogue across the sector.

However, while suppliers were generally able to articulate how learning is shared, there was more limited evidence of how insights gained through collaboration are systematically translated into improved outcomes for consumers. Suppliers did not always demonstrate how learning from partnerships or sector engagement is used to test, refine or evaluate practices over time, or how this activity contributes to measurable improvements in consumer experience or support. Strengthening evaluation and transparency in this area will be an important focus for future reporting.

Inclusion and accessibility in service design

The majority of suppliers have incorporated inclusion and accessibility into their overarching governance frameworks:

- Good Energy, Ecotricity, and EDF have governance mechanisms which prioritise reviews of consumer communications or accessibility programmes to ensure they are clear, usable, and inclusive, supported by senior oversight and vulnerability dashboards.

Other suppliers have embedded inclusion within their operating model, supported by senior leadership reviews of policies and practices.

Ecotricity has integrated accessibility and inclusion into its overarching governance framework, with senior oversight of communication and service-design improvements.

EDF also embeds accessibility within its governance processes, with leadership-level scrutiny of accessibility initiatives and consumer-facing materials to ensure services are designed inclusively.

These approaches help ensure that accessibility and inclusive design are considered as part of strategic decision-making rather than being treated as standalone activities.

However, while most suppliers described governance processes that embedded inclusive design and accessibility considerations, a small number provided only high-level descriptions or planned activity, making it less clear how these areas are being actively monitored and overseen in practice.

Recommendations and learnings

Findings from the Vulnerability Focus Sessions indicate that, while there has been clear progress in supplier approaches to supporting consumers in vulnerable situations, further work is needed to ensure this translates into consistent and measurable outcomes in practice.

In setting out these recommendations, we have sought to provide meaningful clarification of our expectations while avoiding a prescriptive approach. The recommendations identify the types of activity, evidence and outcomes that would indicate good progress, but suppliers may use different approaches to demonstrate that they are delivering positive outcomes for consumers in vulnerable situations. This reflects feedback from suppliers that clearer examples of what good practice looks like would support more consistent delivery.

Strengthening identification and data use

- **Suppliers:** reduce reliance on self-disclosure by making greater use of existing data, frontline insight and partnerships with consumer groups and charities to identify vulnerability earlier and route consumers to support more consistently.
- **Ofgem:** continue work on the PSR review and wider data-sharing initiatives, including exploring how vulnerability data can reduce repeated disclosure and support more timely, coordinated help.
- **Government:** continue to work with Ofgem and other sectors on data-sharing arrangements and more joined-up approaches to identifying vulnerability across services.

Delivering consistent and sustainable affordability and debt support

- **Suppliers:** move more customers into sustainable repayment arrangements that reflect ability to pay, while ensuring short-term support is targeted at consumers most at risk of harm.
- **Ofgem:** continue work on debt, affordability, billing, payments, prepayment meter protections and Consumer Outcomes monitoring, ensuring expectations are aligned and support consistent affordability pathways.

Government: continue to work with Ofgem on targeted affordability support and wider drivers of financial vulnerability which sit beyond the energy sector.

Improving accessibility and service design

- **Suppliers:** embed inclusive design principles within customer journeys, communications and support processes, making it easier for consumers to engage and access support.
- **Ofgem:** continue to promote accessible, low-burden engagement through wider Consumer Outcomes, billing and consumer protection work.
- **Government:** continue to work with regulators and industry where cross-sector approaches can improve accessibility and inclusion for consumers with additional needs.

Improving evidence of outcomes

- **Suppliers:** strengthen evidence of whether support is improving outcomes for consumers, not just whether processes are in place.
- **Ofgem:** align evidence expectations with Consumer Outcomes monitoring and future Vulnerability Focus Sessions, avoiding duplication where possible.
- **Government:** continue to support opportunities for cross-sector evidence, data sharing and evaluation where this can improve identification, targeting and assessment of support.

Embedding governance and consistent delivery

- **Suppliers:** link vulnerability governance more clearly to frontline delivery, senior accountability and outcome monitoring.
- **Ofgem:** continue to work collaboratively with suppliers through future Vulnerability Focus Sessions and our wider compliance approach, including through the new compliance operating principles to support continuous improvement.

Assessment of our own progress

In the Strategy we said that the Progress Report would also *"provide updates on our delivery against the Strategy themes and outcomes and update on our upcoming workplans."*

We have provided an overview of the work we included in the Strategy and how it has progressed. We have also added new work that we have undertaken since the CVS was published.

Theme 1: Identification and smarter use of data

Core programmes of work

- Improving data sharing across sectors
    - Progressed energy–water data sharing by aligning vulnerability needs codes and developing legal and data-sharing arrangements.
    - Worked with government to improve access to public authority data to support identification of consumers in vulnerable situations.
    - Supported development of a cross-sector PSR ('tell us once') approach with DBT and DSIT.
- Developing the Consumer Consent Solution
    - Appointed the Consumer Consent Solution to RECCo, establishing a delivery model for the future development and operation of the solution.
- Exploring future data-sharing infrastructure
    - Assessed options for data-sharing infrastructure and explored opportunities to improve how PSR data is used.
- Reviewing the Priority Services Register
    - Launched a review of the PSR, including early stakeholder engagement to assess its effectiveness and identify opportunities for improvement.

What this means for consumers

- Lays the foundations for a more joined-up approach to identifying and supporting consumers in vulnerable situations.
- Supports longer-term improvements in how organisations share and use data to deliver tailored support.
- Reduces the need for consumers to repeatedly provide the same information to different organisations.
- Helps ensure the PSR remains effective in identifying consumers who need additional support and enabling suppliers to respond appropriately.

Assessment of progress

We have made good progress in advancing several programmes intended to improve how consumers in vulnerable situations are identified and supported, including energy–water data sharing, the Consumer Consent Solution and the review of the PSR.

However, much of this work, particularly on the PSR, remains at an early stage. Delivering tangible benefits for consumers will depend on successful implementation, continued collaboration across sectors and government, and ensuring that future data-sharing arrangements are trusted, proportionate and effective. The next phase of work will focus on implementation and ensuring these initiatives deliver tangible improvements in how consumers in vulnerable situations are identified and supported.

What is still in progress

- Developing an automated data sharing solution across sectors
- Progressing government-led data access initiatives
- Continuing work with government on a multi-sector PSR / ‘share once’ model in 2026/27
- Delivering the Consumer Consent Solution Minimum Marketable Product (expected March 2027)
- Further development of data sharing infrastructure, including technical options and use cases
- Advancing the PSR review, with potential publication of a working paper or call for input

Theme 2: supporting those struggling to pay their bills

Core programmes of work

- Strengthening support for consumers in debt
    - Consulted on the proposed Debt Outcome in June 2026.
    - Developed final proposals for the Debt Relief Scheme.
    - Published consumer-facing Know Your Rights: Energy debt and disconnection guidance in 2025 as part of Ofgem’s Energy Aware campaign.
    - Developed a voluntary Code of Practice in 2025 to improve how suppliers and debt advice providers work together. Given we could not agree it with suppliers, we instead published a letter to suppliers and accompanying Guide for energy suppliers and debt advice providers in January 2026.
- Improving affordability and payment practices
    - Reviewed supplier billing practices and consulted on the proposed billing outcome in June 2026.
    - Published a call for input on the Cost Allocation Review in July 2025.
    - Consulted on lower standing charge tariffs in September 2025 and launched a one-year pilot in April 2026.

- Expanding protections across energy markets
    - Introduced regulatory oversight for heat networks, including protections for consumers in vulnerable situations, through Heat networks regulation: consumer protection guidance.
    - Continued oversight of smart meter rollout and Radio Teleswitch Service (RTS) meter replacement.

What this means for consumers

- Improve protections and support for consumers experiencing debt and payment difficulty.
- Strengthen affordability-based decision making and debt support.
- Improve coordination between suppliers and debt advice providers.
- Support more accurate billing and earlier identification of consumers experiencing payment difficulty.
- Strengthen protections across a wider range of energy markets and services.

Assessment of progress

We have made substantial progress across a broad programme of work aimed at improving affordability and supporting consumers experiencing payment difficulty. During the reporting period, we consulted on the proposed Debt Outcome and Billing Outcome, developed final proposals for the Debt Relief Scheme, introduced consumer protection measures for heat networks and launched a pilot of lower standing charge tariffs.

These programmes are at different stages of development. While some have moved into implementation, others remain dependent on future decisions by Ofgem, government and industry. The next phase of work will focus on implementation, evaluation and ensuring these initiatives deliver improved outcomes for consumers.

What is still in progress

- Debt and affordability
    - Developing new affordability expectations and related protections for consumers in debt.
    - Assessing industry progress through supplier and debt adviser customer journey sampling.
    - Determining the future direction of the Debt Relief Scheme with government.
- Billing and market reform
    - Considering responses to the Billing Outcome consultation and next steps.
    - Developing future options with government through the Cost Allocation Review.
    - Delivering and evaluating the lower standing charge tariff pilot.

- Consumer protections and infrastructure
    - Implementing registration, data and compliance arrangements for heat networks ahead of full regulation.
    - Continuing oversight of RTS replacement and smart meter deployment.

Theme 3: Driving significant improvements in customer service for vulnerable groups

Core programmes of work

- Strengthening accountability for consumer outcomes
    - Consulted on Consumer Outcomes to demonstrate our intention to move towards outcomes-based and developing our Monitoring Framework.
    - Government published the Ofgem Review: Final report (2026).
- Improving support during emergencies and network operations
    - Continued delivery of RIIO-GD3 requirements that protect consumers in vulnerable situations during network operations and outages.
    - Continued implementation of ED3, with vulnerability considerations embedded within delivery obligations.
    - Introduced 24/7 emergency contact requirements from August 2025 to improve access to urgent support.
- Embedding vulnerability considerations across regulation
    - Continued implementation of programmes that embed vulnerability considerations within regulatory frameworks and network company obligations.

What this means for consumers

- Improve support for consumers in vulnerable situations during outages and network operations.
    - Strengthen accountability for delivering positive consumer outcomes.
    - Support a more outcomes-focused approach to regulation.
    - Improve access to urgent assistance and customer support services.
    - Embed vulnerability considerations more consistently across energy sector regulation.

Assessment of progress

We have made good progress in strengthening customer service expectations and embedding a greater focus on consumer outcomes across the energy sector. During the reporting period, we advanced development of the Consumer Outcomes Monitoring Framework, introduced 24/7 emergency contact requirements and continued implementation of vulnerability protections through RIIO-GD3 and ED3.

These programmes are at different stages of development. While some measures have been implemented, further work is required to establish how consumer outcomes will be monitored and assessed in practice. The next phase of work will focus on implementing the Consumer Outcomes Strategic Direction, developing the Consumer Outcomes Monitoring Framework and ensuring regulatory reforms translate into improved experiences for consumers in vulnerable situations.

What is still in progress

- Consumer outcomes and regulatory reform
    - Developing the Consumer Outcomes Monitoring Framework.
    - Implementing the Consumer Outcomes Strategic Direction and associated implementation proposals.
    - Working with government and stakeholders on the implications of the Ofgem Review and future regulatory approach.
- Network and emergency support
    - Continuing delivery of ED3 commitments relating to consumers in vulnerable situations.
    - Continuing delivery of RIIO-GD3 commitments relating to consumers in vulnerable situations.

Theme 4: Encouraging positive and inclusive innovation

Core programmes of work

- Supporting innovation through outcomes-focused regulation
    - Published the Consumer Outcomes implementation consultation in June 2026, supporting a more outcomes-focused approach to regulation and innovation.
- Encouraging responsible use of emerging technologies
    - Published guidance on the ethical use of AI in the energy sector in May 2025 and updated this guidance in May 2026.
    - Continued work on heat networks regulation, including protections for consumers in vulnerable situations (covered under Theme 2).
    - Progressed work with government on future price protection and wider energy system cost allocation (covered under Theme 2).

What this means for consumers

- Support innovation that delivers positive outcomes for all consumers, including those in vulnerable situations.
- Ensure emerging technologies, including AI, are developed and deployed in ways that are fair, transparent and inclusive.
- Encourage innovation while maintaining appropriate consumer protections.
- Improve understanding of how innovation affects different consumer groups and whether benefits are being shared fairly.

Assessment of progress

We have made progress in developing an outcomes-focused approach to regulation and promoting the responsible use of emerging technologies. During the reporting period, we published proposals for implementing the Consumer Outcomes approach and updated our guidance on the ethical use of AI in the energy sector.

Innovation has the potential to improve services and outcomes for consumers, including those in vulnerable situations. However, continued work is needed to ensure emerging technologies and new market arrangements are developed in ways that are inclusive, transparent and deliver benefits across different consumer groups.

What is still in progress

- Consumer outcomes and innovation
    - Continuing development of the Consumer Outcomes approach and associated implementation proposals.
    - Assessing how the Consumer Outcomes approach can support innovation while maintaining protections for consumers.
- AI and emerging technologies
    - Keeping guidance and applications of AI under review, including impacts on consumers in vulnerable situations.
    - Continuing development of the Consumer Outcomes approach and its potential to support innovation.

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Appendix 1 – overview of themes 3 and 4

While not a focus of the sessions, some suppliers outlined practices that aligned with themes 3 and 4 and we have summarised these below. The absence of a supplier from this section should not be interpreted as an indication that they are not undertaking relevant activity, but rather, reflects the optional nature of discussion outside Themes 1 and 2.

Theme 3: Driving significant improvements in customer service for vulnerable groups

Theme 3: Driving significant improvements in customer service for vulnerable groups - Summary Outcome

Consumers in vulnerable situations should be provided with tailored communications that are easy to understand. They should be able to engage with their energy company with ease and not face exclusion based on their circumstances. s

Outcome 3.1

Consumers in vulnerable situations and their representatives should be able to contact their energy company easily, have their needs accommodated with appropriate resolutions, and should not be excluded due to their circumstances, e.g. language barriers or capability with digital tools.

Accessibility of contact methods

We have seen continued efforts to expand and improve the accessibility of customer service channels, including telephone support, email, webchat, app-based communication and online account tools, allowing consumers to engage in ways that best suit their circumstances and needs.

Several suppliers highlighted the role of specialist teams and prioritised contact routes in supporting consumers with additional needs or more complex circumstances. Examples of emerging practice include:

- Good Energy and Utilita described specialist teams supporting prepayment and more disengaged consumers.

- Octopus, E and Outfox highlighted responsive contact models, including short wait times, simplified digital journeys and person-centred email handling.
- Octopus outlined steps to reduce barriers to re-contact, including reply-enabled communications and avoiding ‘no-reply’ channels.

These approaches can help reduce consumer effort, improve understanding and support access to assistance where needed.

However, accessibility remains variable across the sector. Consumers who are digitally disengaged or who experience communication difficulties may continue to face barriers when contacting suppliers. Several suppliers also highlighted that existing billing rules and licence requirements can limit flexibility in how information is presented, which may affect the pace and scale of improvements to bill clarity. As a result, improving accessibility and consumer understanding remains an area where further progress is needed.

Inclusive communication practices

A number of suppliers have embedded inclusive communication practices into their customer service models, particularly in relation to billing and written communications. This includes clearer presentation of key information, and placing essential details, such as balances, billing periods, and payment options, prominently within communications, with the aim of improving consumer understanding and reducing confusion. Some suppliers also use explanation boxes within bills and letters to address common areas of misunderstanding, such as seasonal usage changes or technical calculations. Examples of emerging practice include:

- EDF outlined the availability of large-print and alternative bill formats following accessibility reviews of billing and written communications to ensure essential information is clear and easy to understand.
- Octopus Energy described plain-language billing developed in collaboration with Plain Numbers to help consumers understand their bills.
- Some suppliers also outlined broader accessibility support, including translation services and SignVideo for customer communications.

These approaches are intended to make communications easier to understand and reduce barriers to engaging with suppliers and accessing support.

However, practices are not consistent across all suppliers. Several suppliers noted that existing billing rules and licence requirements can limit flexibility in how billing information is presented, which may affect the pace and scale at which improvements to bill clarity can be implemented. As a result, improving consumer understanding of communications remains an area where further progress is needed across the sector.

Theme 4: Encouraging positive and inclusive innovation

Theme 4: Encouraging positive and inclusive innovation - Summary Outcome

Consumers in vulnerable situations should have access to inclusively designed innovative solutions that deliver the benefits of the transition to a digitalised, decarbonised and decentralised energy system.

Outcome 4.1

Consumers in vulnerable situations should be encouraged and supported to participate in or adopt innovative products and services, particularly those that can help them participate in the transition to a digitalised, decarbonised and decentralised energy system.

Outcome 4.2

Innovative solutions should be inclusively designed to limit the barriers to take up. Where consumers in vulnerable situations are either able or unable to adopt innovative solutions, they should be protected from adverse outcomes.

Inclusive design

We have seen evidence of inclusive design being incorporated into innovative products and services, although the level of maturity varies across the sector. EDF outlined how its website is designed to meet WCAG (Web Content Accessibility Guidelines) standards, with regular external audits to support accessibility, including a dementia-friendly web review supported by the Alzheimer's Society. E.ON described its use of Lightning Reach, a partner platform built with inclusive design principles, to enable customers to access financial support through a more approachable and accessible digital journey. Utilita highlighted the importance of using smart-meter insights to provide clear and accessible information that helps consumers understand their usage, supporting more informed decisions and reducing the risk of exclusion for consumers who may struggle with billing or digital tools. These examples reflect efforts to embed inclusion within innovation, consistent with expectations set out in the Energy UK Vulnerability Commitment. However, while these approaches demonstrate positive practice, other suppliers outlined planned, rather than operational, activity in this area, indicating an uneven level of progress.

Lowering barriers to adoption

Scottish Power demonstrated the use of AI-enabled tools, including its Ask Bruce and Call Copilot systems, to support consistent identification and ensure that consumers with differing communication needs are not disadvantaged. These tools prompt agents with real-time cues, helping ensure that consumers are guided through conversations in a way that reduces unnecessary burden. Octopus Energy's accessible digital channels and translation capability further support consumers who may find traditional account management tools difficult to navigate.

Suppliers also outlined the challenges faced by consumers who have limited digital confidence, rely heavily on cash payments or do not have online access. Utilita described how smart-meter data provides a non-digital pathway to improved insight, enabling consumers who may be unable to use advanced digital tools to still benefit from innovation through clearer consumption visibility. These examples highlight emerging approaches to ensuring that innovative tools do not unintentionally widen gaps between digitally engaged and disengaged consumers.

However, not all suppliers provided concrete examples of how they ensure innovation is accessible for those with lower digital capability, and this remains an area where further development is required across the sector.

Protecting consumers who cannot adopt new solutions

Suppliers recognised that not all consumers in vulnerable situations are able to adopt innovative solutions, including those who are unable to use digital interfaces or participate in automated or data-driven services. Findings from the sessions showed that some suppliers are explicitly designing innovation with limits, safeguards and alternative routes in mind. So Energy and Scottish Power both described taking a deliberate approach to innovation, where new tools are intended to support staff decision-making and improve visibility of need, rather than acting as standalone solutions or replacing existing support channels. In both cases, suppliers emphasised that consumers must retain access to non-digital routes and human interaction, particularly where circumstances are complex or not easily captured through automated processes.

While this approach reflects an awareness of the risks of digital exclusion, several suppliers provided limited evidence on how they assess whether these safeguards are effective in practice for consumers unable to adopt innovative solutions. These consumers may face a range of barriers, including physical accessibility needs (for example, impairments affecting dexterity or vision), cognitive or capability challenges, and affordability or connectivity constraints which limit access to devices or data. The nature of these barriers can vary significantly and may require different forms of support or intervention. There was limited evidence on how outcomes for these groups are tracked over time, or how suppliers test whether innovation is genuinely reducing, rather than shifting, barriers to support. This highlights an opportunity for suppliers to strengthen how they evaluate the impact of innovation across different consumer groups, to ensure that new tools support equitable outcomes and do not inadvertently widen vulnerability gaps.