Making a positive difference
for energy consumers

Domestic Billing Performance Assessment

Publication date: 27 July 2026

Executive Summary

Accurate and timely billing is fundamental to fair consumer outcomes. It enables customers to budget effectively, reduces the risk of unexpected charges and underpins trust in the retail energy market. Billing is the most common driver of consumer complaints to both suppliers and the Energy Ombudsman, accounting for approximately 30% of complaints and 55% of Ombudsman referrals.

Ofgem undertook a comprehensive assessment of domestic billing outcomes across the largest credit meter suppliers, each with at least 1 million credit meter customers, in order to account for the majority of the market. The review focused on billing accuracy, timeliness, backbilling protections, and meter reading services provided to customers on the Priority Services Register (PSR).

The assessment found that most customers receive regular bills and that most bills are based on actual meter readings. Customers with smart meters generally experience the best outcomes, with higher billing accuracy and less reliance on estimated reads. Expanding smart meter coverage will improve billing accuracy and help customers better manage their energy use and costs.

While improvements are still required, we welcome the significant steps suppliers have taken to improve their performance. The assessment identified that a significant minority of bills are issued late by some suppliers, increasing the risk of bill shock. There is variation in how consistently suppliers deliver PSR meter read services, and weaknesses were identified in how some suppliers record backbilling exceptions.

We are working directly with suppliers to address these issues, reinforce expectations and promote best practice. This supports Ofgem's wider shift to outcomes-based regulation, which is starting by looking at the billing rules, and aims to deliver fairer, more transparent and reliable billing for domestic consumers. *For further information on Consumer Outcomes please see our recently published [Strategic Direction] and [Proposed Implementation] documents.*

Introduction

Billing is a core part of customer experience and a key driver of satisfaction. While high-level metrics show that satisfaction with bill accuracy is 77%, with overall dissatisfaction at 8%[1], further insight is needed to better understand the drivers behind these results and identify areas for improvement.

Billing and meter reading account for approximately 30% of supplier complaints and 55% of Energy Ombudsman cases, making it the most frequently escalated issue category. It is important to recognise that customers may raise billing complaints for a variety of reasons. Given the central role billing plays in customer engagement, even small issues can have a widespread impact due to the volume of bills issued each year (over 300 million bills in 2024).

Although complaint and Ombudsman data demonstrated that billing was generating a significant volume of customer dissatisfaction, it did not provide sufficient detail to identify the specific billing issues driving these complaints. As a result, the underlying causes of poor billing outcomes were not well understood, highlighting the need for a more detailed review.

To better understand the drivers of poor customer experience and identify how outcomes could be improved, Ofgem initiated a detailed review of domestic billing practices.

Domestic Billing Project Aim

The primary aim of the project was to develop a clear understanding of current billing performance and where issues were arising to support improvements across the domestic supply industry.

We assessed the billing performance of the largest domestic suppliers: British Gas, EDF, E.ON Next, Octopus Energy, OVO, Scottish Power and Utility Warehouse. Each supplier included in the assessment has at least 1 million credit meter customers. We drew on multiple sources of evidence to assess billing accuracy, billing timeliness, meter reading services for Priority Services Register customers and backbilling protections. This included reviewing the proportion of bills based on accurate readings, how quickly bills were issued, how suppliers support customers who cannot read their own meters, and the volume, value and age of charges written off under backbilling rules. Although backbilling affects a relatively small proportion of customers, around 5% of Energy Ombudsman referrals, it can still cause significant detriment where suppliers get it wrong.

While all suppliers must meet the same regulatory requirements, they use different systems and processes to do so. We paired detailed data analysis with an

[1] Energy Consumer Satisfaction Survey – Findings Report – July 2024.pdf

understanding of how each supplier's billing arrangements operate in practice. This provided a robust evidence base for our assessment and allowed suppliers to set out any improvement activity already under way.

Key Insights

The assessment shows that strong overall billing performance can coexist with high complaint volumes for three main reasons:

- Billing is the primary point of interaction between suppliers and customers, meaning issues such as affordability and the overall cost of energy can contribute to a customer's dissatisfaction with a bill.
- The scale of billing activity is significant, with hundreds of millions of bills issued annually (over 300 million in 2024).
- Underlying issues can materialise through billing even where the root cause lies elsewhere e.g. changes of tenancy, meter faults or mix-ups.

Strong overall performance can therefore coexist with high complaint volumes.

Even so, underperformance on a relatively small percentage of bills can have a material impact at scale, so we are engaging with suppliers to drive improvement where issues were identified.

The following sections set out the key findings from the Domestic Billing Project across four core areas: accuracy, timeliness, support for Priority Services Register customers and backbilling protections.

Accuracy

Key Points

- 81% of bills are based on actual meter readings at first issue
- 89% of bills are ultimately based on actual readings after reconciliation
- 99% of customers receive the required number of bills each year
- Customers with smart meters experience higher accuracy and fewer estimated bills

Detail

Accuracy refers to whether bills correctly represent a customer's energy consumption and the correct tariff. (The project did not assess tariffs and pricing because Ofgem carries out separate compliance activity on price cap tariffs and monitoring non-price cap tariffs.)

In 2024, 81% of bills were based on actual meter readings at first issue, rising to 89% after reconciliation. Performance varies between suppliers for several reasons, including billing schedules and the proportion of customers with operating smart meters. The continued rollout of smart meters will strengthen these outcomes by enabling more bills to reflect actual consumption, helping customers better understand usage, manage costs and avoid unexpected charges.

For customers with traditional meters, billing performance depends on both supplier and customer actions. Suppliers prompt customers to provide meter readings, assess the accuracy of reads and follow up where they do not, while customers can help to ensure their bills are accurate by providing readings regularly, so bills reflect actual consumption. We noted variation in suppliers approaches to sending a meter reader where no reading has been provided for an extended period. Although physical meter reads carry a cost, suppliers are still required to take all reasonable steps to obtain a meter reading annually. Several suppliers have improvement activities underway in these areas, including trials to agree appointments with customers rather than attending without notice.

Timeliness

Key Points

- 97% of bills are issued on time
- 11 million (3%) bills were issued late in 2024
- Late bills remain a key driver of bill shock
- We are working with suppliers to improve timeliness

Detail

It is important that customers receive bills on time so they can manage their usage and payments. Late billing increases the risk of shock bills, particularly for customers who pay on demand. In 2024, approximately 309 million bills were issued and 97% of customers received a bill within 30 days of it being due. However, around 11 million bills were issued at least one month late, including 3.5 million issued between three and twelve months late. These late bills were concentrated among a smaller cohort of suppliers and were generally driven by system migrations or operational issues. We are working closely with those suppliers to review their performance and ensure their improvement plans deliver significant reductions in late billing.

Priority Services Register

Key Points

- Almost 9 million customers are registered on the PSR
- Approximately 1 million are registered for the PSR meter read service
- Supplier performance varies in delivery of the service

Detail

Suppliers are required to treat customers fairly, including identifying customers who may be in a vulnerable situation. Under the Priority Services Register rules, suppliers must offer, and if accepted, provide services free of charge, including reading a customer’s meter where they are unable to do so. In 2024, around 25% of customers, around 9 million, were registered on the PSR, of whom around 1 million were registered for the meter read service.

There is significant variation between suppliers in both PSR registration rates and use of the meter read service. This partly reflects different approaches to identifying customer needs. For example, some suppliers automatically enrol certain customers based on known characteristics, while others ask customers whether the service is required. The assessment also found that whilst this service is not necessary where the customer has an operating smart meter, some suppliers register these customers for the service as a safeguard if the meter becomes faulty. We are working with several suppliers to improve the success rate of meter reading visits and strengthen reporting in this area. *For further information please see our recently published Consumer Vulnerability Strategy document.*

Backbilling Protections

Key Points

- Suppliers wrote off charges in accordance with the rules for almost 1 million customers, totalling over £172m
- Average resolution times vary between suppliers from 2 to 10 months
- Some suppliers have limited reporting of backbilling, especially for backbilling exceptions
- Backbilling situations account for around 5% of all Energy Ombudsman referrals

Detail

Backbilling rules provide an important protection by limiting when suppliers can recover historical charges. Suppliers wrote off charges for almost 1 million customers, totalling over £172m, equivalent to just under £200 per customer. Some suppliers identified and resolved backbilling cases more quickly than others, with average resolution times ranging from around 2 months to almost 10 months. Even where the rules are applied correctly, customers can still face a catch-up bill covering charges from up to 12 months ago. We expect improvements in billing accuracy and timeliness to reduce the volume of backbilling cases over time.

Suppliers may rely on backbilling exceptions in limited circumstances, for example where a customer has demonstrated obstructive or manifestly unreasonable behaviour. As Ofgem has previously set out, these exceptions should apply only in a narrow set of cases, such as energy theft or intentionally blocking access to the meter. Suppliers have policies in place to apply these exceptions appropriately. However, we identified weaknesses in how many suppliers record their use of exceptions.

Alongside our engagement with suppliers, we will continue to work with policy teams as the new billing outcome[2] is implemented to identify opportunities to improve backbilling outcomes for consumers. This includes considering the role of additional guidance to support consistent application of backbilling protections and to promote good practice across the sector.

Good Supplier Practices

Key Points

- Proactive monitoring helps identify issues early
- System alerts reduce the risk of unbilled accounts
- Early intervention improves outcomes
- Strong governance underpins sustained performance

Detail

We identified examples of effective supplier practices that support strong billing outcomes, including:

- System alerts to flag unbilled accounts
- Use of account 'health flags' to identify emerging issues
- Proactive customer engagement
- Controlled use of AI with appropriate oversight

These approaches help improve accuracy, reduce delays, and deliver better outcomes for consumers. Overall, the assessment found that most customers receive regular bills and that most bills are based on actual meter readings. We also identified examples of good practice across the sector, demonstrating the positive steps many suppliers have taken to strengthen their billing processes and improve customer outcomes. However, it also identified opportunities to improve outcomes in areas including billing timeliness, Priority Services Register meter read services and the recording and application of backbilling protections. We are working directly with suppliers to address these issues through targeted improvement plans, strengthened oversight and the sharing of good practice. The findings from our compliance assessment will support the implementation of the new billing outcomes framework, including improve backbilling outcomes and promoting consistent application of these protections. Ofgem will be asking suppliers not involved in this assessment to consider how their own performance aligns with the issues identified, and to discuss with us any relevant observations and potential areas for improvement. Customers can also help to improve their billing experience by choosing to contact their supplier to request a smart meter or providing regular meter readings to help ensure bills accurately reflect their energy consumption and reduce the likelihood of unexpected charges.

[2] The Billing Outcome is set out in this publication: *Proposed Implementation*