

Emailed to: flexibility@ofgem.gov.uk

19 February 2026

Ofgem Smart Secure Electricity Systems (SSES): Implementing the load control licensing regime

Thank you for the opportunity to comment on Ofgem's strategic and operational proposals for how the SSES load control licensing regime will be implemented.

The proposals in this consultation and in the DESNZ consultation are important for progressing the SSES programme and ensuring trust and confidence in flexibility service providers (FSPs). We support the overarching approach to the regulations and the approach to the draft licence conditions. It is an important step in creating a regulatory regime that supports and encourages consumers to use their energy more flexibly and have the confidence to adopt new products and services.

Dispute Resolution

We support the proposal in the DESNZ consultation to provide dispute resolution. We think that mandatory dispute resolution ensures that consumers have somewhere to go if they feel they have been treated unfairly. This helps to build trust and confidence in adopting flexibility products and services. We think that trust is strengthened with a single ADR provider, particularly given the integral part that load control services are likely to play in the energy sector. A streamlined consumer journey where consumers have one place to go is critical and means that consumers do not need to work out where their complaint should go when it is unclear whether the supplier or FSP has the responsibility for the issue. As the Ombudsman in the sector for two decades with established relationships with suppliers, advice and advocacy, we are committed to playing our part in building consumer confidence and ensuring access to redress.

We support Ofgem's Licence Policy Principles. We agree it is right for this to align with the Growth Duty and that regulation is proportionate, consumer-focused, coherent with existing licensing regimes. An iterative, proportionate approach which gathers data and insight from industry stakeholders to identify and prevent issues early to build consumer trust and confidence is important for building trust and confidence. This approach is fundamental to the ombudsman model, which uses data and insight from our cases to work with suppliers and Ofgem to address systemic market issues.

Market Adoption

In our experience when regulation is introduced into a smaller market, unfamiliar with regulation, there is a risk that organisations may not understand what their responsibilities are. We saw this in the heat networks market where not all understand what they needed to do.

We recognise therefore that there may be a challenge for flexibility providers who need to submit an application within three months of the window opening to be guaranteed, in line with Ofgem's timeframe of a potential nine month timescale to make a decision, the ability to operate in the market at the end of 2027. There is a risk that some consumers are left without access to flexibility services if a licence is still being reviewed at the end of the year and we think that consumer protection and mitigation for these circumstances should be considered.

We think that it would be useful for flexibility services to sign up to voluntary arrangements in advance of the regulatory regime to help prepare and increase compliance maturity of the providers.

We have also noted in Annex D that the ability for service providers to ensure that consumers can override flexibility services is strongly encouraged (as a 'should') rather than mandatory. We think it is important for consumers to know they have control over their services in certain circumstances; the risk of a FSP not providing consumers the opportunity to override load control or reset preferences may undermine consumer trust and confidence.

Please do not hesitate to contact us should you wish to discuss our response in more detail. Our response is not confidential.

For more information on this response, please contact:

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