Making a positive difference for energy consumers

Consultation

Heat networks regulation: future standards of performance

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This consultation seeks views and evidence on how standards of performance for heat networks should develop over time. In particular, we want to understand whether, when and how more prescriptive requirements, including statutory Guaranteed Standards of Performance (GSOPs), could be introduced once there is sufficient evidence that they would be effective and proportionate across the sector. It should be read alongside our separate consultation on the proposed service standards authorisation condition. We particularly welcome responses from heat network operators and suppliers, housing providers, consumer groups, charities and other interested parties.

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Executive summary

This consultation is the second of two related consultations on standards of performance for heat networks. The first consultation focuses on the proposed service standards authorisation conditions, which would establish an initial means of improving transparency, accountability and quality of service from spring 2027.

This second consultation looks beyond those proposals and seeks views and evidence on how an enduring standards of performance framework for heat networks should develop over time. In particular, it considers whether and how more prescriptive or statutory requirements, such as GSOPs, should be introduced once there is sufficient evidence to support them.

We recognise the importance of clear minimum standards and appropriate redress where consumers experience poor service. However, we also recognise the variation between heat networks. Before introducing statutory requirements, we need to understand what standards are achievable and proportionate across different types of heat network, what compensation arrangements would be appropriate, and how any future framework should interact with wider consumer protection, housing obligations and technical standards.

Responses to this consultation will help inform the future design of an enduring standards framework. This includes which standards should be prioritised, whether requirements should be phased or targeted, what evidence should trigger a move to statutory requirements, and how Ofgem should assess the costs, benefits and potential impacts of any future GSOP framework.

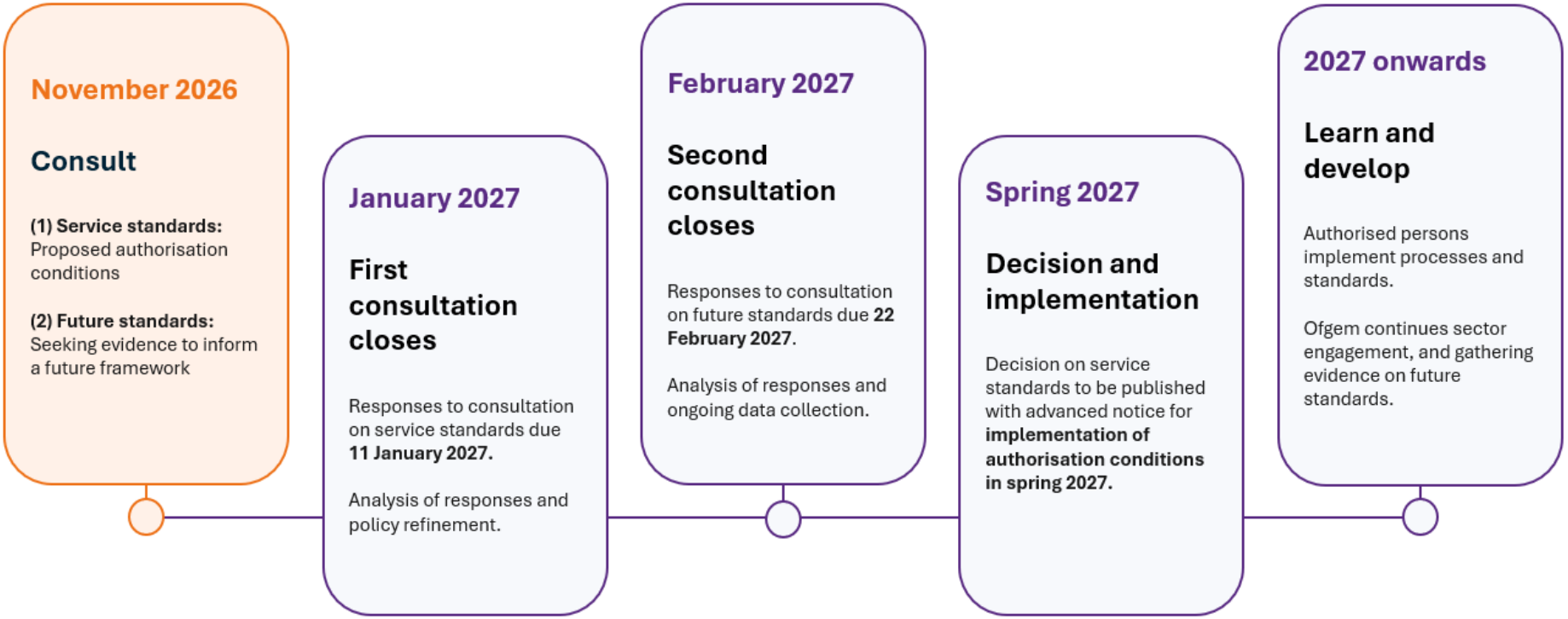
What would we like views on?

We welcome views and evidence on the future role of more prescriptive standards of performance for heat networks, including:

- which standards should be prioritised and whether they should be phased or targeted;
- how requirements, compensation and exemptions should reflect different network and consumer circumstances; and
- what evidence and reporting Ofgem should use to assess whether statutory requirements would be effective and proportionate.

Figure 1: Indicative timeline of publications and implementation

Dates are indicative and remain subject to consultation responses, final policy decisions and any necessary statutory processes.



Introduction

Purpose of this consultation

The purpose of this consultation is to gather views and evidence on a future enduring approach to standards of performance for heat networks. This includes whether and how more prescriptive or statutory requirements, such as GSOPs, should be developed once there is sufficient evidence to support them.

We are not proposing to introduce statutory GSOPs through this consultation. Instead, we are seeking evidence to help us understand what standards may be appropriate in future, how they could operate across different types of heat network, what role compensation or other redress should play, and what evidence should be required before moving to statutory requirements. Responses to this consultation will help inform future policy development and could contribute to a future impact assessment.

This reflects our view that any enduring framework must be evidence-led, proportionate and designed around the characteristics of heat networks. Existing approaches have not always fully accounted for differences in how heat is supplied, including the sector's varied ownership, operational and technical arrangements. Stakeholder feedback has indicated that better consumer outcomes will come from a framework tailored to heat networks, rather than by directly adopting an approach designed for another sector. We therefore want to develop requirements that reflect how heat networks operate while delivering clear and consistent protections for consumers.

This consultation is structured as follows:

Setting a pathway: explains why we are taking a staged approach to improving service quality and building towards more prescriptive standards over time.

Prescribing standards for the heat networks sector: considers where existing standards provide a useful model and where requirements should be adapted or designed specifically for heat networks.

Informing the design of future standards: explores how future requirements could be prioritised, phased or targeted to reflect sector diversity, capability and technical dependencies.

Operation of the future standards: considers how future requirements could be supported by proportionate compensation, exemptions, monitoring, reporting and compliance arrangements.

We ask specific questions in each section, a full list of which is available in Appendix 1.

Context and related publications

In the Heat networks regulation – consumer protection consultation ('2023 consultation'), we sought views and evidence on where it would be appropriate to introduce GSOPs in the heat network sector. In the subsequent response ('2024 response'), we confirmed further policy development to acknowledge the diversity of the sector.

In the Heat networks regulation – Implementing consumer protections consultation ('2024 consultation'), we asked for views on setting compensation amounts, expanding scope for non-domestic consumers, and on the use of performance improvement plans to mitigate the financial burden of GSOPs on not-for-profit business models. In the subsequent response ('2025 response'), we confirmed that future GSOPs policy would be developed through dedicated consultation, informed by further evidence and the specific challenges of the heat network sector. The proposed service standards authorisation conditions and our separate consultation on the enduring approach together provide a pathway towards appropriate, evidence-led and more prescriptive standards in future.

Setting a pathway to a better quality of service

Service challenges facing the heat network sector

Heat network regulation aims to improve consumer outcomes and, over time, provide more reliable and effective protections. Prescriptive service standards, supported by appropriate redress, can help improve service quality and accountability. While previous GSOP proposals received broad support, respondents differed on how improvements should be delivered across a diverse sector. Stakeholders also asked us to consider how any future framework would interact with proposed technical standards, including the Government's Heat Network Technical Assurance Scheme (HNTAS), and existing housing legislation, obligations and redress arrangements.

We know that authorised persons reflect a broad range of different ownership, contractual and commercial arrangements. This includes where consumers receive heat as part of a wider housing service, and where responsibilities, complaints routes and compensation practices may already exist but vary significantly. We want any future enduring framework to sit coherently alongside these arrangements and avoid creating duplication, inconsistency or unintended gaps in consumer protection.

We have also asked for views on standards that relate to the quality of heat supplied by an authorised person. Stakeholders have correctly highlighted that these requirements depend on the technical performance of networks. Areas such as interruptions, restoration of supply and repeated failures may be affected by the age, condition and configuration of network infrastructure. Introducing prescriptive performance standards in a sector where technical requirements have so far been based on voluntary commitments, and where the HNTAS will be introduced in the future, could create requirements that some networks cannot reasonably meet.

There are also unresolved questions about compensation, including payment levels, caps, and how costs would be funded on not-for-profit or cost-recovery networks. Poorly calibrated payments could reduce resources available for service improvement or lead to costs being passed back to consumers.

Before introducing prescriptive standards, we need a stronger evidence base on service quality, consumer experience, failure rates, redress practices and the causes of poor service. We do not yet have sufficiently comparable sector-wide data to fully assess the impacts. We also do not think existing voluntary schemes provide sufficiently representative data to support the assumption that those standards could be applied to the whole heat network sector. Taken together, these factors support a staged approach: improving transparency and accountability now, while building the evidence needed for more prescriptive requirements over time.

A practical and proportionate way forward

This approach is not intended to replace GSOPs or discount any of our previous work relating to them. Instead, it is intended to support our assessment of their potential impact for heat networks.

We see this pathway as made up of three practical stages:

1. Establish clearer expectations now through authorisation conditions which require operators and suppliers to have standards for specific service activities. This would improve transparency for consumers, create a consistent structure for service commitments, and help prevent unfair changes where stronger protections exist.
2. Build comparable evidence and benchmarks by collecting information on the standards adopted by authorised persons, performance against those standards, the causes of service failure, complaints and escalation routes, and the remedies or redress provided.
3. Develop more prescriptive requirements over time where the evidence shows that statutory GSOPs, fixed thresholds or automatic compensation would be effective, proportionate and capable of working alongside wider heat network regulation, housing obligations and technical standards.

This staged approach reflects the trade-offs that need to be considered to ensure proposals are appropriately balanced to achieve better outcomes for consumers and consider the impacts on a diverse sector. Introducing prescriptive GSOPs immediately may appear to offer stronger protection, but without an appropriate evidence base it could create ineffective or uneven outcomes, increase costs for consumers, or affect the sector's financial resilience. Taking no action until a full statutory framework is ready would also be unsatisfactory, because it would leave consumers without clearer expectations in key service areas and would delay the development of the evidence needed for future protections.

We therefore consider that the proposed authorisation conditions are the proportionate first step. They will support better consumer outcomes now, provide a structured route for learning from the sector, and keep open the path to a more prescriptive framework as the market matures and the necessary evidence, dependencies and impact assessment are developed.

Objectives

We have assessed our approach against four objectives that reflect the characteristics of heat networks and the intended consumer outcomes:

- build consumer confidence, trust and engagement;
- establish clear and consistent minimum levels of supplier performance that protect consumers from unacceptably poor service;
- reduce the frequency and severity of poor service experienced by consumers; and
- provide clear routes to redress when consumers experience poor service.

Aligning with Ofgem's broader strategic direction

In assessing how we can achieve our objectives, we have also been considering how to better align with recommendations from the Ofgem review. This includes the need for Ofgem to be a more agile, consumer-focused regulator with clearer accountability for the outcomes it seeks to deliver.

The proposals also sit alongside Ofgem's work on consumer outcomes in gas and electricity retail. That work is considering how regulatory expectations can focus more clearly on the outcomes consumers experience, while retaining targeted prescriptive protections where they are necessary.

The proposals in this consultation are intended to apply the same principle in heat networks: setting clear expectations around service quality, communication and redress, while preserving flexibility to develop more specific requirements over time as the evidence base improves.

Consultation Heat networks regulation: future standards of performance

Consultation stages

Stage 1 Consultation open: 10 November 2026

Stage 2 Consultation closes (awaiting decision). Deadline for responses: 22 February 2027

Stage 3 Responses reviewed and published: 2027

Stage 4 Consultation outcome (decision or policy statement): 2027

How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information, for example under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 3.

If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

1. Find the web page for the consultation you would like to receive updates on.
2. Click ‘Get emails about this page’, enter your email address and click ‘Submit’.
3. You will receive an email to notify you when it has changed status.

A consultation has three stages: ‘Open’, ‘Closed (awaiting decision)’, and ‘Closed (with decision)’.

1. Prescribing standards for the heat networks sector

Alongside our proposed service standards authorisation conditions, we are seeking views on how standards of performance for heat networks should evolve over time. This section outlines the potential development of a more prescriptive, enduring framework and the evidence needed to inform it.

1.1 Our objective is to develop standards of performance for heat networks over time, reflecting the maturity, diversity and performance of the sector. The proposed service standards authorisation conditions would establish an initial framework for improving transparency, accountability and quality of service, while helping to build the evidence needed to identify where more prescriptive requirements may be appropriate.

1.2 We previously consulted on the development of a statutory GSOP framework for heat networks, with proposals informed by the limited existing sector data, stakeholder engagement and Ofgem's experience of administering GSOP frameworks in the gas and electricity retail markets.

1.3 Stakeholders broadly supported the principle of clearer standards and redress for consumers. However, feedback indicated further work was needed to reflect the characteristics of heat networks, and specifically cautioned against replicating gas and electricity requirements.

1.4 Comparable standards in gas and electricity provide a useful starting point, demonstrating how clear requirements, measurable thresholds and redress can give consumers greater certainty. However, we want to understand where existing approaches provide an appropriate model and where heat network standards should be designed differently.

1.5 We consider that any future prescribed standards should reflect a sector-wide assessment of current service levels, with scope to strengthen them as service quality improves. In considering how prescriptive standards could be implemented, we want to draw particular attention to the following issues.

The role of technical performance

1.6 Some previously proposed GSOPs, particularly those relating to interruptions and restoration of supply, depend partly on the technical performance of the network, improving which is a key objective of the government's Heat Network Technical Assurance Scheme (HNTAS). This is evidenced by previous government impact assessments which assumed that the cost of meeting GSOPs would decrease as compliance with HNTAS increased.

1.7 We acknowledge stakeholders' calls for consistency and are keen to hear views on how best we can ensure that both policies are aligned and deliver the intended consumer outcomes, while recognising challenges in the sector.

Interactions with the housing sector

1.8 Research from Citizens Advice suggests that a significant proportion of heat network consumers receive heating and hot water as part of a wider housing service. Depending on the tenure and delivery model, responsibilities may sit with landlords, heat operators, suppliers, managing agents or contractors.

1.9 We want future standards to interact coherently with housing legislation, established processes and contractual arrangements, avoiding duplication or conflicting requirements. Relevant interactions include responsibility for repairs, access to properties, communication with residents, complaint handling, service charges, compensation and other remedies.

1.10 The framework would also need to account for changes in housing law and policy affecting heating and hot water services. For example, the phased implementation of Awaab's Law in the social rented sector will extend time-bound duties to address significant hazards, including excess cold and excess heat. We will consider how future heat network standards interact with these requirements.

1.11 We welcome evidence on how responsibilities should be considered across different housing models, how consumers should navigate complaints and redress, and where heat network requirements may overlap with housing processes or remedies.

Balancing outcomes

1.12 Taking all of this into account, the extent to which existing GSOP requirements need to be adapted is likely to vary between standards. Some consumer-facing requirements, such as those for making and keeping appointments, may translate relatively readily to heat networks because the underlying consumer outcome is similar: consumers should know when an appointment will take place and what happens if it is changed or missed.

1.13 However, the operation of a standard may still need to reflect the characteristics of heat networks. As heat is commonly supplied through shared infrastructure, a single fault or interruption may affect multiple consumers and generate several related interactions or appointments. A framework designed around an individual gas or electricity consumer may therefore need to be adapted where the underlying failure affects a building or network.

1.14 Other standards may require more fundamental adaptation. Requirements relating to interruptions, restoration of supply or repeated failures are closely linked to the age, condition and configuration of the network and its interaction with technical requirements. Thresholds, responsibility, exemptions and redress may therefore need to be designed specifically for heat networks.

1.15 Our objective is to achieve appropriate and consistent consumer outcomes, rather than identical requirements across sectors. We therefore want to distinguish between:

- aspects of existing standards that could be carried across to heat networks;
- aspects that would need to be adapted to reflect the characteristics of heat networks; and
- areas where a heat-network-specific approach may deliver better consumer outcomes.

1.16 The following sections use existing frameworks, including gas and electricity, as comparators and seek evidence on whether and how their underlying consumer outcomes should be applied to heat networks.

Scope

Authorised persons

1.17 Any future standards would apply to the authorised person responsible for the relevant regulated activity. Heat network suppliers would ordinarily be responsible for consumer-facing requirements. However, the standards discussed in this consultation may also relate to matters within the control of heat network operators. Consumers should not be required to determine which party caused a failure before receiving support or redress.

1.18 We will seek to allocate responsibilities clearly between authorised persons. We welcome views on where responsibility should sit for each type of standard, including where delivery depends on more than one authorised person or on a third party acting on their behalf, and what cooperation, information-sharing or contractual arrangements may be needed to ensure that consumers receive timely support and redress.

1.19 Bulk supply arrangements may create further complexity. In these arrangements, a bulk supplier may have no direct contractual or consumer-facing relationship with the end-consumer, although its acts or omissions may affect the service received.

1.20 We welcome evidence on the range of bulk supply models in the sector, how responsibilities are currently allocated, and how a future standards of performance framework should account for these arrangements.

Non-domestic consumers

1.21 Previous consultations considered whether certain GSOP protections should extend beyond domestic consumers. Respondents generally supported a baseline level of protection, while noting that non-domestic consumers vary considerably in their needs, contractual arrangements and negotiating capacity. The proposed service standards authorisation conditions would apply to domestic and microbusiness consumers. We are seeking evidence on whether the same scope would be appropriate for future statutory standards.

Q1. Do you have views on the proposed approach to the scope of future standards of performance?

2. Informing the design of future standards

This section seeks evidence on the appropriate scope, thresholds and timescales for each service area, the barriers authorised persons may face, and whether the proposed tranches provide a suitable basis for sequencing future requirements. Further policy detail on each area of service can be found in Appendix 2.

2.1 Building on the approach set out above, we are considering how future standards could be prioritised and introduced over time. Stakeholders have suggested that a future framework could use targeted requirements, phased implementation, or standards that strengthen as sector performance and capability improve.

2.2 We are also considering whether future prescriptive standards could be developed in two tranches, reflecting their function and relationship with network performance:

Tranche 1: customer service standards, such as appointments and complaints handling; and

Tranche 2: heat standards, such as interruptions, restoration of supply and responses to meter faults.

2.3 This distinction recognises that different standards raise different implementation issues. Customer service standards may be more readily adapted from established practice in other sectors. Heat standards are more closely affected by network condition, operational capability and wider technical requirements, and may therefore require greater adaptation or longer implementation periods.

2.4 A tranche-based approach could allow requirements to be introduced where the evidence is strongest while further work continues on more complex areas. We welcome views on whether this tranche-based approach provides an appropriate basis for prioritising and sequencing future standards, and whether any standards should be placed in a different tranche. Alongside responses to this consultation, evidence gathered through the proposed service standards authorisation conditions could inform the prioritisation and design of future requirements.

2.5 The following sections summarise the main policy considerations for each service area. A more detailed assessment is set out in Appendix 2.

Administering future requirements

2.6 We are seeking evidence on the administrative arrangements needed to support a future standards framework.

2.7 In particular, we welcome evidence on current industry practice, the costs and benefits of different approaches, and existing processes that could be used to minimise additional burdens.

Consumer awareness

2.8 Consumers should not have to identify or pursue their rights without clear information. The authorised persons responsible should make consumers aware of the standards that apply and explain how they can seek redress when those standards are not met.

2.9 Information about future standards could be provided alongside complaints-handling policies and details of relevant advice and advocacy organisations.

2.10 We welcome views on whether the responsible authorised person should be required to publish and maintain an up-to-date statement explaining each applicable standard and the redress available where it is not met.

Tranche 1: customer service standards

2.11 This tranche covers customer service standards that are not directly dependent on the technical performance of the heat network.

Standards on appointments

2.12 Appointments enable heat network suppliers to engage with consumers, investigate issues and carry out necessary work. Responses to our 2023 consultation broadly supported appropriate standards in this area.

2.13 Comparable standards in other regulated energy markets provide a useful starting point. However, requirements may need to reflect features of heat networks, including communal infrastructure and the use of third-party repair and maintenance providers.

2.14 We welcome evidence on appropriate timescales and appointment windows, accommodating consumer preferences, rearranging appointments, and any practical or contractual barriers to implementation. We also welcome views on whether transitional arrangements would be needed. Further detail on the potential standard is set out in Appendix 2.

Q2. What appointment standards do you currently operate, and what evidence can you provide on their operation and outcomes?
Q3. What practical, contractual or operational barriers could affect the implementation of appointment standards?
Q4. Do you agree with the proposed definition and scope of an appointment in Appendix 2? Please identify any activities that should be included or excluded.
Q5. What requirements should apply to appointment scheduling, appointment windows, duration and rearrangement?
Q6. Would transitional arrangements be needed to implement appointment standards, including to amend existing repair and maintenance contracts? If so, what period would be appropriate?

Standards on complaints

2.15 Our complaints authorisation condition requires authorised persons to have an appropriate complaint-handling procedure, including arrangements for providing information, recording complaints, referrals and signposting. We are considering whether additional standards could give consumers greater certainty about when complaints will be acknowledged and resolved.

2.16 Drawing on the Housing Ombudsman Complaint Handling Code, we are seeking views on whether complaints should ordinarily be acknowledged

within five working days and receive a full response within ten working days of acknowledgement.

2.17 Group complaints may require additional investigation and coordination. We welcome evidence on whether different timescales should apply to these or other complex complaints, and on any circumstances that could prevent an authorised person from meeting the proposed timescales. Further detail, including the interaction with existing requirements, is set out in Appendix 2.

Q7. What complaint-handling standards do you currently operate, and what evidence can you provide on their operation and outcomes?

Q8. What practical or operational barriers could prevent authorised persons from meeting prescriptive complaint-handling standards?

Q9. Do you agree that complaints should ordinarily be acknowledged within five working days and receive a full response within ten working days of acknowledgement? If not, what timescales would be appropriate?

Q10. Should different timescales apply to group or otherwise complex complaints? If so, how should these complaints be defined and what timescales should apply?

Tranche 2: heat standards

2.18 This tranche covers standards relating to consumer outcomes that are connected to the reliability and technical performance of the heat network.

2.19 These outcomes may be affected by network condition, operational capability and factors outside an authorised person's direct control. Some requirements may also interact with HNTAS. We therefore welcome views on how and when these standards could be introduced.

Standards on interruptions to the supply of heating and hot water

2.20 We are keen to understand how authorised persons currently identify and record interruptions. This would help clarify consumer experience and inform the development of future service standards. We recommend reading these questions alongside our section on understanding heat interruptions and outages, from page 18, in our separate consultation.

2.21 Interruptions to heating and hot water can cause significant consumer detriment, but their nature and impact may vary according to network design, operational arrangements and consumer needs. They may involve complete loss of supply, reduced temperatures, intermittent service, repeated short interruptions or sustained poor performance.

2.22 Interruption standards in other regulated sectors and voluntary heat network arrangements provide a useful starting point. However, they may not reflect the characteristics of heat networks or the different ways in which consumers experience interruptions.

2.23 We welcome evidence on how interruption standards should be designed, including requirements relating to advance notice, restoration of supply, repeated or intermittent interruptions, sustained reductions in temperature or performance, and support for consumers in vulnerable situations. We also welcome views on where common requirements could apply and where differences between networks may justify adaptation.

Q11. What interruption standards do you currently operate, and what evidence can you provide on their operation and outcomes?

Q12. How should an interruption to heating or hot water be defined, including complete loss of supply, reduced temperatures, intermittent supply and sustained poor performance?

Q13. What thresholds should determine when requirements relating to restoration, support or redress apply?

Q14. Which network or operational characteristics, if any, would justify different requirements, implementation periods or exemptions?
Q15. What practical, technical or contractual barriers could affect the implementation of interruption standards?
Q16. What data can authorised persons reasonably provide on the frequency, duration, cause and consumer impact of interruptions, and how should this information be recorded consistently?

Standards on alternative heating for consumers in vulnerable situations

2.24 Interruptions may have a greater impact on consumers in vulnerable situations. Authorised persons are already required to identify consumers who may need additional support, including through their Priority Services Register. We are considering whether a specific standard should require alternative heating to be provided during prolonged interruptions.

2.25 We previously proposed that authorised persons should take reasonable steps to provide alternative heating to affected consumers in vulnerable situations where an interruption lasts more than 12 hours, with compensation payable where the standard is not met. Although respondents broadly supported the proposal, some questioned whether the threshold would be achievable, particularly for smaller networks. We therefore welcome evidence on whether 12 hours would be an appropriate and achievable threshold.

2.26 Alternative arrangements should be appropriate to the consumer's circumstances and should not cause additional detriment. We welcome evidence on practical barriers to providing alternative heating and how a future standard should interact with existing arrangements for managing interruptions and supporting consumers in vulnerable situations. Further detail is set out in Appendix 2.

Q17. What arrangements do you currently use to provide alternative heating to consumers in vulnerable situations during prolonged interruptions, and what evidence can you provide on their effectiveness?
Q18. Is 12 hours an appropriate and achievable threshold for taking reasonable steps to provide alternative heating? If not, what threshold or approach would be more appropriate?
Q19. What practical, legislative, technical or contractual barriers could affect the provision of alternative heating, and how could these be addressed?

Standards on heat meters (including prepayment meters)

2.27 Faults affecting heat meters and prepayment meters can lead to inaccurate bills, difficulties managing accounts and, in some cases, loss of access to

heating or hot water. We are considering whether future standards should govern the response when a consumer reports a fault or a operator or supplier otherwise becomes aware of one.

2.28 A standard could cover the assessment of reported faults, communication with affected consumers and timely action to resolve confirmed problems. Prepayment meter faults may require particular treatment where they prevent a consumer from adding or accessing credit, or otherwise restrict access to heat.

2.29 We also welcome views on whether standards should cover other consumer-facing equipment, including heat interface units (HIUs), where a fault affects heating, hot water, billing or payment and the operator or supplier is responsible for, or able to coordinate, its resolution.

2.30 Any consumer-facing standard would need to complement the HNTAS rather than duplicate its technical and assurance requirements. It could therefore focus on the response to a fault, including assessment, communication, resolution and any interim support or remedy.

2.31 We need further evidence on the scale and impact of meter-related problems, how faults are reported and resolved, and where responsibility sits. We also welcome views on proportionate resolution timescales, the treatment of urgent or complex cases, and appropriate interim support or redress.

Q20. What standards or processes do you currently operate for faults affecting meters or other consumer-facing equipment, and what evidence can you provide on their operation and outcomes?
Q21. What equipment and circumstances should fall within the scope of a future consumer-facing fault standard?
Q22. What timescales should apply to assessing and resolving faults, including urgent or complex cases?
Q23. How should responsibility be allocated where different parties own, maintain or operate the relevant equipment?
Q24. What practical, technical or contractual barriers could affect implementation, and what interim support or redress should apply where a fault cannot be resolved promptly?

Compensation

2.32 Our previous GSOP consultation proposed compensation levels aligned with voluntary heat network arrangements. Stakeholders expressed mixed views on whether those levels would be appropriate across the whole sector.

2.33 Compensation can provide redress for consumer detriment, incentivise operators and suppliers to prevent or resolve failures, and, where paid automatically, reduce the burden on consumers. However, the benefits, costs and potential unintended consequences of mandatory compensation require further assessment.

2.34 We want to explore further whether compensation should apply to every breach, and, where it applies, what form or level it should take. Current practice varies and may include fixed payments, discretionary or non-financial redress, compensation linked to evidenced loss, or no formal compensation.

2.35 Before introducing mandatory compensation, we would assess the consumer benefits, costs to authorised persons and other affected parties, and potential effects on bills, service improvement, investment and network financial sustainability. We welcome evidence to inform that assessment.

2.36 Compensation arrangements in gas and electricity and voluntary heat network schemes provide useful reference points, including the use of automatic fixed payments. However, they may not be directly transferable to a framework intended to apply across the heat network sector.

Q25. What evidence can you provide on current compensation and redress practices, including payment values, frequency, administration costs and consumer outcomes?

Q26. What practical, financial or operational barriers could affect the introduction of mandatory compensation requirements?

Q27. Should compensation apply automatically to every breach, or should the form and level of redress vary according to the standard, consumer detriment or network circumstances?

Missed or late payments

2.37 Where a future standard requires compensation, payments should ordinarily be made automatically and within a specified period. This would avoid placing the burden on consumers to identify a failure and pursue payment.

2.38 We are considering whether failure to make, or pass on, compensation within the required period should constitute a separate failure and trigger an additional fixed payment.

2.39 If a future standard requires compensation, we welcome views on whether payment should be made within 10 working days of the failure being identified by the authorised person, or brought to their attention by a consumer. This reflects practice in other regulated sectors, but we seek evidence on whether authorised persons could identify failures and make payments within that period.

2.40 A longer period may be needed where compensation must be passed from an operator or third-party provider to the supplier before reaching the consumer. We welcome evidence on whether and when an extended timeframe would be justified.

Q28. Where a standard carries compensation, would 10 working days from identification of the failure be an appropriate period for payment? If not, what period should apply?

Q29. How should payment responsibilities and timescales operate where an operator or third-party provider is responsible for the relevant service?

Q30. Should failure to pay compensation within the required period constitute a separate failure and trigger an additional payment?

3. Operation of the future standards

This section seeks views on what information should be reported, how frequently reporting should take place, and what exemptions should apply to individual standards.

Monitoring

3.1 Any future standards framework would need proportionate monitoring arrangements so that Ofgem can understand how it is operating and the outcomes being delivered for consumers. We are not seeking detailed views on those arrangements at this stage.

3.2 Our approach will build on the monitoring and information-gathering proposals set out in our separate consultation on service standards. Evidence gathered through that framework, including on service performance, consumer outcomes and redress, will inform the design of proportionate monitoring arrangements for any future standards.

3.3 We are therefore seeking evidence on what information authorised persons could reasonably provide, such as service failures, consumers affected, compensation paid, payment timings, exemptions relied on, causes of repeated failures and steps taken to prevent recurrence.

3.4 We also welcome views on proportionate reporting frequency and format, including whether this should be periodic, linked to specific standards or targeted at areas of greatest consumer detriment.

Q31. What information should authorised persons be required to report to Ofgem to support monitoring of any future heat network GSOP framework?
Q32. How often should this information be reported, and should reporting frequency differ by network size, consumer base, or type of standard?

Exemptions from individual requirements

3.5 We understand that sometimes service failures occur arise from circumstances outside of the authorised person's control. Exemptions are a way to recognise these scenarios. If an authorised person qualifies for an exemption, no payment would be due for failure to meet a standard.

3.6 Exemptions are intended to reflect circumstances outside of the authorised person's control. They are not distinct from broader scope discussions, and are not intended to achieve any segmentation. There may be situations where it is not reasonably practicable for the authorised person to meet an individual standard of performance due to:

- severe weather conditions
- industrial action involving representatives of the authorised person
- circumstances of an exceptional nature beyond the control of the authorised person

3.7 Respondents may wish to refer to the full list of exemptions used in The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 as examples, when responding to this section.

3.8 We also welcome views where stakeholders believe there should be exemptions specific to one of the standards proposed in this chapter.

Q33. What views or evidence can you provide on exemptions from the standards and requirements discussed in this consultation?

Conclusions and next steps

This consultation begins the next stage of developing an enduring standards of performance framework for heat networks. We are not proposing to introduce statutory Guaranteed Standards of Performance through this consultation. Instead, we are seeking evidence on whether, when and how more prescriptive requirements could deliver effective and proportionate protections across the sector.

Following the consultation, we will assess responses alongside evidence from consumer research, stakeholder engagement and existing sector practice. In particular, we will consider which standards should be prioritised, where existing approaches remain suitable, where requirements need to be adapted for heat networks, and how future standards should interact with technical requirements, housing obligations and wider consumer protections.

We will also use evidence generated through the proposed service standards authorisation conditions, interruption monitoring and future information-gathering to improve our understanding of current performance and consumer outcomes. This will help us identify appropriate benchmarks, assess the costs and benefits of different approaches, and determine whether standards should be phased, targeted or grouped according to their relationship with customer service or technical network performance.

Responses will also inform our consideration of compensation, exemptions, monitoring and compliance arrangements, and the circumstances in which statutory requirements may be justified. Any decision to develop a more prescriptive or statutory framework would be subject to further policy development, impact assessment and consultation.

This work should therefore be read alongside our separate consultation on the service standards authorisation conditions. Together, the two consultations establish a pathway from clearer outcomes-based expectations towards more prescriptive standards where the evidence demonstrates that these would deliver better outcomes for heat network consumers whilst remaining proportionate.

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

Appendix 1. Full list of questions

Prescribing standards for the heat network sector

Q1. Do you have views on the proposed approach to the scope of future standards of performance?

Tranche 1: customer service standards

Q2. What appointment standards do you currently operate, and what evidence can you provide on their operation and outcomes?

Q3. What practical, contractual or operational barriers could affect the implementation of appointment standards?

Q4. Do you agree with the proposed definition and scope of an appointment in Appendix 2? Please identify any activities that should be included or excluded.

Q5. What requirements should apply to appointment scheduling, appointment windows, duration and rearrangement?

Q6. Would transitional arrangements be needed to implement appointment standards, including to amend existing repair and maintenance contracts? If so, what period would be appropriate?

Q7. What complaint-handling standards do you currently operate, and what evidence can you provide on their operation and outcomes?

Q8. What practical or operational barriers could prevent authorised persons from meeting prescriptive complaint-handling standards?

Q9. Do you agree that complaints should ordinarily be acknowledged within five working days and receive a full response within ten working days of acknowledgement? If not, what timescales would be appropriate?

Q10. Should different timescales apply to group or otherwise complex complaints? If so, how should these complaints be defined and what timescales should apply?

Tranche 2: heat standards

Q11. What interruption standards do you currently operate, and what evidence can you provide on their operation and outcomes?

Q12. How should an interruption to heating or hot water be defined, including complete loss of supply, reduced temperatures, intermittent supply and sustained poor performance?

Q13. What thresholds should determine when requirements relating to restoration, support or redress apply?

Q14. Which network or operational characteristics, if any, would justify different requirements, implementation periods or exemptions?

Q15. What practical, technical or contractual barriers could affect the implementation of interruption standards?

Q16. What data can authorised persons reasonably provide on the frequency, duration, cause and consumer impact of interruptions, and how should this information be recorded consistently?

Q17. What arrangements do you currently use to provide alternative heating to consumers in vulnerable situations during prolonged interruptions, and what evidence can you provide on their effectiveness?

Q18. Is 12 hours an appropriate and achievable threshold for taking reasonable steps to provide alternative heating? If not, what threshold or approach would be more appropriate?

Q19. What practical, legislative, technical or contractual barriers could affect the provision of alternative heating, and how could these be addressed?

Q20. What standards or processes do you currently operate for faults affecting meters or other consumer-facing equipment, and what evidence can you provide on their operation and outcomes?

Q21. What equipment and circumstances should fall within the scope of a future consumer-facing fault standard?

Q22. What timescales should apply to assessing and resolving faults, including urgent or complex cases?

Q23. How should responsibility be allocated where different parties own, maintain or operate the relevant equipment?

Q24. What practical, technical or contractual barriers could affect implementation, and what interim support or redress should apply where a fault cannot be resolved promptly?

Compensation

Q25. What evidence can you provide on current compensation and redress practices, including payment values, frequency, administration costs and consumer outcomes?

Q26. What practical, financial or operational barriers could affect the introduction of mandatory compensation requirements?

Q27. Should compensation apply automatically to every breach, or should the form and level of redress vary according to the standard, consumer detriment or network circumstances?

Q28. Where a standard carries compensation, would 10 working days from identification of the failure be an appropriate period for payment? If not, what period should apply?

Q29. How should payment responsibilities and timescales operate where an operator or third-party provider is responsible for the relevant service?

Q30. Should failure to pay compensation within the required period constitute a separate failure and trigger an additional payment?

Operation of the future standards

Q31. What information should authorised persons be required to report to Ofgem to support monitoring of any future heat network GSOP framework?

Q32. How often should this information be reported, and should reporting frequency differ by network size, consumer base, or type of standard?

Q33. What views or evidence can you provide on exemptions from the standards and requirements discussed in this consultation?

Appendix 2. Exploring future standards

A2.1 This appendix provides further detail on the service areas discussed in Chapter 2. It illustrates possible approaches and seeks evidence on whether existing standards provide an appropriate starting point for heat networks. The drafting does not represent settled proposals.

Standards on appointments

Context

A2.2 Appointments are an important part of the relationship between consumers and heat network suppliers, allowing issues to be investigated and necessary work to be carried out. Responses to our 2023 consultation broadly supported standards in this area, and some suppliers already provide compensation for missed repair appointments, either directly or through maintenance contracts.

A2.3 Gas and electricity GSOPs apply to certain visits requested by a consumer or supplier. We are considering a similar definition for heat networks, under which an appointment would fall within scope where:

a. a customer requests that their supplier (or a third party acting on the supplier's behalf) visits the customer's premises, or a supplier requests permission to visit their customer's premises,
b. the visit is to carry out regulated activities required or authorised under the authorisation conditions; and
c. the visit either requires access to the customer's premises to be afforded to the supplier's representative, or is a visit for which it would otherwise be reasonable to expect the customer to be present.

A2.4 Working patterns, appointment scheduling and consumer expectations may have changed since the gas and electricity standards were introduced in 2015. Heat networks may also require a different approach because infrastructure is often communal and work may take place outside an individual dwelling.

A2.5 Suppliers should take reasonable account of consumers' appointment preferences and provide reasonable notice where an appointment must be rearranged, so that consumers are not required to remain available unnecessarily.

A2.6 We welcome evidence on current appointment windows, the extent to which consumer preferences can be accommodated, and any barriers to doing so.

A2.7 Appointment services may depend on long-term repair and maintenance contracts that cannot be changed quickly. We welcome evidence on existing contract periods and whether transitional arrangements would be needed.

Standards

A2.8 The following possible requirements draw on gas and electricity standards. We welcome evidence on whether they would be appropriate for heat networks and where adaptation would be needed.

Appointment scheduling

A2.9 One option would be to require an authorised person, following a reasonable request for a relevant visit, to offer an appointment that is then held within 30 working days. The appointment window would be no longer than four hours and would normally fall within working hours.

Consumer-specified date and time

A2.10 Where the consumer specifies a preferred date and/or time, or time window, the authorised person would be required to take reasonable steps to facilitate that request.

Minimum appointment window and working hours

A2.11 An authorised person would not be required to offer a window shorter than two hours or an appointment outside working hours.

Rearranging an appointment

A2.12 An appointment should not be rearranged less than one working day beforehand unless the consumer requests or expressly agrees to the change.

A2.13 The authorised person should retain a record of the reason for the rearrangement and the consumer's agreement where relevant.

Attending personnel

A2.14 Anyone attending an appointment on behalf of the authorised person should have the skills, experience and resources reasonably needed to carry out the visit. Guidance could explain how authorised persons should prepare for appointments involving consumers in vulnerable situations.

Standards on complaints

Context

A2.15 Complaint handling processes are a cornerstone of consumer services. The complaints authorisation condition already requires authorised persons to maintain and follow an appropriate complaint-handling procedure, including requirements concerning information, records, referrals and signposting. We are considering whether additional standards on response times could give consumers greater certainty and promote more consistent service.

A2.16 Under our existing guidance, a consumer does not need to use the word "complaint". A complaint arises where a consumer expresses dissatisfaction about an authorised person's regulated activities, or those carried out on its behalf, and a response is expressly or implicitly expected.

A2.17 Unlike consumers in competitive markets, heat network consumers cannot generally switch supplier in response to poor complaint handling, which may strengthen the case for clear minimum response times.

A2.18 The Housing Ombudsman Complaint Handling Code provides a relevant comparator because many heat network consumers receive heat as part of a wider housing service. Its response times may therefore provide a useful starting point for heat network standards.

Group complaints

A2.19 Group complaints can help consumers and authorised persons address a shared issue efficiently, but may require additional investigation and coordination. We welcome evidence on whether different response times should apply and how a group complaint should be defined.

Standards

A2.20 Drawing on the Housing Ombudsman Complaint Handling Code, we are considering whether authorised persons should acknowledge a complaint within five working days and provide a full response within ten working days of acknowledgement.

A2.21 For this purpose, a full response would address the issues raised, explain the authorised person's decision and any proposed remedy, and tell the consumer how to escalate the complaint if they remain dissatisfied.

Standards on interruptions

Context

A2.22 We are seeking evidence on how interruptions are currently experienced, recorded and managed, and whether future requirements should vary according to network design, operational arrangements or consumer needs.

A2.23 Statutory electricity standards and voluntary heat network arrangements address matters including planned and unplanned interruptions, restoration of supply, repeated interruptions, alternative heating and redress. These provide useful reference points, but may not capture the characteristics of heat networks or the different ways consumers experience inadequate service.

A2.24 Heat network consumers may experience complete loss of heating or hot water, reduced temperatures, intermittent supply, repeated short interruptions or sustained poor performance. A definition based only on complete loss may therefore omit material detriment, while a broader definition would need clear and measurable parameters so that authorised persons can identify when an interruption begins and ends and record performance consistently.

A2.25 The appropriate regulatory response may also depend on the type and impact of the interruption. Future requirements could potentially address:

- notice of planned interruptions;
- restoration following planned or unplanned interruptions;
- repeated or intermittent interruptions;
- prolonged periods of reduced temperature or poor performance;
- communication and updates during an interruption;
- support for consumers in vulnerable situations; and
- redress where defined standards are not met.

A2.26 We welcome evidence on which elements of existing standards provide an appropriate starting point and where heat-network-specific requirements would be needed. This includes whether thresholds, implementation periods, exemptions or redress should reflect relevant network characteristics.

A2.27 We also need evidence on the frequency, duration, severity and causes of interruptions; the consumers affected; and current approaches to restoration, communication and redress. This would inform definitions, metrics, thresholds and decisions on whether requirements should be phased or linked to relevant technical requirements.

A2.28 The related service standards consultation seeks views on the immediate recording and communication of interruptions.

Standards on alternative heating

Context

A2.29 The Priority Services Register condition requires authorised persons to identify domestic consumers in vulnerable situations who may require additional support, including during an interruption.

A2.30 We previously proposed that authorised persons should take reasonable steps to provide alternative heating within 12 hours of notification of an interruption, with compensation where this was not provided. Respondents broadly supported the principle, although some questioned whether the threshold would be achievable, particularly for smaller networks. We therefore welcome further evidence on an appropriate and achievable timeframe.

A2.31 In line with the Standards of Conduct authorisation condition, when providing alternative heating, authorised persons should take into consideration the technical impact of any alternative heating system on vulnerable occupants, including the risk of detriment to consumers who are struggling to afford bills.

Standards

A2.32 One option would be to require authorised persons to take all reasonable steps to provide alternative heating to affected consumers in vulnerable situations where a planned or unplanned interruption lasts more than 12 hours. Guidance could provide examples of reasonable steps and suitable alternative arrangements.

A2.33 We also welcome views on whether failure to meet any future alternative-heating standard should attract automatic compensation and how this should interact with any payment for delayed restoration of supply.

Standards on meters

Context

A2.34 We are seeking evidence on whether future standards should cover faults affecting heat meters, prepayment meters and associated consumer-facing equipment such as heat interface units. Such faults may affect billing, account management, payment functionality or access to heating and hot water.

A2.35 Ofgem's January 2026 gas and electricity smart-meter GSOP decision introduced requirements concerning reported operational issues, including resolution plans and compensation. It provides a potential comparator for the consumer-facing response to heat-meter faults, although differences in

technology, ownership and maintenance responsibilities may require a different approach.

A2.36 The HNTAS will provide technical requirements and assurance for heat network performance, including for metering and monitoring. We therefore welcome views on how future Ofgem standards could complement HNTAS by focusing on the operator or supplier's response when a consumer reports a fault, including assessment, communication, resolution and any appropriate remedy.

Standards

Heat meter issues

A2.37 For heat meters, we are seeking evidence on whether a standard could apply where a consumer raises concerns about heat meter readings or reports that the heat meter is not operating as intended, or where the operator or supplier otherwise becomes aware of an issue.

A2.38 We welcome views on whether the operator or supplier should be required to assess the issue within a specified timeframe, keep affected consumers informed and take appropriate action where a fault or resulting consumer detriment is confirmed.

Prepayment meter issues

A2.39 Prepayment meter issues may require separate consideration because faults can have immediate impacts on payment functionality, debt recovery settings, and access to heat. In the gas and electricity framework, faulty prepayment meters are addressed by reference to whether the meter is operating in a way that permits supply in the manner for which it was designed. We welcome views on whether a similar outcomes-based approach could be appropriate for heat networks.

A2.40 We welcome evidence on the types of prepayment meter issues consumers experience.

Associated consumer-facing equipment, including HIUs

A2.41 Heat meters are often installed within or alongside heat interface units, so consumers may not know whether an issue relates to the meter, HIU, controls or associated equipment. We welcome views on whether a GSOP should apply where such equipment affects access to heat or hot water, billing accuracy, payment functionality or account management, and how this should work where ownership or maintenance responsibilities vary.

Appendix 3. Privacy policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally), not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

We will publish non-confidential responses on our website and we may include personal data.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held until 6 months after the project is considered sufficiently informed.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data

- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
    - to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/ or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information For more information on how Ofgem processes your data, view our Ofgem privacy policy.