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## Draft guidance: Heat network consumer protections

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This is draft guidance for the rules and requirements set out in our [heat network authorisation conditions](#), relating to the Standards of Conduct, quality of service, billing and transparency, back-billing, heat supply contracts, protections for vulnerable consumers, and the security of supply.

It is relevant mostly for heat network suppliers and operators of domestic consumers but also includes some guidance relating to non-domestic supplier and operator requirements.

This draft guidance is subject to consultation and stakeholder feedback and will be updated and published accordingly. Heat network suppliers and operators are responsible for keeping up to date with the latest version of their requirements.

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## **1. Standards of Conduct**

### **Proposed guidance**

#### **Scope**

- 1.1. This guidance is relevant for authorised persons requirements under the draft authorisation conditions [02] Supplier Standards of Conduct and [03] Operator Standards of Conduct. Authorised persons are advised to refer to the specific condition that most accurately represents the activity they are responsible for.

#### **Identifying the authorised person**

- 1.2. In accordance with the [Heat Networks Market Frameworks Regulations](#):
- an authorised person is considered an operator if they control the transfer on that network of thermal energy for the purposes of supplying heating, cooling or hot water
  - an authorised person is considered a supplier if they supply heating, cooling or hot water to heat network consumers by means of a relevant heat network
- 1.3. In cases where the authorised person is both the supplier and the operator, they are required to meet the expectations of the Supplier Standards of Conduct, which are higher than for authorised persons who are operators only. We expect that, in most cases, dealings with consumers will be the responsibility of the supplier.
- 1.4. The Standards of Conduct set out the requirement for suppliers and operators to cooperate effectively and ensure that they are both able to comply, in the case where they are not the same entity.
- 1.5. Operators are required to share information with the supplier, if the sharing of information is necessary for the supplier to comply with the Supplier Standards of Conduct. Similarly, suppliers have the obligation to share information with any relevant operators, if the sharing of information is necessary for the operator to comply with the Operator Standards of Conduct. All authorised persons should take responsibility for identifying any information required for their compliance with our expectations, including where that information is being held by another authorised person.

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- 1.6. Both suppliers and operators are responsible for ensuring that any contracted service providers that engage with consumers on their behalf also comply with the Standards of Conduct.

**Understanding the broad principles**

- 1.7. The Standards of Conduct have an overarching objective and then five principles to be followed. Suppliers and operators (and their representatives) must achieve the principles in a manner consistent with the overarching objective. The table below sets these principles out, provides examples of what they mean in practice, and the desired consumer outcomes.

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**Table 01: Standards of Conduct: broad principles and consumer outcomes**

<b>Principle</b>	<b>Behaviour towards consumers</b>	<b>Providing consumers with information</b>	<b>Customer Service processes</b>	<b>Considering vulnerable consumers</b>	<b>Consumer engagement</b>
<b>Relevant to</b>	Suppliers, operators	Suppliers, operators	Suppliers	Suppliers	Suppliers
<b>Applies to (consumers)</b>	Domestic and non-domestic	Domestic and non-domestic	Domestic and non-domestic	Occupants of domestic premises	Domestic and non-domestic
<b>What this means in practice</b>	Must behave and carry out any actions in a fair, honest, transparent, appropriate and professional manner.	Must provide information (whether in writing or orally) which, amongst other things is complete, accurate, and not misleading. Information should be provided in plain and intelligible language.	Must make it easy for consumers to contact them, act promptly to put things right when they make a mistake and ensure customer service arrangements are fit for purpose.	Must identify and understand the characteristics, circumstances and needs of vulnerable consumers to ensure that occupants of domestic premises in vulnerable situations being treated fairly.	Must actively engage with consumers to understand their needs and expectations, using feedback to improve services and influence decisions.
<b>Consumer outcome</b>	Consumers have a positive experience when dealing with their supplier and/or operator and are not put off future engagement.	Consumers receive the right information – at the right time and in a suitable format – in order to make informed decisions.	Customer service processes are accessible, transparent and responsive. Consumers' expectations are met by the supplier and their issues are resolved appropriately.	Vulnerability is identified and taken into account so all consumers can make informed decisions, access information and customer service processes, and participate in engagement opportunities.	Consumers have an awareness and an active voice in relevant issues regarding the operation of their heat supply.

## **Achieving the Standards of Conduct**

- 1.8. Authorised persons should ensure that fairness is at the core of all decisions made with regard to their consumers.

### Behaviour towards consumers

**This principle establishes our expectation that the authorised person, whether this be the supplier or operator, behave in a way that is fair, honest, transparent, appropriate and professional in all interactions with the consumer.**

- 1.9. The authorised person is expected to be respectful and considerate in all interactions with consumers, and should not demonstrate hostility, be unprofessional or refuse to engage with consumers. The authorised person should treat the consumer in a manner that is fair.
- 1.10. All authorised persons are required to consider and achieve our 'Consumer Objective' that:
- each [type of] consumer, including each occupant of a domestic premises who is in a Vulnerable Situation, is treated Fairly.
- 1.11. This objective aims to ensure that fairness is at the core of all decisions made by the authorised person and is central to the behaviour authorised persons show towards consumers.
- 1.12. A supplier or operator (or their representative) would be considered as treating a person unfairly if their actions – or lack of action - give rise to a likelihood of detriment to that person. We will likely consider all relevant circumstances of such an action in our assessment of fairness.
- 1.13. Examples of poor behaviours include:
- a) consumers were not communicated with appropriately by their supplier, who had made billing errors that consequently gave rise to a likelihood of detriment (and actual detriment) to those consumers, including significant catch-up bills, which were not reasonable in all the relevant circumstances

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- b) consumers in new premises going through a lengthy change of tenancy process were simultaneously threatened with disconnection if they did not pay off the debt from the previous tenant. These circumstances were aggravated by requests for documents a new tenant could not be reasonably expected to hold, while at the same time the supplier did not delay pushing ahead with threats of disconnection if outstanding debt from the previous tenant was not paid

Providing consumers with information

**This principle requires that authorised persons provide consumers with relevant information that is complete, accurate, accessible and of indicative importance. None of the information provided to consumers should be misleading, and the consumer's rights should be clear.**

- 1.14. Authorised persons should provide adequate information that is not false, misleading or incomplete.
- 1.15. Other than adjusting their heat demand, choices consumers may be able to make about their heat connection include, but are not limited to:
- the method of communication used by the authorised person
  - their preferred method for paying heating bills/charges
  - requesting information about how their heating bills/charges are calculated, including maintenance and service charges
  - preferences for heat source used by the network
- 1.16. Examples of poor behaviours include:
- consumers were not provided with information clearly, or at all, about revised charges to their energy bill. No communication was issued to inform consumers that standing components of the bill would be revised, impacting their heating costs
  - an authorised person did not consider any reasonable preferences for receiving information put forward by the consumer, or demonstrate flexibility in their approach to ensuring the consumer was kept informed of scheduled heat meter inspections

**This principle sets our expectations for an authorised person's customer service arrangements, including that they are complete, transparent and well designed with regard to individual consumer needs.**

- 1.17. Customer service processes should be easy for consumers to find and follow information about.
- 1.18. Information on customer service processes and the customer journey should be accessible, and consumers should have a single point of contact. We expect, in most cases, this point of contact will be their heat supplier. However, authorised persons should work collaboratively to ensure that the customer service processes are as accessible and straightforward as possible.
- 1.19. Customer service arrangements should be transparent and complete to enable consumers to experience a positive end-to-end consumer journey.
- 1.20. Customer service processes are required to be fit for purpose, enabling consumers to effectively raise and resolve issues.
- 1.21. If the authorised person makes a mistake in any dealings that impact upon a consumer, this should be put right promptly and in a way that is considerate and courteous to the consumer.
- 1.22. Examples of poor behaviour include:
  - a non-domestic consumer had moved into a business premises where the previous tenant had accumulated debt. Despite being presented with evidence of a change of tenancy, the supplier continued with the disconnection and did not act in a reasonable timeframe to put things right and reconnect the new tenant
  - a consumer was advised they were only able to contact a supplier by web chat or web form, that was not saved or sent to the consumer afterwards. This did not give the consumer visibility of what they had raised and when, which made it more difficult to refer to previous contact attempts to resolve the issue

**This principle reinforces Ofgem’s approach to protecting people in vulnerable situations and requires suppliers to both identify each occupant who is in a vulnerable situation and provide them with any relevant additional support.**

1.23. All occupants of domestic premises are afforded vulnerability protections under the Standards of Conduct. Ofgem defines vulnerable situations as:

Where the personal circumstances and characteristics of each Domestic Consumer create a situation where they are:

significantly less able than a typical Domestic Consumer to protect or represent their interests;

and/or

significantly more likely than a typical Domestic Consumer to suffer detriment or that detriment is likely to be more substantial

1.24. Our Vulnerability definition provides a framework for authorised persons to consider how to:

- identify vulnerability
- respond to vulnerability
- embed consideration of vulnerability into the design and delivery of products and services

1.25. Ofgem’s definition of vulnerability is intentionally broad, to ensure the heat networks sector focuses on all aspects of vulnerability.

1.26. Vulnerability is about the situations which occupants are in, rather than about the individual. Risk factors can stem from individual circumstances and the market, and how they interact. The range of risk factors means that vulnerability can often be complex, and vulnerability can be transitory as circumstances change.

1.27. Detrimental situations in the energy market can impact on an individual’s ability to pay, quality of life, and/or their physical or mental well-being. Detriment may be ongoing or long-term, or it may only occur in a particular instance.

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- 1.28. In practice there may be a range of characteristics that put an occupant at greater risk of detriment, and/or impact in different ways their ability to represent their interests.
- 1.29. The extent to which an individual is aware of their vulnerability may also impact the depth and likelihood of any detriment, and their ability to limit that impact. There are also a range of circumstances or situations that can make people with vulnerable characteristics more likely to suffer detriment.
- 1.30. The table below includes examples of detrimental situations in the energy market, risk factors, and circumstances or situations that can make occupants with vulnerable characteristics more likely to suffer detriment. These examples are not exhaustive or exclusive, nor do they indicate that a consumer in such circumstances will always experience detriment.

**Table 02: Examples of detrimental risk factors to occupants in vulnerable situations**

<b>Detrimental situations in the energy market</b>	Characteristics that put someone at greater risk of detriment, or impact their ability to represent their interests	Risk factors that can make someone with vulnerable characteristics more likely to suffer detriment
Struggling to afford bills	Living with physical health issues or mental illness	Living alone
Living in a cold and inefficient home	Cognitive impairment	Not having internet access
Struggling to understand and act upon information or choices	Literacy or numeracy difficulties	Being on a low income
Lacking the confidence or ability to pursue a query or complaint	Having a speech impairment	Being unemployed or being made redundant
	Not speaking English as a first language	Being a full-time carer
	Being a child	Being a lone parent
		Leaving care
		Experiencing a relationship breakdown or bereavement

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- 1.31. Heat network suppliers are obliged to identify occupants in vulnerable situations and to provide them with any relevant additional support, including offering to put them on the Priority Services Register.
- 1.32. Examples of poor behaviours include:
- a domestic occupant who has a child under the age of 2 was struggling to afford their energy bills and had accrued significant debt over a number of months. The household was disconnected from their heat supply in the winter season, putting the child at risk
  - an occupant was diagnosed with a medical condition and advised that if their home is not kept warm, their health would deteriorate further. Due to their limited mobility, they require a continuous supply of heat, resulting in an increase in energy usage. After struggling to keep up with their rising energy costs, the household was disconnected from their heat supply. This put the occupant at risk of harm, impacting both their physical and mental health
- 1.33. In addition to this guidance, stakeholders may also find it useful to reference [Ofgem's 2025 Consumer Vulnerability Strategy](#).

Consumer engagement

**This principle has been introduced to specifically encourage active two-way communication between suppliers and consumers to ensure that consumers are informed about key matters and that suppliers understand consumer needs.**

- 1.34. It is our intention that Ofgem's consumer engagement requirements should not result in authorised persons having to duplicate any existing processes. Authorised persons may integrate the additional requirements set out in this Consumer Engagement principle into pre-existing processes.
- 1.35. Heat network suppliers should proactively engage with consumers and seek input on changes to customer service arrangements and decisions that are likely to have a significant impact on consumers. Such decisions include choices that have long-term implications for the supply of heat to the consumer, for example that relate to the fuel source.

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- 1.36. Suggestions and input gathered through consumer engagement should be given proper consideration and authorised persons are expected to respond as appropriate.
- 1.37. Ofgem recognises that there will be expressions of dissatisfaction with proposed changes that may be important to the continued operation of the network. In such cases, we expect authorised persons to respond to feedback in a way that is considerate, clear and transparent.

Consumer engagement: meeting the standard

- 1.38. An authorised persons' chosen method of consumer engagement should consider their consumer's needs and the scale and complexity of their heat network. Existing practices employed in the heat network sector include:
- regular meetings with consumers, including local energy forums and annual sessions on service charges
  - two-way digital correspondence, such as website, email, and social media communication avenues
  - other feedback mechanisms such as customer surveys, phone advisor services, letter correspondence, and both on-site and off-site internal teams
- 1.39. Authorised persons should have an awareness of their consumer's satisfaction with the relevant services. It may be useful to capture satisfaction levels for key areas of service, such as metering and billing, interruptions, and customer service.
- 1.40. We expect consumer engagement methods to be proportional to network size and resource availability. In engaging with consumers, authorised persons should consider what level and method is appropriate for their heat network. For authorised persons of heat networks serving a small number of consumers, we consider that surveying at regular intervals can be an effective means of engaging consumers and gathering targeted feedback.
- 1.41. In engaging with consumers, authorised persons may find the following optional, and non-exhaustive, example questions useful to establish initial engagement with their consumers:
- Are you satisfied that your supplier has provided adequate notice about any planned interruptions to your heating (for example, for maintenance work)?
  - How easy has it been to contact [your supplier]?

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- Is the information provided by [your supplier] easy to understand?
- If you have contacted [your supplier] because of an issue with your heating or your bill, was the issue resolved in a timely manner?
- How satisfied are you with the level of customer service you have received from [your supplier]?

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## **2. Quality of Service**

### **Proposed guidance: Complaints**

#### **Scope**

- 2.1. This guidance is relevant for authorised persons requirements under the draft authorisation condition [11] Complaints.
- 2.2. In addition to this guidance, stakeholders may also find it useful to reference [Ofgem's existing guidance on complaint handling for gas and electricity suppliers](#).

#### **Definition of a complaint**

- 2.3. A consistent definition and shared understanding of a complaint work to effectively empower consumers and reassure authorised persons in their determination of a complaint.
- 2.4. A complaint for the purposes of this guidance and the relevant authorisation condition is defined as:  
  
an expression of dissatisfaction about the standard of service, action or inactions of the authorised person, or those acting on its behalf, where:
  - (a) the dissatisfaction arises in direct response to the carrying out of a regulated activity by the authorised person, or those acting on its behalf;
  - (b) one or more Relevant Consumers are affected; and
  - (c) a response is explicitly or implicitly required or expected to be provided thereafter
- 2.5. A consumer does not have to use the word 'complaint' for it to be treated as such. An authorised person should recognise where a consumer is expressing dissatisfaction and encourage them to raise it formally through their complaint handling procedure.
- 2.6. Authorised persons should aim to avoid any uncertainty when determining an expression of dissatisfaction is being made and confirm with the relevant consumer that they have recognised the expression as a complaint.
- 2.7. A consumer's expression of dissatisfaction could take on various forms, be it in writing, orally, or digitally, for example:

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- a consumer sends an email and describes they have been offended by a member of the authorised person’s staff
  - a consumer advocacy organisation contacts the authorised person on behalf of a consumer who feels they have been continually overcharged and had no response when they have contacted their supplier
  - a consumer informs a staff member that an issue they reported has not been fixed within the timeframe provided by the authorised person
- 2.8. Authorised persons should be clear in their complaint handling procedure whether or not they accept complaints via social media.
- where a complaint is made via social media and the authorised person cannot accept or resolve it, they should signpost the consumer to the appropriate means of raising a complaint
- 2.9. We note that the above definition:
- does not pose any time-related restrictions in what is deemed as a “complaint”; for instance, even though an expression of dissatisfaction might be dealt with at the time of contact and is thereafter considered as “closed” and does not require any further communication between parties, it still needs to be registered as a “complaint”;
  - includes not only products and services but also customer service standards, such as “the manner” in which a complaint was handled;
  - applies to all complaints received by an authorised person related to their products, services or the manner in which they have dealt with a complaint, even if the complainant is not supplied by them

Unreasonable or egregious complaints

- 2.10. Authorised persons must accept all complaints, unless they believe there to be a valid reason not to do so. If an authorised person decides not to accept a complaint it must be able to evidence its reasoning. In those instances, an authorised person should also make clear to the consumer they will not be able to accept the complaint, and its reasoning.
- 2.11. It is our intention that variations between our definition of a complaint and another relevant authority within the sector should not result in an authorised person having to accept housing and/or heating complaints under different thresholds, nor should it result in a duplication of complaint handling procedures.

## **Complaints handling procedure**

### The consumer journey

- 2.12. We expect consumers to be able to easily raise a complaint to the most relevant authorised person. We expect, in most cases, for this to be their heat supplier. Where this differs, or the complaint is due to a fault of a party other than the supplier, our authorisation conditions require that the supplier remain the primary point of contact for the consumer and each relevant party should work effectively with the supplier with the aim of resolving the complaint.
- 2.13. Authorised persons should work collaboratively to ensure that the consumer journey is as accessible and straightforward as possible.
- 2.14. Where our authorisation conditions stipulate a consumer to be granted a single point of contact, this does not refer to an individual staff member, but rather appropriate representatives from the most relevant authorised person.

### Consumer awareness

- 2.15. Consumers must be made aware of the authorised person's complaint handling procedure not less than annually.
- 2.16. If an authorised person uses a website for their services, it should signpost the complaint handling procedure at a prominent location – including information on how to make a complaint.
- 2.17. Where it is not appropriate for the authorised person to maintain a website, we expect the complaint handling procedure, and other relevant information, to be made available in a way that is similarly accessible. Alternatives to a website must ensure they achieve the same consumer outcome, but could include:
- notice boards in the communal spaces of the relevant building
  - leaflets posted to the consumer directly
- 2.18. Authorised persons are required to make consumers aware of the remedies that may be available to them following a complaint investigation. The visibility of these remedies does not mean that every option will always be appropriate.

### Processes and procedures

- 2.19. Authorised persons must have both have a functioning and appropriate complaint handling procedure place and ensure they comply with it in relation to each complaint it receives.

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- 2.20. We consider it good practice for all relevant members of staff to be aware of the authorised persons' complaint handling procedure and adequately trained to accept a complaint and escalate it appropriately. If a member of staff is unable to progress the complaint themselves, they should be able to signpost the consumer to the complaint handling procedure.
- 2.21. We expect authorised persons to consider their consumer's needs and the scale and complexity of their heat network in designing an effective complaint handling procedure.
- 2.22. Where a complaint handling procedure has been adapted to reflect a network's unique characteristics, we expect for the authorised person to ensure this does not place their consumers at a disadvantage and that they receive an adequate and fair quality of service.
- 2.23. Complaint handling can often be a critical point of communication between an authorised person and the consumer. We consider that a complaint handling procedure, designed and implemented effectively, may reflect the following examples of good practice:
- provide a resolution to individual complaints promptly and fairly, taking account of the requirements of the complainant, including providing compensation and/or redress as appropriate; and
  - establish a basis for continuous improvement, including clear attempts to address the root causes of complaints
- 2.24. Authorised persons should take all reasonable steps in the pursuit of resolving a complaint. Effective resolution of complaints, promptly and fairly, can improve consumer trust and confidence, leading to fewer future complaints.
- 2.25. The complaint handling procedure, required by this authorisation condition, should, at a minimum, provide the following details:
- the steps required by the consumer to initiate and, when appropriate, escalate an unresolved complaint to the Relevant Dispute Resolution Body
  - the steps taken by the authorised person in response to a complaint, and an indicative timeline of each described step
  - the potential outcomes and remedies of a complaint
  - the names and contact details of the main sources of independent help, advice and information that are available to consumers

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2.26. In addition, authorised persons should:

- be proactive, if it is not clear, in clarifying with the consumer what their complaint regards and their preferred outcome
- consider the nature of the complaint and whether it requires immediate prioritisation and/or escalation
- be transparent with consumers where a complaint cannot be answered or resolved fully within published timescales

2.27. In recording complaints upon receipt, authorised persons should endeavour to record any information and/or data relevant to a consumer complaint in one place or summary.

Group complaints

2.28. Ofgem does not usually intervene in disputes between consumers and energy businesses, so it will likely be at the discretion of the Relevant Dispute Resolution Body as to whether to accept a matter as a group complaint.

2.29. Subject to further guidance from Ofgem, or the Relevant Dispute Resolution Body, authorised persons should ensure that they do not reject or discourage complaints made on behalf of a group and that they progress it through the same stages as one made by an individual consumer.

Complaints from consumers in vulnerable situations

2.30. We expect that all consumers are enabled by the authorised person to raise their complaints in a way that is fair and considers their individual situation, this includes being able to raise and progress a complaint through a third party (such as carers, guardians and advocacy bodies).

2.31. Authorised persons should ensure that their complaint handling policies and processes are accessible for all consumers, with particular attention given to their use by vulnerable consumers. This can, and should, be done in multiple ways, including by providing different channels through which they can make a complaint.

**Information to be provided to consumers**

2.32. Authorised persons should ensure that their consumers are appropriately aware of their complaint handling procedure and reminded of it at regular intervals. If

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requested by a consumer, the authorised person should always be able to provide a copy of its Complaints Handling Procedure, free of charge.

- 2.33. Authorised persons subject to [Schedule 11 of the Commonhold and Leasehold Reform Act 2002](#) may be able to charge an administration fee for providing a copy of their Complaints Handling Procedure.
- 2.34. We expect all information provided to consumers to be aligned with the expectations set out in the Standards of Conduct, including that it is complete, accurate and communicated in a format suitable for the consumer. This includes ensuring that consumers receive information in a way that is suited to their individual situation and meets the requirements set out in the Equality Act 2010.
- 2.35. As with other expectations regarding the signposting or provision of information, if appropriate, authorised persons should host a website from which consumers can access the complaint handling procedure. If on a website, we would expect the procedure should be signposted in a clear and accessible location, such as the front page. If it is not appropriate for an authorised person to maintain a website for their consumers, we expect this, and other relevant, information to be made available in a way that is similarly accessible.

## **Recording complaints**

- 2.36. Authorised persons must keep a written, electronic record of the relevant complaint data as stipulated by the Authorisation Condition. We want authorised persons to capture and store data in a way that is proportionate to the scale of their heat network, while ensuring that consumers aren't disadvantaged by incomplete records of their complaints.

## **Referral of consumer complaints**

- 2.37. An authorised person's complaint handling procedure should contain details which outline the process and steps taken when a complaint is referred by a third-party.
- 2.38. Third-party referrals encompass complaints or concerns raised on behalf of consumers by organisations entities such as Consumer Advocacy Bodies (for example, Citizens Advice or Consumer Scotland).
- 2.39. In receiving a referral, the authorised person should ensure they provide acknowledgement to both the consumer and the referring party where appropriate. Should the consumer indicate a preference that the third-party

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progress the complaint on their behalf, we expect the authorised person to engage constructively, providing any relevant information, whilst showing adherence to broader data protection laws.

**Signposting to third party support**

- 2.40. All authorised persons' complaint handling procedures must contain details of the Relevant Dispute Resolution body and the instances in which a consumer should contact them.
- 2.41. Where it is unclear to a consumer which Relevant Dispute Resolution body is most appropriate, authorised persons should take best endeavours to inform the consumer if they believe the unresolved complaint to be of a heating or housing nature. Where this is not possible, or the authorised person is unsure, Relevant Dispute Resolution bodies are committed to ensuring the complaint is considered by the most relevant redress scheme.
- 2.42. Consumers should only submit their complaint to one Relevant Dispute Resolution body in the first instance as duplicate complaints can cause confusion and may slow subsequent resolution processes. If the Relevant Dispute Resolution body contacted believes another service is more appropriate, they will refer the case directly, so the consumer does not need to start again or make a second complaint.

**Allocation and maintenance of adequate resources**

- 2.43. We expect authorised persons to consider their consumer's needs and the scale and complexity of their heat network in order to allocate resources accordingly.
- 2.44. We consider it best practice that the level of resources needed to meet this expectation are reassessed at regular intervals. This includes ensuring that relevant staff receive training at regular intervals in order to stay updated with Ofgem's latest guidance, and to react to any changes within the authorised persons' complaint handling procedure

**Optional: annual complaints report**

- 2.45. In addition to our requirements, we recommend that authorised persons consider producing and publishing an annual complaint report. Publishing the following

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information on an annual basis, in a clear and accessible location, can be an effective way to display transparency and build consumer trust:

- Contact details of the authorised person.
- A link or signpost to their complaint handling procedure.
- A link or signpost to our Authorisation Conditions.
- Number of complaints in a given time period that were not resolved by the end of the next working day.
- Number of complaints in the same time period which related to existing complaints that were unable to be identified.

## **Proposed guidance: Assistance and advice information**

### **Scope**

- 2.46. This guidance is relevant for authorised persons requirements under the draft authorisation condition [12] Assistance and advice information.

### **Provision of information**

- 2.47. The relevant authorised person may provide all information required by this condition, and others, in one form. Where similar information is required across multiple authorisation condition, we do not expect that information to be duplicated or sent in multiple formats.
- 2.48. Authorised persons may also find it useful to reference existing guidance on [Ofgem's expectations for consumers to be able to contact their supplier](#).
- 2.49. Signposting relevant reviews of an authorised person's services to consumers supports transparency and accountability. Relevant reviews can include any formal assessments or evaluations of the authorised person's services that:
- reflect the experience of domestic or non-domestic consumers
  - are conducted by a recognised body (such as a statutory consumer advocacy body, a relevant dispute resolution body, or a relevant authority)
  - provide feedback or findings from structured consumer engagement activities
- 2.50. Authorised persons should provide the information required by this authorisation condition on their website. Where it is not reasonable, or beneficial to consumers, for the authorised person to establish and maintain a website, we expect this information to be made available in a way that is similarly accessible. Alternatives to a website must ensure they achieve the same consumer outcome, but could include:
- notice boards in the communal spaces of the relevant building
  - leaflets posted to the consumer directly
  - contained within an email signature
- 2.51. We consider that signposting to relevant guidance and/or advisory publications is sufficient for an authorised person to meet the expectations of this authorisation condition.

## **3. Billing and Transparency**

### **Proposed guidance**

#### **Scope**

- 3.1. This guidance is relevant for authorised persons requirements under the draft authorisation condition [13] Provision of Billing and Price Transparency of Information.
- 3.2. The way in which the authorisation condition will apply to heat suppliers will depend on a variety of factors, including, for example whether the heat network is metered or unmetered and whether the heat supplier has existing obligations under housing legislation.

#### **Billing information**

- 3.3. Heat network suppliers should strive for high standards on billing and price transparency information. We would expect all suppliers to provide heat network consumers with accurate and timely bills that are easy to understand.
- 3.4. We expect heat network suppliers to ensure:
  - that each customer is provided with relevant billing information, and where relevant bills or statements of account, so each customer can understand and manage their costs and consumption
  - that each customer is provided with information so they can quickly and easily understand:
    - how to identify and contact relevant parties if they have a problem or question, including how to contact the relevant consumer advice organisation (Citizens Advice or Consumer Scotland), and
    - as appropriate in the circumstances, what their rights are relating to dispute settlement and how to access appropriate assistance and advice.

#### **Minimum requirements for billing on metered heat networks**

- 3.5. Bills and billing information provided to the relevant consumer by the authorised person for the consumption of heating, cooling or hot water must be:
  - accurate, and

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- based on actual consumption.
- 3.6. At a minimum, at least once a year a bill must be issued to the relevant consumer using a Supply Meter on the basis of actual rather than estimated consumption provided that:
- the Relevant Consumer has provided a meter reading that the authorised person considers reasonably accurate; or
  - the authorised person or a third party instructed by the authorised person has taken a meter reading.
- 3.7. Minimum requirements for billing information include:
- current Charges charged to the Relevant Consumer by the authorised person;
  - information about the Relevant Consumer's consumption of heating, cooling or hot water (estimated where necessary),
  - comparisons of the Relevant Consumer's current consumption of heating, cooling or hot water with consumption for the same period in the previous year, if possible displayed in a graph and using estimates of consumption where necessary, and estimates of the Charges the Relevant Consumer is likely to pay in future;
  - clear and accurate information for a Relevant Consumer on the terms for the supply of heating, cooling or hot water;
  - information on the availability of, and contact information for, the Relevant Consumer Advice Body;
  - contact information for:
    - the authorised person supplying heating, cooling or hot water by means of the relevant heat network and any relevant third-party billing agent;
    - the party responsible for handling any Complaints from the Relevant Consumer; and
    - the party responsible for handling any emergencies relating to the heat network;
  - information on energy saving for a Relevant Consumer;
  - information on support mechanisms offered by the authorised person and fuel poverty charities;
  - the authorised person's identification number allocated by the Authority (if any) in relation to the authorised person and/or its organisation; and
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- information about and contact details for the Energy Ombudsman,
- and where such information is available and where reasonably practicable for the authorised person to include:
  - information on the fuel type and source of energy in use on the relevant heat networks by means of which the Relevant Consumer is supplied and the environmental impacts of energy generation used on such relevant heat networks;
  - information on how heat networks contribute to net-zero targets, with an explanation of how heat networks operate; and
  - a notice of monopoly supply together with an explanation of what this means for a Relevant Consumer.

**Definitions for billing requirements:**

- 3.8. Below is the key in required on bills with text explanations to describe the requirements.
- 3.9. Comparison of current consumption: The consumer should be able to understand their current energy consumption compared with their consumption for the same period in the previous year. This can help them to determine if they are consuming more or less and the impact of this on their bill. This information can be displayed in a graph.
- 3.10. Information on the availability of, and contact information for, the Relevant Consumer Advice Body: The consumer should be able to see how to contact the relevant consumer advice body on their bill.

Heat network consumers need to know that they can get free, impartial advice and support to resolve problems with their heat network from:

- [Citizens Advice](#) for consumers in England and Wales
- [Consumer Scotland](#) for consumers in Scotland
- the [Citizens Advice Extra Help Unit](#) for consumers in vulnerable circumstances, by referral

This information can be presented as:

- a link to the website of the relevant consumer advice body,
- an email address
- a telephone number for a consumer helpline

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- 3.11. Contact information for: The authorised person supplying heating, cooling or hot water by means of the relevant heat network and any relevant third-party billing agent: The authorised person supplying heating, cooling or hot water would be the supplier of the heat network. The consumer should be provided with contact information for the supplier of the heat network they are on.

Any relevant third-party billing agent would be the organisation acting on behalf of the supplier to provide billing services to a consumer.

Contact information accepted:

- name,
- email address,
- telephone or mobile number,
- link to website if applicable

- 3.12. Contact information for: The party responsible for handling any Complaints from the Relevant Consumer: The party responsible for handling complaints is the Energy Ombudsman. However, before contacting the Energy Ombudsman, consumers should first notify their heat supplier and work with them to try and resolve the issue.

Contact information accepted:

- name of organisation,
- email address,
- telephone or mobile number,
- link to Energy Ombudsman website

- 3.13. Contact information for: The party responsible for handling any emergencies relating to the heat network: The party responsible for handling any emergencies relating to the heat network would be the supplier or the operator of the Heat Network. In case a consumer experiences an emergency with the service of the heat network they need to have contact information of the party responsible

Contact information accepted:

- name,
- email,
- telephone or mobile number, including out of hours or emergency phone number,

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- link to website if applicable

- 3.14. Information on energy saving for a consumer: Information on energy saving advice can help heat network consumers better manage their consumption and their bills.

This information could be presented as:

- signposting to Citizen's Advice energy saving tips: [Save energy at home - Citizens Advice](#)
- signposting to energy saving organisations tips.

- 3.15. Information on support mechanisms offered by the authorised person and fuel poverty charities: Information on support mechanisms offered by the supplier and fuel poverty charities can help consumers better manage their heat and energy consumption and their costs.

This information could be for example:

- payment support offered by the supplier such as repayment plans,
- support offered by Citizen's Advice, and other fuel poverty charities,
- support mechanisms or discounts available to heat network consumers provided by the government

This information can be displayed as:

- a link to a website,
- contact information including email, telephone number, website

- 3.16. Information about and contact details for the Energy Ombudsman: The Energy Ombudsman has been appointed as the independent and impartial service providing dispute resolutions between heat network consumers and suppliers. Heat network consumers need to know that the Energy Ombudsman is the point of contact for complaints and disputes relating to their heat network.

Consumers need to know that before contacting the Energy Ombudsman, they should first notify their heat supplier and work with them to try and resolve the issue, and that their heat supplier has 8 weeks to resolve the complaint.

Contact information accepted:

- name of organisation,
- email address for the Energy Ombudsman,
- telephone or mobile number,

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- link to Energy Ombudsman website: [Helping You Resolve Heat Network Disputes | Energy Ombudsman](#)

3.17. Notice of monopoly supply: Heat Networks are natural monopolies, one entity is the supplier for all homes and businesses on the network. This means that heat network consumers cannot switch suppliers or move to a different tariff unlike consumers in gas and electricity. The consumers on the heat network cannot change their heat supplier and cannot easily leave the network once they've moved in.

Consumers should be made aware of this in both prior to moving into the property and during their residency on the heat network.

This information could be presented as:

- on a bill signposting to a supplier's website where this information is made clear
- on a bill signposting where a consumer can find this information in their supply contract or equivalent contract
- information on a bill detailing that the consumer is unable to change tariff or supplier

### **Unmetered heat networks**

3.18. If the relevant consumer is on an unmetered heat network, the supplier should employ the same billing and billing information requirements as for metered networks.

3.19. As a minimum, unmetered heat network consumers must be provided with:

- the Charges for the relevant period;
- a clear and understandable explanation of how their Bill has been calculated;
- the final due date for payment of the Charges and the acceptable methods of payment;

3.20. We would expect unmetered heat network to provide consumers with:

- current Charges charged to the Relevant Consumer by the authorised person;
- information about the Relevant Consumer's consumption of heating, cooling or hot water (estimated where necessary);

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- comparisons of the Relevant Consumer's current consumption of heating, cooling or hot water with consumption for the same period in the previous year, if possible displayed in a graph and using estimates of consumption where necessary, and estimates of the Charges the Relevant Consumer is likely to pay in future;
- clear and accurate information for a Relevant Consumer on the terms for the supply of heating, cooling or hot water;
- information on the availability of, and contact information for, the Relevant Consumer Advice Body;
- contact information for:
  - the authorised person supplying heating, cooling or hot water by means of the relevant heat network and any relevant third-party billing agent;
  - the party responsible for handling any Complaints from the Relevant Consumer; and
  - the party responsible for handling any emergencies relating to the heat network;
- information on energy saving for a Relevant Consumer;
- information on support mechanisms offered by the authorised person and fuel poverty charities;
- the authorised person's identification number allocated by the Authority (if any) in relation to the authorised person and/or its organisation; and
- information about and contact details for the Energy Ombudsman,

and where such information is available and where reasonably practicable for the authorised person to include:

- information on the fuel type and source of energy in use on the relevant heat networks by means of which the Relevant Consumer is supplied and the environmental impacts of energy generation used on such relevant heat networks;
- information on how heat networks contribute to net-zero targets, with an explanation of how heat networks operate; and
- a notice of monopoly supply together with an explanation of what this means for a Relevant Consumer

**Future updates to metering policy**

- 3.21. Expectations and requirements for metering will change over time as the policy progresses alongside the Heat Network Technical Assurance Scheme (HNTAS).
- 3.22. As and when individual metering comes into place for heat networks that currently do not have individual meters installed, we expect suppliers to follow the requirements for metered networks.
- 3.23. When individual metering comes into effect for unmetered networks covered by the Landlord and Tenant Act who charge for heat through service charges or rent, we would expect suppliers to then charge for heat separately and unbundle the heat charge from service charges or rent.
- 3.24. If it is technically feasible and in line with HNTAS, we do not expect existing leases to be a barrier to install individual meters and achieve unbundling of heat charges from service charges or rent.

## **4. Back-billing**

### **Proposed guidance**

#### **Scope**

- 4.1. This guidance is relevant for authorised persons requirements under the draft authorisation condition [14] Back-billing.

#### **Back-billing best practice**

- 4.2. We expect all heat network suppliers to bill accurately and regularly to avoid back-billing in the first place. Back-billing should be a last resort option.
- 4.3. Ofgem regulation aims to prevent suppliers from back-billing heat network consumers for heating, cooling or hot water consumed more than 12 months prior to the date of the bill, in circumstances where the customer is not at fault.
- 4.4. Instances where a consumer may be at fault and the supplier could recover costs beyond the back-billing limit could include for example:
- if the consumer was obstructive in refusing a meter reading,
  - if the consumer has a responsibility to provide a meter reading and does not,
  - if the consumer has a responsibility to manage, report broken, or fix parts of the heat network and they fail to resulting in unpaid consumption
- 4.5. We expect networks to comply with the 12 months back-billing limit to help ensure that consumers receive accurate and timely information on their bills.
- 4.6. We would expect networks already subscribed to the Heat Trust's Scheme Rules on back-billing to continue to adhere to the 12 months limit.

#### **Networks covered by the Landlord and Tenant Act 1985**

- 4.7. Given the interactions with existing housing legislation, we cannot currently apply the 12 months back-billing limit to networks covered by the Landlord and Tenant Act 1985.
- 4.8. From the start of regulation, until further notice, Section 20B of the Landlord and Tenant Act 1985 will take precedence. This means that consumers living in properties covered by this legislation will be subject to the 18 months back-billing limit.

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- 4.9. This means that the heat network supplier will have 18 months within which to notify or demand service charge payments, once costs have been incurred. Under Section 20B of the Landlord and Tenant Act 1985, a landlord has 18 months within which to notify you of service charge costs being incurred or demand payment from you. If they fail to either notify you or demand payment within 18 months they will not be able to recover the charges from you.
- 4.10. Where policy develops, we will look to amend future authorisation conditions and guidance to ensure all heat network consumers have the same protections, and similar outcomes to consumers in gas and electricity.
- 4.11. Where the 18 month limit still applies under the Landlord and Tenant Act 1985, we encourage networks with individual metering to keep to the 12 month limit.

**Back-billing and housing interactions**

- 4.12. Heat Network suppliers will be expected to adhere to the 12 months back-billing limit and employ regular and accurate billing to avoid scenarios where back-bills are needed.

Who is not covered by the 12 months back-billing limit?

- 4.13. Heat network consumers in England & Wales (domestic and microbusiness) living in properties covered by the Landlord and Tenant Act 1985 section 20b. Under this act, consumers can receive a demand for payment, within 18 months if incurring the costs, subject to the required notification being given.

Premises served by a heat network covered by the Landlord and Tenant Act 1985?

- 4.14. This is not an exhaustive list, but should provide some examples of the scenarios where a consumer would not be covered by the 12 months back-billing limit:
- you pay for heating, cooling or hot water through rent or service charges;
  - you live on a property with a landlord;
  - you live in council housing or social housing where your landlord is the local council;
  - you live in a property with a lease/leasehold

What assistance is available?

- 4.15. We are working with government on these protections. From January 2026 and until further notice the following will be in effect.
- 4.16. Given the existing legislation in the Landlord and Tenant Act 1985 the housing regulatory framework will take precedence over the heat network regulatory framework in these scenarios. This means that, while consumers are able to contact Citizen's Advice, Consumer Scotland and the Energy Ombudsman for complaints and questions, they should also contact the Housing Regulator, Regulator of Social Housing, LEASE (Leasehold Advisory Service), and the First Tier Tribunal.
- 4.17. For consumers in England & Wales living in premises served by a heat network that fall within the scope of the Landlord and Tenant Act 1985, the First Tier Tribunal will remain as the main route that complaints and redress can be made.

## **5. Heat Supply Contracts**

### **Proposed guidance**

#### **Scope**

- 5.1. This guidance is relevant for authorised persons requirements under the draft authorisation condition [09] Heat Supply Contracts.

#### **Guidance on supply contracts**

- 5.2. When an authorised person supplies heating, hot water or cooling to a relevant consumer it must do so under a heat supply contract, the equivalent of a heat supply contract or a Deemed Contract.

#### **Accepted contracts when there is no relevant supply contract in place**

- 5.3. For this authorisation condition we will accept the following as a relevant supply contract. These are examples and the list is not exhaustive:
- a lease;
  - tenancy agreement;
  - service charge agreement;
  - contracts for the supply of heating, cooling or hot water by means of the Specified Heat Network combined with any other goods or service; and
  - other agreement between the authorised person and the Relevant Consumer in relation to the supply of heating, cooling and hot water
- 5.4. Where a consumer is supplied pursuant to a Relevant Lease, the authorised person must comply with any housing legislation that applies in relation to the terms of such supply.

#### **Heat supply contract best practice**

- 5.5. Relevant Supply Contract must:
- be in writing;
  - drafted in plain and intelligible language;
  - be set out in a single pack (consisting of one or more documents) and not incorporate any terms or conditions by reference to any Website or analogous resource;

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- include all terms and conditions for the supply of heating, cooling or hot water by means of the Specified Heat Network
- 5.6. If a consumer has an equivalent supply contract, including a Deemed Contract or Relevant Lease, we would expect the relevant supplier to take reasonable steps to provide information missing from the equivalent contract to the consumer upon request. Where a Relevant Lease is used, we would not expect parties to vary the lease or contract to include the missing information if it is not reasonable to do so.
- 5.7. Best practice for heat supply contracts is that the contract should sit with the consumer who is occupying the heat network using its supply for heating, cooling or hot water.
- 5.8. In scenarios where a relevant supply contract does not sit with the end consumer, for example in a leasehold where the supply contract or equivalent contract sits with the landlord, the expected appropriate action for the authorised person is to take all reasonable steps to provide the relevant information to the consumer living in and consuming the services of the heat network.

**What is included in a heat supply contract**

- 5.9. The authorised person must include in each Relevant Supply Contract, Relevant Lease or Deemed Contract (or, until such time as any existing Relevant Supply Contract, Relevant Lease or Deemed Contract has been updated, in a separate document provided to the Consumer):
- all terms and conditions for the supply of heating, cooling or hot water including the Principal Terms;
  - where applicable, a term separately identifying the Charges and the charges for any other good or service to be provided;
  - relevant Billing Information;
  - the identity and address and contact details of the authorised person. This must include various methods for Consumers to contact the authorised person including email, instant messaging, telephone or letter;
  - details of the authorised person's Complaints Handling Procedure;
  - details of services that will be provided by the authorised person directly or by any third parties, including operation, maintenance, metering, and billing services;

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- where the services in the above points are provided to the Relevant Consumer by multiple organisations, details of the breakdown of responsibility and which organisation will be responsible for providing the relevant service;
- key performance indicators of the heat network, including network efficiency;
- details of the means by which the Relevant Consumer can be provided with information on available tariffs and on changes to any Charges, including justifications;
- information concerning the Relevant Consumer's rights as regards the means of dispute settlement available to them in the event of a dispute with the authorised person, including how dispute resolution procedures can be initiated;
- where applicable, information on the availability of consumer advocacy from the Relevant Consumer Advice Body;
- information on the source of thermal energy and the environmental impacts of the operation of the relevant heat network;
- contact information, including where applicable Website addresses, for organisations from which information may be obtained on available energy efficiency improvement measures;
- details of the process by which a Relevant Consumer may request Historic Consumption Data;
- any other terms and conditions or requirements stated as required to be included in any Relevant Supply Contract, Deemed Contract or Relevant Lease, as applicable, in accordance with the authorisation conditions

**Termination of contract**

- 5.10. In relation to any Deemed Contract or Supply Contract with a Relevant Consumer, the authorised person must include a term that provides that the contract will end, in relation to the premises to which it applies, by no later than:
- if the Domestic Consumer has notified the authorised person at least two (2) Working Days before the date on which it stops owning or occupying the premises, that date; or
  - if the Domestic Consumer has stopped owning or occupying the premises without giving the authorised person such notification, the first to happen of the following:

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- the end of the second Working Day after the Domestic Consumer has notified the authorised person that he has stopped owning or occupying the premises; or
  - the date on which any other person begins to own or occupy the premises and takes a supply of heating, cooling or hot water by means of the applicable relevant heat network at those premises
- 5.11. If a Deemed Contract or other relevant supply contract is used, then the authorised person must ensure that the notice period for termination by a Relevant Consumer is no longer than 30 Working Days.
- 5.12. In relation to any Deemed Contract, the authorised person must ensure that:
- where a Consumer intends to be supplied with heating, cooling or hot water under a Supply Contract, the Deemed Contract will continue to have effect until the authorised person begins to supply such heating, cooling or hot water under a Supply Contract and no form of notice is required before a Consumer is able to enter into a Supply Contract in place of the Deemed Contract; and
  - the Deemed Contract does not provide for any fixed term period or any termination fee to be payable by the Consumer
- 5.13. The authorised person must not, and must ensure that its staff and any Representative do not, inform any Consumer that they are required to pay any termination fee, are subject to a fixed term period, or are required to give any form of notice before they are able to enter into a Supply Contract in place of the Deemed Contract.

**Deemed contracts**

- 5.14. A deemed contract will apply in scenarios when there is no supply contract or accepted alternative supply contract in place. A Deemed Contract could apply for example when:
- a consumer has moved into a heat network property and consumes heating, hot water, or cooling and where no supply contract currently is in place
  - a heat supplier is not made aware of a new resident moving into a property it supplies

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- 5.15. If the authorised person supplies heating, cooling or hot water to a Consumer under a Deemed Contract, it must take all reasonable steps to provide that Consumer with:
- the Principal Terms of the Deemed Contract; and
  - notice that Supply Contracts, with terms that may be different from the terms of Deemed Contracts, may be available and of how information about such Supply Contracts may be obtained
- 5.16. If a person requests a copy of a Deemed Contract that the authorised person has available, the authorised person must provide it to that person free of charge within a reasonable period of time after receiving the request.
- 5.17. Where a Relevant Consumer requests the authorised person to pass on its Historic Consumption Data either to that Relevant Consumer or to any other person, the authorised person shall comply with that request free of charge as soon as reasonably practicable.

**Transitional arrangements**

- 5.18. Where the authorised person supplies a consumer with an existing Relevant Supply Contract, Deemed Contract or Relevant Lease, the authorised person must:
- meet the requirements imposed by the authorisation condition; and
  - treat the consumer as if the Relevant Supply Contract, Deemed Contract or Relevant Lease did meet the requirements imposed by the authorisation condition
- 5.19. We would not expect existing contracts to be changed by the date of regulatory commencement. We would expect suppliers to make necessary changes to supply contracts at a time when reasonably practicable. This could be a time when it is natural to make changes, for example:
- when a new resident enters the property,
  - when meter requirements come into effect, or
  - when an existing contract term ends and a new one is needed
- 5.20. We want to take a pragmatic approach to changes to existing supply contracts or equivalents and are keen to make sure that the drivers to update existing supply contracts are proportionate.

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- 5.21. We are aware that some of the routes to varying existing leases or equivalent contracts can be costly or have lengthy processes. In these cases, we would expect the heat network's relevant supplier to consider the best way to deliver the intended outcome of this authorisation condition.

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## **6. Protections for Consumers in Vulnerable Situations**

### **Scope**

- 6.1. This guidance is relevant for authorised persons requirements under the draft authorisation conditions [15] Priority Services Register, [16] Security Deposits, Payment Difficulties, Disconnections and Direct Debits, [17] Prepayment Meters, and [18] Self-disconnection.
- 6.2. All authorised heat network suppliers will be required to meet the obligations to protect and support domestic consumers in vulnerable situations. These protections are not relevant to non-domestic consumers.
- 6.3. The authorisation conditions include a Vulnerability Principle within the Standards of Conduct (Chapter 1), this provides guidance on the definition of vulnerability and the identification and assessment of consumers in vulnerable situations.
- 6.4. We understand that there are existing provisions for consumers in vulnerable situations in other areas, particularly within the housing sector. All heat network suppliers will need to comply with the Vulnerability Principle of the Standards of Conduct.
- 6.5. Heat network suppliers who are also party to a lease will be able to exercise rights under the lease, and in some instances lease terms may differ from vulnerability measures laid out here.

### **Proposed guidance: Priority Services Register**

#### **Duty to establish a Priority Services Register**

- 6.6. Heat network suppliers are required to establish and maintain a Priority Services Register. The Register is a record of consumers who require Priority Services due to their personal circumstances or being in a vulnerable situation.
- 6.7. In heat networks, we are following the definition of consumers in vulnerable situations as defined in Ofgem's Consumer Vulnerability Strategy:

Significantly less able than a typical domestic consumer to protect or represent their interests;

and/or

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Significantly more likely than a typical domestic consumer to suffer detriment or that detriment is likely to be more substantial.

- 6.8. This definition is intentionally broad and non-exhaustive, as we want to ensure all aspects of vulnerability are captured. Vulnerability is not static, and any consumer may at some point in their lives be in a vulnerable situation.
- 6.9. We intend to follow ongoing developments in the wider Consumer Vulnerability Strategy, so this will remain subject to change and improvement in the future.
- 6.10. Heat network suppliers are required to take all reasonable steps to promote awareness of the Priority Services Register and the Priority Services that are available for consumers in vulnerable situations.
- 6.11. Heat network suppliers are required to take all reasonable steps to identify consumers in vulnerable situations and offer to add the Minimum Details of such consumers to the Priority Services Register.
- 6.12. Heat network suppliers are required to add these Minimum Details of the consumers in vulnerable situations to the Priority Services Register. This must be done in line with any laws relating to data protection and privacy.
- 6.13. Minimum Details in this context refers to: names of consumers in vulnerable situations, relevant details of personal circumstances and vulnerable situations, and any other details which are relevant to this.

**Duty to offer services**

- 6.14. The heat network supplier must offer (and, if accepted, provide), free of charge Priority Services to its vulnerable consumers who have been added to the Priority Services Register. The heat network supplier is required to offer the services that a consumer in vulnerable situations may reasonably require.
- 6.15. The heat network supplier must ensure that all Priority Services will be delivered as soon as practically possible.
- 6.16. The following list is not exhaustive or definitive, but provides an illustrative example of the kinds of support we would expect to see included in Priority Services:
- nominating a person who can act on behalf of the consumers in vulnerable situations and receive communications relating to the consumers in vulnerable situations' account;

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- regular meter reading services - the heat network supplier is required to provide this service to consumers in vulnerable situations, who are unable to do the reading themselves and who cannot nominate a different person to do it for them;
- ensuring any communication with the consumers in vulnerable situations is in a format accessible for the consumer (for example large print or braille)
- priority support in emergencies
- allow setting up of ID and password schemes if a visit is required, to help the consumer feel more comfortable you are genuine
- providing any further services addressing the needs of the consumers in vulnerable situations, considering the financial and practical constraints of the heat network supplier

**Compliance with data protection and privacy laws**

6.17. The heat network supplier is obliged to comply with any laws relating to data protection and/or privacy when obtaining, recording, using, and sharing information.

**Setting up of Priority Services Registers**

- 6.18. While the requirements on heat networks are set out as obligations in the authorisation conditions, the practical and technical aspects of data sharing are not covered. In other sectors these are managed via industry mechanisms.
- 6.19. Setting PSRs up in way that will more easily enable data sharing for heat networks in the future could have benefits. The alignment of needs codes (codes for different kinds of vulnerabilities) has been important in the progress made in facilitating data sharing between utility sectors. The Energy PSR needs codes are published in Appendix 6 of the [Consumer Vulnerability Strategy](#) and we encourage heat networks to consider these when setting up PSRs.

**Proposed guidance: Security Deposits, Payment Difficulties, Disconnections and Direct Debits**

- 6.20. Heat network suppliers have a crucial role in helping their consumers if they get into payment difficulty.
- 6.21. We are providing guidance focusing on debt prevention and communication, debt support and the recovery of debt. The debt pathway should be followed, focusing

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on prevention and support, and any installation of prepayment meters with the explicit consent of the consumer must be explored before disconnection, which should be an absolute last resort. We expect that suppliers will take a sustainable approach to debt management and not focus on short-term debt recovery.

- 6.22. The authorisation conditions also place specific restrictions in certain circumstances on the disconnection of Domestic Consumers due to non-payment of charges.

## **Debt Prevention**

### Communication

- 6.23. Regularly contacting consumers through preferred contact methods can drive up engagement, help them to understand their bills, and budget for their heat use.
- 6.24. Where possible, helping consumers manage their finances through considering billing approaches and their ability to pay, could prevent the build-up of debt. For example, more frequent billing may also allow earlier management of any debt issues that may arise.
- 6.25. The heat network supplier must actively engage with consumers, and is required to include flags where:
- a customer has consecutively missed two monthly payments or, if billed less frequently, has missed one payment; or
  - a customer has informed the heat network supplier that they are unable to make the next scheduled payment
- 6.26. If appropriate consumer data is available, this can be complemented by specific tools (for example, built in reviews, tailored prompts, search tags) and software to help recognise financial vulnerabilities.
- 6.27. These tools can help identify changes in consumer behaviour that could suggest they are in payment difficulty. There should be a cross-reference to the PSR, and the heat network supplier should consider what tools and innovations may be appropriate for the size and nature of their organisation and customer base.
- 6.28. For example, these behaviour changes could include:
- a trend of lower-than-normal consumption that might indicate self-rationing, even when allowing for temporary reductions due to holidays;

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- a trend of higher-than-normal consumption that might indicate a change of situation such as illness, unemployment, or the presence of young or elderly members of the household;
  - changes in consumers' PPM usage that could indicate self-rationing (such as changes in top-up frequency, top-up amounts and/or use of Emergency Credit), as well as instances of self-disconnection and length of self-disconnection
- 6.29. This could then prompt early conversation with the consumer, and the opportunity make them aware of different support services. This could reduce the likelihood of reaching crisis point, self-disconnecting and/or self-rationing.
- 6.30. Staff training can help identify vulnerability and help provide consumers in payment difficulty with the tailored assistance and advice they need. For example, heat networks could train their representatives, field agents and engineers on wider categories of vulnerability, and holding regular refreshers.
- 6.31. Heat network suppliers are required to provide services, which include:
- the setting of payment plans over a longer than normal period where the consumer is in a vulnerable situation
  - a Prepayment Meter, where it is safe and reasonably practicable, and take into consideration the consumers ability to pay when setting payment instalments

**Debt support**

- 6.32. Heat networks should encourage consumers to get in contact to discuss their situation if they have concerns about their ability to pay. We encourage heat networks to focus on communicating in empathetic language, such as using terms to evoke co-operation, avoiding the presumption that paying a bill is 'top priority', and avoiding threat of legal proceedings/negative credit ratings, may be more likely to secure better outcomes.
- 6.33. Debt communications should strike the right tone, are understanding of the circumstances, and provide clear debt solutions and support. Consumer research in gas and electricity has indicated that consumers value being listened to and shown empathy. This can increase the likelihood of engagement and a positive outcome.

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- 6.34. Clear and prominent information on how much debt is owed and how it will be collected can help consumers budget effectively. It can also be helpful to acknowledge that the debt could be outside of the consumer's control.
- 6.35. Heat network suppliers must signpost and refer to external debt advice services, such as Citizens Advice, National Debtline. This information could be included in their first debt letters to consumers
- 6.36. Where it may not be possible to contact consumers to discuss their arrears or non-payment. When this happens, heat network suppliers could implement default repayment plans and amounts, based on Fuel Direct minimum payments, token amounts, or other assessments of consumer spending and consumption.

**Debt recovery**

- 6.37. Consumers can receive poor experiences when debt is being recovered. We expect debt recovery actions are always fair and proportionate and aimed at achieving good consumer outcomes. We expect representatives acting on behalf of suppliers, such as debt collection agencies, to abide by the same regulatory requirements we place on suppliers.
- 6.38. If a heat network reaches a stage where it needs to recover debt from a consumer, they can tailor debt paths according to the consumer's situation gathered through interactions with the consumer, including vulnerability. Suppliers must give due consideration to all of this availability when considering a customer's ability to pay.
- 6.39. If a consumer is in a vulnerable situation, suppliers could consider the full range of debt forbearance options, including pausing or deferring debt recovery actions until there is a material change in a consumer's circumstance.
- 6.40. Heat networks, where possible could pro-actively monitor repayment arrangements so that if a consumer defaults on their debt repayment, they can contact the consumer quickly to establish the cause of the default.

**Disconnection for unpaid charges**

- 6.41. Disconnection of a heat customer's supply should only be undertaken as a last resort, once all other reasonable options have been exhausted. This is especially the case during winter, where disconnection is likely to pose the greatest risk to a customer's health and safety.

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6.42. Heat supplier or bulk supplier must not disconnect:

- in Winter, a domestic premises at which the domestic consumer has not paid charges for the supply of heating, cooling or hot water if the heat network knows or has reason to believe that the occupants of the premises include a person who is under the age of 2 or is over the age of 75, disabled, terminally ill or chronically sick
- at any time, a domestic premises at which the domestic consumer has not paid charges for the supply of heating, cooling or hot water if the heat network knows or has reason to believe that the occupants of the premises include a person who has a medical condition which means that, for medical reasons, they need to receive or may need to receive a supply of heating or hot water throughout the year

6.43. Reconnection takes place as soon as reasonably practicable after this has occurred, so that consumers are not off supply for longer than necessary.

## **Proposed guidance: Prepayment Meters**

### **Scope and Context**

- 6.44. Many consumers pay for energy and heating through prepayment meters. This guidance focuses on the use of prepayment meters for the purpose of debt collection.
- 6.45. Some consumers may wish to use a prepayment meter to manage their energy usage more closely and feel more in control of their energy spend than they may otherwise with a direct debit payment method.
- 6.46. The requirements set out in this guidance will apply where a prepayment meter is already installed, a consumer requests one, or a smart meter is installed which may be switched remotely to prepayment mode.
- 6.47. Involuntary installation for heat networks only applies to remote switching and determining whether it is safe and reasonably practical to do so, after following the debt prevention and support pathway. Suppliers do not have powers of entry or the ability to obtain a warrant for the purposes of debt recovery.
- 6.48. There is a temporary, limited exemption in place for small heat networks with ten or fewer connected premises which may struggle to absorb unrecoverable debt. They may remote switch a capable meter to prepayment mode after following the debt pathway and safety assessment. This differs from the more stringent restrictions in place over winter for larger networks for such consumers.

### **Safe and reasonably practicable**

- 6.49. Assessment of what is safe and reasonably practicable should be considered from the consumer's perspective, as this can have a significant impact on a person's wellbeing. A customer's ability to pay should always be considered before offering a prepayment meter.
- 6.50. Relevant factors for determining what is safe and reasonably practical are likely to include:
- whether the consumer is able to understand and operate the prepayment meter and visit top-up points (where needed) to add more credit. For example, a consumer may have a physical or mental disability that prevents them from being able to appropriately use a prepayment meter

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- whether the consumer lives quite a distance from any top-up outlets This may not apply if a customer does not want or need to top up by cash, and has asked to pay by alternative top-up methods, but consideration must be given to instances of technical issues with smart prepayment meters in particular in relation to top-up being required manually, in case the smart functionality of the meter fails. What constitutes 'quite a distance' is likely to vary depending on the customer's circumstances. For example, it may not be reasonably practicable to provide a prepayment meter if a consumer needs to travel over two miles to top up their credit and does not have a car
  - whether the customer requires a continuous supply for health reasons, such as dependency on medical equipment or conditions requiring a continuous supply of heat
  - whether the prepayment meter is situated in a position (such as high on a wall) that means the customer could not operate the prepayment meter
  - whether the prepayment meter would have to be situated outside or in a room to which the household does not have continuous access
  - any advice/guidance received from the Health and Safety Executive (HSE)
- 6.51. Many of these circumstances may be addressed by technological innovations, particularly where a smart meter is installed, or some other form of initiative. Technical innovations addressing the issue of what is safe and reasonably practicable should only be adopted where suppliers are confident that the solution will enable them to provide a supply to the consumer at all times. It is also possible that adults, other than the consumer living in the premises, may be in a position to understand and operate the prepayment meter.
- 6.52. The supplier must not proceed with the installation of the prepayment meter or switching to a prepayment meter unless they made necessary arrangements to ensure that it would be safe and reasonably practicable for a relevant consumer to use a prepayment meter.
- 6.53. The supplier must contact the consumer, in a form that takes into account their communication preferences, as a minimum, on an annual basis to assess whether it remains safe and reasonably practicable for the consumer to continue using the prepayment meter.

**Assessment for installation of involuntary Prepayment Meters**

- 6.54. Involuntary PPM means where a supplier wants to install or switch an existing capable meter to PPM mode without a consumer's Consent.
- 6.55. Consent must be explicit, meaning this must be written rather than implied or retained in terms and conditions, with a record of the date and method of consent and not given under pressure from the authorised person.
- 6.56. Heat networks are not provided with Powers of Entry for debt management, so they are unable to obtain a warrant to enter a customer's property to install a PPM. It is only via switching an existing, capable meter to PPM mode that heat network suppliers can "install" a PPM on an involuntary basis.
- 6.57. In all cases of Involuntary PPM, suppliers must not install a PPM where a customer falls into any of the 'do not install' categories below. They must also carry out additional checks for consumers in the 'further assessment needed' category including the Precautionary Principle.
- 6.58. The personal circumstances and characteristics listed are examples, which have been determined using a number of sources, including the [Adverse Weather and Health Plan](#), and have been included where risk of detriment when subjected to Involuntary PPM are considered highest. They are not absolute nor exhaustive.
- 6.59. In all cases, suppliers must seek to identify consumers in vulnerable situations and take into account their situation and that of their household.

**Do not install**

- 6.60. Suppliers must not install a prepayment meter if, within the household, there is no one able to access, operate and/or top up the meter due to physical or mental incapacity or for technical reasons and/or have any of the below personal circumstances and characteristics. These fall under 'Do not install' (DNI) category:
- household requires a continuous supply for health reasons, including but not limited to:
    - dependency on a warm home; (for example due to illness such as, circulatory disease, sickle cell disease)
  - households with an elderly occupant (75+), without support at home;
  - households with children under 2

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- households with chronic/severe or terminal health conditions (such as cancer, cardiovascular/respiratory disease (COPD such as emphysema, chronic bronchitis) and organ failure)
- 6.61. Heat networks with 10 or fewer supplied premises may still switch a meter remotely to PPM mode on an involuntary basis for consumers in the “do not install” category. However, it is critical that all heat networks can evidence that they have followed the guidance and met their obligations in relation to the rest of authorisation condition [17] on prepayment meters. The consumers in the “do not install category” are particularly at risk and we encourage heat networks to very carefully consider the impacts of switching the meter to PPM mode.
- 6.62. This temporary exemption is an interim mitigation that will be in place for the period from regulatory commencement until the launch of an enduring solution to mitigate the cost of unrecoverable debt.

**Further assessment needed**

- 6.63. Suppliers must consider the below personal circumstances and characteristics, alongside the Precautionary Principle, in making their assessment of safe and reasonably practicable. These circumstances and characteristics fall under ‘further assessment needed’ (FAN) category:
- age: Children 5 and under
  - other serious medical/Health Conditions (such as neurological diseases (Parkinson’s, Huntingdon’s, Cerebral Palsy) Respiratory conditions, Nutritional issues (such as Malnutrition) and mobility limiting conditions (Osteoporosis, Muscular Dystrophy, Multiple Sclerosis))
  - serious mental/developmental health conditions (such as clinical depression, Alzheimer’s, dementia, learning disabilities and difficulties, Schizophrenia)
  - temporary situations (such as pregnancy, bereavement)
- 6.64. The supplier must consider the precautionary principle, alongside the FAN category characteristics mentioned in the previous paragraph. Precautionary principle is the assumption to be made by authorised persons that any consumer faced with involuntary prepayment meter for debt is likely to be in financial difficulty and therefore more likely to self-disconnect.

**Identification of consumer circumstances**

- 6.65. The sort of proactive steps that we would generally expect suppliers to consider in order to identify whether it is safe and reasonably practicable in all the circumstances of the case to offer a PPM to a consumer include:

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**Table 03: Determining “safe and reasonably practical” for installation purposes**

<b>Requirement</b>	<b>Requests</b>	<b>Offers</b>	<b>Involuntary</b>	<b>Uses</b>
Recording the location of the meter when installed or inspected	X	X	X	X
Reviewing appropriate notes on the consumer’s accounts to ascertain whether any vulnerability which means it is not safe and reasonably practicable for the customer to have a PPM is recorded	X	X	X	X
Making multiple attempts to contact the consumer by various means and at various times of day to discuss the option of paying through a PPM		X	X	
Where a discussion with the customer had not been possible or, if following discussion, there was still uncertainty about whether it would be safe and reasonably practicable for the consumer to pay through a PPM, the supplier should take reasonable steps to visit the consumer at their premises, which could include making visits at various times of day			X	
Checking whether there has been a change of occupancy		X	X	
Attempting to check with any appropriate advice or other agency such as local authority or housing association		X	X	
Obtaining authorisation of an appropriate senior person prior to moving a consumer to a PPM			X	

### **Identification process for involuntary PPM**

- 6.66. Debt trigger: Is as defined in authorisation condition [23] (“means, where Charges have been outstanding for three months or more after the date the bill has been issued, and Outstanding Charges are more than the amount specified by the Authority for these purposes and the Consumer is not on, or transitioning, to a repayment plan”).
- 6.67. The value of Outstanding Charges owed for heat supply must be £200 or more, for the purposes of the Debt Trigger.

### **Involuntary PPM communications**

- 6.68. To understand a customer’s individual circumstances and offer support in the three months preceding any execution of Involuntary PPM (via switching a meter to PPM mode. A supplier must achieve this by:
- making at least 10 attempts to engage with a customer using multiple communication channels, where relevant at various times of day
  - make translation services and accessible formats (for example, braille, large print, easy read) available as required
  - multiple communication channels may include: written (email and/or letter), phone (where a number is available), and Site Welfare Visits
  - a Site Welfare Visit is required at least once in all instances before progression to Involuntary PPM switching

### **Site welfare visits**

- 6.69. A Site Welfare Visit is defined in authorisation condition [23]: “means a visit to Domestic Consumers' premises by appropriately trained staff or representatives to attempt to make contact with the Consumer to identify and/or further assess personal circumstances and characteristics to identify any vulnerabilities that may be present in the household to determine if the use of a Prepayment Meter is safe and reasonably practicable in all the circumstances”.
- 6.70. While conducting a Site Welfare Visit, a supplier must make sure to include audio recording equipment and/or body cameras. They must ensure appropriate aftercare is provided and they must retain any documentation for a minimum of five years.

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- 6.71. All communications to a consumer must be written in a manner which is consistent with good practice on debt communications and supporting consumers who are in payment difficulty and must also encourage engagement with the supplier in all cases.
- 6.72. Relevant information on potential vulnerabilities and a consumer's ability to pay from a third party, where offered to the supplier must be accepted. For example, this may be from the consumer's representative (either by the Explicit Consent from the consumer or in the form of a registered and relevant power of attorney) or from support organisations such as Citizens Advice, Advice Direct Scotland and other customer support and debt advice organisations.
- if no contact is made with the consumer during the Site Welfare Visit, and all engagement attempts have been exhausted, the supplier may proceed with remote mode switch to prepayment mode
- 6.73. However, the supplier must:
- make reasonable attempts to assess any potential vulnerabilities without consumer engagement, seeking support from supplier staff with responsibility for overseeing the safeguarding of consumer protection (Welfare Officer) in situations where the supplier finds the consumer's circumstances are on the boundary of safe and reasonably practical and risk assessment isn't possible or inconclusive (Edge Cases) if not present;
  - provide further written communication that the visit had been attempted and next steps (for example, if Involuntary PPM switching will be progressed following this attempt)
- 6.74. Suppliers are required to maintain records of each attempted contact with the consumer, and ensure that any personal circumstances and characteristics are recorded appropriately, stored and easily available including on the Priority Services Register.
- 6.75. Where only a postal address is held for a consumer, the full 10 attempts may not be undertaken to avoid harassing the consumer, but a supplier must be able to evidence to Ofgem any attempts to access additional contact details, including email address and telephone number.

**Ability to pay**

- 6.76. When considering progression to Involuntary PPM switching, heat network suppliers must consider the cheapest payment option for the customer and attempt to offer this alongside energy savings advice and an affordable, sustainable repayment plan prior to progression to Involuntary PPM switching.
- 6.77. Where a customer agrees, and adheres to, a debt repayment plan the heat network supplier must accept this and should not threaten Involuntary PPM switching to try and secure higher payment than is affordable.
- 6.78. Where a heat network supplier progresses with Involuntary PPM switching, they must take all reasonable steps to ensure that any debt repayments recovered via the PPM take into consideration the customer's ability to pay. Where any financial assessment concludes that the customer will be able to afford to pay for ongoing energy needs but not debt repayments, suppliers must consider alternative approaches to recovering the debt such as delaying repayment start (seasonality or change in financial circumstances).
- 6.79. Heat network suppliers must ensure that any alternative actions taken to recover debt (including bailiffs, County Court Judgments etc) in instances where a PPM is not suitable for the household remain fair, reasonable and proportionate for the consumer's circumstances and level of debt owed.

**Smart Metering**

- 6.80. Heat suppliers are encouraged to install smart meters. Smart meters provide a range of benefits to both consumers and suppliers. For consumers, these include real-time energy usage data, and flexibility in how their heat is managed. Smart prepayment meters also enable convenient top-up options (for example, remote and online methods), reduce the risk of self-disconnection, and allow for faster and more tailored support for consumers in vulnerable circumstances.
- 6.81. For heat suppliers, smart meters can reduce operational inefficiencies by enabling remote functionality (for example, remote top-ups, tariff changes, seamless remote switching between credit and PPM mode where applicable), lowering the cost associated with manual reads, reduced need for site visits, and managing disputes over billing accuracy.
- 6.82. Suppliers are expected to ensure their operational and administrative processes and third party metering and billing contractor instructions, reflect this guidance.

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6.83. For prepayment consumers with a preference for using online and mobile apps for top-ups, it is advised that suppliers check that consumers' preferred method of payment is safe, reasonable and practical, by checking:

- if the consumer has a bank account, and if one is required for top-up
- if the consumer uses a phone to make payment, if they always have a working phone and enough credit to get online.
- if they make payments via a computer, if they have internet to keep the connection going.
- if more than one method of topping up is in place as a back-up.

**Information provision for Involuntary Prepayment Meters**

6.84. Heat network suppliers must provide clear supporting information, and top-up provision for any Involuntary PPM. This includes:

- provision of any required information, such as how to use the PPM, what to do in the event of self-disconnection and materials needed to top-up. The consumer must be offered help to install and start to use a smart phone app where applicable, or provided with information on how to use top up cards/keys. The supplier must use translation services and make accessible formats available as required
- access to appropriately trained, priority customer service team, through an easy access route
- links to any relevant information on supplier website

**Post installation aftercare**

6.85. The proactive steps that suppliers must follow after putting a customer on a PPM in order to ensure it is safe and reasonably practicable for the customer include:

- a) the supplier must monitor top-up and disconnection patterns. When self-disconnection occurs, in line with existing ACs and guidance, suppliers must make multiple attempts to contact the customer using various contact channels to understand the reasons for self-disconnection and offer appropriate support including sufficient Additional Support Credit (ASC) amounts and frequencies
- b) if frequent or prolonged periods of self-disconnection are identified and the customer is considered reliant on ASC to remain on supply (exceeding

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supplier policies of number of or frequency of ASC), suppliers must assess whether PPM remains safe and reasonably practical in line with this guidance

### **Internal processes**

- 6.86. All assessment documentation and audio/body camera recordings are to be retained for a minimum of five years.
- 6.87. The retention period is there to ensure evidence of practices being followed, if subject to investigative action. This also allows consumer confidence that complaints can be adequately assessed.
- 6.88. Documentation to include, but not limited to:
  - a) PSR checks completed;
  - b) copies of all written contact;
  - c) summary of all verbal contact; and
  - d) copies of any relevant recordings
- 6.89. Heat network suppliers must conduct monthly Quality Assurance of a sample of Involuntary PPM cases.
- 6.90. This must include additional proactive assessment of all identified erroneous or non-compliant Involuntary PPM.
- 6.91. Suppliers must incorporate failings identified in QA assessments to drive continuous improvements in training and processes

**Proposed guidance: Self-disconnection**

**Identifying self-disconnection**

- 6.92. When a domestic consumer is using a prepayment meter, there are obligations placed on the supplier:
- They must monitor the usage of prepayment meters on an ongoing basis to identify any consumers who might be self-disconnecting and
  - If the supplier identifies a self-disconnecting consumer, they are obliged to offer this consumer appropriate support in accordance with authorisation conditions [12] Assistance and advice information, [16] Security Deposits, Payment Difficulties, Disconnections and Direct Debits and [18] Self-Disconnection, and all other obligations relating to Prepayment Meter Consumers. While deciding what is appropriate support for that consumer, the supplier has to take into account whether any occupant of the relevant household is in a vulnerable situation.
- 6.93. If the relevant prepayment meter does not have the functionality to enable the supplier to identify itself whether the relevant consumer is self-disconnecting, the supplier must ensure that appropriate communication channels are available for that consumer to inform the supplier that they are self-disconnecting.

**Provision of Emergency Credit and Friendly-hours Credit**

- 6.94. The supplier is obliged to offer a reasonable amount of Emergency Credit and Friendly Hours Credit to any consumer who is using a prepayment meter, unless it is technically infeasible.
- 6.95. If it is technically infeasible for the supplier to provide Emergency Credit and Friendly Hours Credit to their consumer, the supplier is obliged to offer alternative short-term support to the consumer.
- 6.96. If the supplier becomes aware or has reason to believe that a consumer is having or will have difficulty paying the charges, the supplier must adhere to authorisation condition [16] (Security Deposits, Payment Difficulties, Disconnections and Direct Debits) when calculating instalments for the consumer to repay the total amount of Emergency Credit and/or Friendly Hours Credit provided.

### **Provision of Additional Support Credit**

6.97. The supplier is obliged to offer a reasonable amount of additional support credit in a timely manner in the following situations:

- the supplier identifies that a consumer who uses a prepayment meter has self-disconnected or is self-disconnecting in circumstances in which any occupant of the relevant household is in a vulnerable situation  
or
- the supplier becomes aware or has reason to believe that a consumer who uses a prepayment meter has self-rationed or is self-rationing in circumstances in which any occupant of the relevant household is in a vulnerable situation.

6.98. The support credit which must be offered in addition to the support already mentioned – Emergency and Friendly Hours Credit.

6.99. When a supplier is obliged to offer additional support credit, the supplier must assess the sum of Additional Support Credit which is offered to the consumer and calculate the instalments for the consumer to repay.

6.100. If the supplier has fully considered their obligations to the consumer and decides that the provision of Additional Support Credit to the consumer is not in their best interest, the supplier is not obliged to provide this credit on that occasion. However, the supplier is obliged to provide alternative appropriate support, in line with the authorisation condition [2] Supplier Standards of Conduct and authorisation condition [12] Assistance and advice information.

### **Provision of Prepayment Meter Credit**

6.101. When the supplier switches an existing supply meter to a prepayment mode where the consumer has not given their consent to such switching, supplier must ensure that the consumer receives prepayment meter credit, unless it is technically infeasible or otherwise outside of supplier's control.

6.102. In the case of involuntary switching to prepayment mode, the supplier must adhere to authorisation condition [16] Security Deposits, Payment Difficulties, Disconnections and Direct Debits, when calculating instalments for the consumer to repay the total amount of Prepayment Meter Credit.

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6.103. If it is technically infeasible to apply the Prepayment Meter Credit, the supplier must take all reasonable steps to ensure that the consumer does not experience an interruption to their supply of heating, cooling or hot water.

### **Provision of Information**

6.104. The supplier must ensure that each consumer who uses a prepayment meter is given adequate information in a form and frequency that is sufficient to allow that consumer to quickly and easily understand the authorised person's Emergency Credit, Friendly-hours Credit, Additional Support Credit and Prepayment Meter Credit facilities (as appropriate) including what this is, when this can be used and how this is repaid by the consumer.

## **7. Security of supply**

### **Proposed guidance**

#### **Scope**

- 7.1. This guidance is relevant for authorised persons requirements under the draft authorisation condition [20] Security of supply.
- 7.2. Neither the Security of Supply, nor the broader suite of authorisation conditions are part of the incoming requirements which will be set by the Heat Network Technical Assurance Scheme (HNTAS).

#### **Ensuring a reliable supply of heating, cooling or hot water**

- 7.3. Authorised persons should maintain relevant equipment in line with good industry practice where available, evidence of which should be retained and shared with Ofgem if required.
- 7.4. Where an operator believes that maintenance is required to remain compliant with this condition, and will result in additional costs to the consumer, they should provide the consumer advance notice.

#### **Risk assessment**

- 7.5. In taking steps to minimise interruptions to supply, authorised persons can undertake proactive risk assessments to identify any upcoming or persistent potential risks to the continuity of heat supply. This information can be shared with consumers to set expectations and enable them to feel more prepared should their supply be interrupted.
- 7.6. In assessing the risk to supply, authorised persons should take into consideration the scale and complexity of the network, the characteristics and vulnerability of affected consumers and the consequences of a supply failure.
- 7.7. We encourage operators to keep detailed records of network performance, including the frequency and duration of interruptions, and use these records to inform future improvements on the network's performance.
- 7.8. Where a network operator is concerned that they cannot reasonably meet the expectations of this condition due to particular network characteristics or resource constraint, we encourage them to be proactive in notifying Ofgem of this, and

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engaging their consumers, with details as to how the heat network will address the reason for failing to meet the condition and within what timeframe.

**Additional good practice**Providing consumer support

- 7.9. Where a reliable supply of heating, cooling or hot water is not possible, authorised persons should take all reasonable steps to actively support consumers before, during and after interruptions to supply.
- 7.10. In providing consumer support, we would consider the following as examples of good practice:
- notify consumers as soon as an issue is identified, even if resolution time is unknown. Provide estimated timelines and updates via consumers preferred contact method
  - offer appropriate alternative sources of heat to consumers in vulnerable situations during interruptions to supply. Maintain a priority register and proactively check in with affected consumers
  - following any interruption, authorised persons should provide a plain-language summary of the cause of the outage, what was done to resolve it, and how recurrence will be prevented
  - include questions regarding the network's performance in any consumer engagement processes
- 7.11. Heat network operators should ensure that consumers are proactively and regularly informed about how to interact with key parts of the network infrastructure, such as Heat Interface Units (HIUs). This information should go beyond the initial installation and be provided at regular intervals or during key events like tenancy changes or maintenance visits.
- 7.12. Clear, accessible guidance on using controls, reading meters, and understanding system performance can help improve efficiency, reduce faults, and better support consumers.