

Consultation

Heat networks regulation: consumer protection guidance

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Response deadline:	Friday 17 October 2025
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Team:	Heat networks
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This consultation follows the [Heat networks regulation: implementing consumer protections consultation](#), published by the Department for Energy Security and Net Zero (DESNZ) and Ofgem on 7 November 2024. The responses to this consultation have been analysed and the [government response](#) was published on 8 August 2025. We have used stakeholder feedback to this consultation, as well as external engagement, to inform and prioritise this first iteration of guidance on heat network consumer protections.

This guidance is intended to support heat network suppliers and operators adjust to regulation, and meet the expectations of our authorisation conditions, including on areas such as complaint handling, billing practices and protections for vulnerable consumers.

The draft guidance document is published alongside this consultation. Both this consultation and the draft guidance should be considered in conjunction with our [updated draft authorisation conditions](#).

Consultation – Heat networks regulation: consumer protection guidance

Audiences: The consultation will be of interest to the heat network industry, including:

- consumer advocacy groups
- industry trade associations
- energy supply companies
- local authorities
- housing associations
- managing agents, property management companies, and developers
- landlords
- building owners
- heat network consumers

Territorial extent:

Great Britain

How to respond

This consultation is open until 17 October 2025.

You can give us your views by:

- completing our online survey on [Citizen Space](#)
- sending your response to heatnetworksregulation@ofgem.gov.uk

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses.

We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

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Introduction

We have worked with DESNZ on several joint publications to help shape a regulatory framework for heat networks, focusing on strong consumer protection requirements for heat network suppliers and operators, referred to as 'authorised persons'. In doing so, we have made note where stakeholders highlighted that guidance could be useful to support authorised persons' understanding of these requirements.

This consultation document provides context to the draft guidance which builds on the approaches proposed in the [2024 consumer protection consultation](#) and settled in the [2025 government response](#). In this consultation we do not revisit matters that were settled through those publications. The focus is instead on developing the first iteration of guidance to support the sector's adjustment to the authorisation conditions.

While stakeholders have called for a comprehensive catalogue of guidance for authorised persons and consumers across all areas of the regulatory framework, we are clear that our guidance for heat networks will need to be of an iterative nature. We are proceeding with an ambitious timetable to provide consumers with protections as soon as possible while balancing the need to provide future authorised persons with sufficient guidance to support their initial compliance with our authorisation conditions.

We have therefore used stakeholder feedback to our consultations and external engagement, to inform and prioritise this first iteration of guidance on heat network consumer protections.

While the draft guidance is subject to stakeholder feedback through the consultation process, all proposals have been based on the agreed outcomes that we expect for heat network consumers. We encourage stakeholders to consider this guidance in preparation for the incoming regulatory regime and use it to ensure that their processes and activities reflect our expectations as we take on the role of regulator in the heat network sector.

Some areas of our consumer protections require further development and engagement with stakeholders, and as such are not the subject of this consultation. For example, we plan to consult on our approach to Guaranteed Standards of Performance (GSOPs) for heat networks next year, with their implementation currently expected to be in 2027.

Related publications

This document makes references to, and should be read in conjunction with, the following documents:

- [Heat networks regulation: implementing consumer protections](#) (the '2024 consultation')
- [the subsequent government response](#) (the '2025 government response')
- [the most recent version of our authorisation conditions](#), published alongside the 2025 government response

At each reference point within this document, please refer to the relevant links for the webpage where you can access these previous publications.

We are also currently seeking views on:

- [authorisation conditions and guidance on measures to mitigate the risk and impact of financial failure](#)
- [authorisation conditions for registration, nominated operator, and notification of changes](#)

Our approach to guidance

From January 2026, relevant heat network suppliers and operators will have to comply with the authorisation conditions. These conditions are a combination of prescriptive requirements and principle-based rules, designed to protect heat network consumers and ensure they receive a service that is fair, transparent and reliable.

We published an initial batch of authorisation conditions as part of the 2024 consultation, which were then revised following stakeholder feedback and re-published alongside the 2025 government response. While these updated authorisation conditions reflect policy intent, they may be subject to some final drafting changes. It is our intent to carry out a further consultation on the initial authorisation conditions in Autumn 2025.

Each section of this consultation, and draft guidance, has been drafted to reflect any corresponding authorisation conditions and as such we encourage all stakeholders to read the proposed guidance alongside the associated authorisation condition. Where relevant we have included the numbering of the updated authorisation conditions, however, stakeholders are advised these could change before their final publication. We also advise stakeholders to be aware of dependencies or cross-references between conditions.

Our proposed guidance in this consultation covers the following:

- the Standards of Conduct
- quality of service
- billing and transparency
- Back-billing
- protections for vulnerable consumers
- security of supply

While the proposed guidance builds on the legal obligations contained within the corresponding authorisation conditions, we encourage authorised persons to go beyond the requirements and aim to represent a level of best practice in the market. We do not expect authorised persons to reduce the quality of existing practices and processes where they exceed the requirements set out in the relevant authorisation condition.

We have continued to engage with relevant stakeholders in the development of this consultation, seeking views on both the areas of guidance that would be helpful, and how best to format and present it. Stakeholders should note that the guidance appended to this document will likely be presented in a different format when finalised and published.

Third-party guidance

We recognise that other organisations have already created, or intend to publish, guidance that may be relevant to authorised persons and heat network consumers. This includes Heat Trust, whose scheme will still be in operation at the point of Ofgem's regulatory commencement in January 2026. We support and encourage heat network suppliers and operators to use [Heat Trust's best practice guidance](#) to better prepare themselves for Ofgem's incoming regulatory regime, however, we also understand that it may not be relevant, or appropriate, for all heat networks.

In addition, while we signpost relevant guidance on the interactions with the housing sector throughout this consultation, stakeholders may find it useful to reference some of the existing resources available for housing providers, for example, the [Housing Ombudsman's complaint handling code](#) or the [Regulator of Social Housing's regulatory standards for landlords](#).

Future guidance

Future iterations of this guidance are likely to be informed by market data gathered through our monitoring regime, areas of consumer detriment highlighted by our statutory partners and where we see the most need for further clarity in the market. We are also keen for stakeholders to provide insights into where future guidance might be useful.

Stakeholders have also made clear their requests for supporting resources which they can either use for their own processes or build upon to better reflect the needs of their consumers. We will endeavour to work with the industry, over time, to produce supporting materials in addition to this guidance, such as factsheets and templates, to support the market's adjustment to regulation.

We are also keen for authorised persons to learn from existing good and bad practice that has been exemplified in consumer case studies. We are currently considering the most effective ways of using consumer case studies to support this guidance in our future stakeholder engagement.

Next steps

This consultation closes on 17 October 2025. Feedback received, and further stakeholder engagement, will be used to finalise this first iteration of guidance on the areas of consumer protection covered here, and published before regulatory commencement in January 2026.

How to respond

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

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

We will publish non-confidential responses on responses on our website at <https://consult.ofgem.gov.uk/>.

You can give us your views by:

- completing our online survey on [Citizen Space](#)
- sending your response to HeatNetworksRegulation@ofgem.gov.uk

Your response, your data and confidentiality

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

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

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 1.

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

General feedback

We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Choose the notify me button and enter your email address into the pop-up window and submit.

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Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

Scope of consumer protections

Non-domestic consumer protections

The monopolistic nature of heat network infrastructure has been a key driver in our development of stronger consumer protections for the sector. We believe that this may also impact some non-domestic consumers and weaken their negotiating power. The [2025 government response](#) confirmed the areas of consumer protection we are expanding to ensure a better quality of service for non-domestic consumers. This included, but was not limited to:

- the Standards of Conduct being applied to all non-domestic consumers
- the complaint handling proposals being expanded to cover small business consumers, including access to the relevant alternative dispute resolution
- certain GSOPs applying to all non-domestic consumers.

To support the implementation of these protections, and ensure that the framework is understood by stakeholders, we also confirmed the reappropriated thresholds for Micro- and Small Business heat network consumers:

A Heat Network Micro Business Consumer is defined as one which meets the following criteria: it consumes less than 247,000 kWh of heat per year; or it has less than 10 full-time employees or an annual turnover of less than £2 million.

A Heat Network Small Business Consumer will be defined as one which meets the following criteria: it consumes less than 420,000 kWh of heat per year; or has fewer than 50 employees (or their full-time equivalent) and an annual turnover no greater than £6.5 million or balance sheet total no greater than £5 million.

We are keen to work closely with the sector to better understand the needs of non-domestic heat network consumers, ensuring that regulation is effective for the whole sector. We consider that meeting the precedent of protections set by Ofgem's recent [non-domestic market review](#) is an effective first step, establishing an initial baseline from which those consumers can negotiate terms. We are also likely to revisit and update non-domestic consumer protection guidance following regulatory commencement.

To support stakeholders' understanding of these protections, and the scope of the authorisation conditions, we have provided an updated scope table on page 15 of this consultation. Stakeholders should note that this table is not exhaustive and contains references to the authorisation conditions relevant to this consultation only. As with the guidance, it is likely that we will continue to review the table and update or expand when appropriate.

Market segmentation

We acknowledge stakeholder responses to the 2024 consultation which called for a more prescriptive approach to market segmentation, including, but not limited to, interest in segmented rules for:

- shared ground loops
- supported housing
- community-led networks
- right to manage groups

In reference to these, and other characteristics, some stakeholders encouraged Ofgem to implement standalone authorisation conditions designed for individual networks, while others highlighted that a more flexible, outcome-based approach might be more effective in achieving our regulatory objectives while reflecting the diversity of the heat network market.

While we want to, over time, produce material that reflects the diversity of the market, we do not think it would be practical to attempt to provide an individualised rulebook, or guidance, to account for the scale of diversity present in the sector.

We understand that diversity within the heat network market, both in terms of consumers and resource availability, will impact how an authorised person achieves our expected consumer outcomes. We want to encourage flexibility and innovation whilst ensuring that heat networks comply with our requirements and the heat network consumer experience improves across the sector.

Interactions with existing housing legislation

The commencement of our regulatory role in the heat network sector represents the start of a significant change to both those who supply and operate heat networks, and consumers who receive heat from them. However, we also recognise that, for some, the supply and operation of a heat network is one part of a broader housing service being provided. In these instances, the authorised persons and their consumers will be subject to both our authorisation conditions and existing housing legislation.

We have been working with industry and across government to understand the interaction with existing housing legislation, and we think it is important the routes for consumers to raise issues are clear. Government is further exploring the unbundling of the heat charge from wider charges, however, this will take time as it requires further cross-sector work and potential changes to existing legal and regulatory frameworks. We are interested in working with government and stakeholders to explore opportunities to align requirements where possible, with the aim of achieving consistent consumer outcomes in the sector while mitigating unnecessary regulatory burden. We are aware of

wider reforms being considered in housing and are keen to explore opportunities to consider where guidance could be used to achieve more alignment.

For authorised persons, this means that all activity relevant to the supply or operation of a heat network should be assessed in advance of and in line with our authorisation conditions. We have stated in our guidance where we believe these key areas of overlap or interaction may occur, but this will likely need to be updated following regulatory commencement.

For consumers, this may mean that the outcomes our requirements aim to achieve are not always possible, or consistent, across the sector. It may also mean that we are not the appropriate authority for some issues, and they should instead be escalated through existing housing routes, such as the First Tier Tribunal. We are also assured that organisations such as the Housing and Energy Ombudsman, are working closely to identify instances where consumers may need additional support. Other relevant support pathways may include:

- [the leasehold advisory service](#)
- [the 3rd edition of the RICS Service Charge Residential Management Code](#). This is a government approved code of practice which outlines best practice for managing agents, landlords or other relevant parties in relation to the management of residential leasehold property
- [the Property Redress Scheme](#)
- [the Property Ombudsman](#)

We are interested in feedback from those in the housing sector on how this guidance can be updated to help suppliers, operators, and consumers navigate any overlap or interactions. We will also continue to work with industry and government, contributing to change where it is possible

Table 01: Scope of consumer protection authorisation conditions

Key:

✓ = applies in full

(✓) = applies in part

N/A = not applicable

Authorisation condition	Authorised Supplier	Authorised Operator	Domestic consumer	Micro-business	Small business	Self-supply network	Industrial network
Supplier Standards of Conduct	✓	N/A	(✓)	(✓)	(✓)	N/A	N/A
Operator Standards of Conduct	N/A	✓	✓	(✓)	(✓)	N/A	N/A
Heat Supply Contracts	✓	✓	✓	(✓)	(✓)	N/A	N/A
Contract Changes Information	✓	✓	✓	N/A	N/A	N/A	N/A
Complaints	✓	(✓)	✓	✓	✓	N/A	N/A
Assistance and Advice Information	✓	(✓)	✓	✓	N/A	N/A	N/A
Provision of Billing and Price Transparency of Information	✓	✓	✓	(✓)	(✓)	✓	✓
Back-Billing	✓	✓	✓	✓	✓	N/A	N/A
Priority Services Register	✓	N/A	✓	N/A	N/A	N/A	N/A
Security Deposits, Payment Difficulties, Disconnections, Direct Debits	✓	N/A	✓	N/A	N/A	N/A	N/A
Prepayment Meters	✓	N/A	✓	N/A	N/A	N/A	N/A
Self-Disconnection	✓	N/A	✓	N/A	N/A	N/A	N/A
Social Obligations Reporting	✓	N/A	✓	N/A	N/A	N/A	N/A
Security of Supply	N/A	✓	✓	✓	✓	N/A	N/A

1. Standards of Conduct

Section summary

Pages 5-15 of the draft guidance are relevant to draft authorisation conditions [02] Supplier Standards of Conduct, and [03] Operator Standards of Conduct. These authorisation conditions apply to all activities of the authorised person and any representative which involve, or otherwise relate to, dealings with a Heat Network consumer.

The Standards have an overarching objective and then five 'principles' to be followed. Authorised persons (and their representatives) must achieve the principles in a manner consistent with the overarching consumer objective. To achieve the Standards, authorised persons should ensure that fairness is at the core of all decisions made with regards to their consumers. The five 'broad principles' include requirements relating to: behaviour towards consumers; providing consumers with information; customer service processes; considering vulnerable consumers; and consumer engagement.

Questions

- Q01. Do you find our proposed guidance on the Standards of Conduct relevant to the corresponding authorisation condition, and useful?
- Q02. What should we consider including in a future iteration of the guidance on the Standards of Conduct, to make it more useful?
- Q03. Can you share some examples of how you have approached consumer engagement practices, where this has improved your understanding of consumer needs?

Context

We want to enable and encourage a positive and respectful relationship between authorised persons and their consumers. We will introduce Standards of Conduct to define what we expect this positive and respectful relationship to look like. These Standards are a set of outcome-focused principles underpinned by the objective of treating consumers fairly. They apply to all interactions between authorised persons and their consumers.

In Chapter 1 of the Guidance document, we have outlined who the standards apply to and explained these five broad principles. We have also provided a summary table on page 7 of the draft guidance, which explains each principle and their scope. The Guidance includes examples of how the principles can be met by authorised persons to illustrate what they mean in practice.

2. Quality of Service

Section Summary

Pages 16-24 of the draft guidance are relevant to draft authorisation conditions [11] and [12], Complaints and Assistance and advice information.

For guidance on complaints, we have focused on stakeholder queries regarding the definition of a complaint, handling complaints from vulnerable consumers and signposting to relevant third-party support organisations.

The guidance on assistance and advice information sets out how information provided should follow other authorisation conditions, good practice for operating an enquiry service and builds on the requirements regarding signposting to relevant third-party support organisations.

Questions

- Q04. Do you find our proposed guidance on complaints relevant to the corresponding authorisation condition, and useful?
- Q05. What should we consider including in a future iteration of the guidance on complaints, to make it more useful?
- Q06. Do you find our proposed guidance on assistance and advice information relevant to the corresponding authorisation condition, and useful?
- Q07. What should we consider including in a future iteration of the guidance on assistance and advice information, to make it more useful?

Context

We are keen to use our regulatory role to encourage a quality of service that enables consumers to express their views and obtain rectification for any shortcomings they have experienced from their supplier or operator. We also think it is important for consumers to have access to third-party advice and advocacy bodies, and that this information should be communicated effectively by their supplier or operator.

Generally, Ofgem does not intervene in individual disputes between consumers and energy businesses, including heat suppliers and operators. We work closely with the Energy Ombudsman as the designated Alternative Dispute Resolution (ADR) provider, and as such will continue to work with them to develop further tailored guidance on complaint handling for Authorised Persons.

3. Billing and Transparency

Section summary

Pages 25-32 of the draft guidance are relevant to draft authorisation condition [13], Provision of Billing and Price Transparency of Information. This condition sets out the requirements for issuing bills and billing information to both metered and unmetered consumers.

For this iteration of guidance, we have provided a clear reference point of the minimum requirements for billing for all authorised persons, including the minimum frequency at which a consumer should be billed and our specific expectations for unmetered heat networks. The guidance also explains and provides the definitions relevant to the key billing requirements, as well as suggestions for how the information can be presented.

We are also currently conducting research to better understand consumers' needs when it comes to their bills and provision of information. We intend on using this research to update any relevant guidance with examples of best practice and templates that suppliers can refer to.

Questions

- Q08. Do you find our proposed guidance on billing and transparency relevant to the corresponding authorisation condition, and useful?
- Q09. What should we consider including in a future iteration of the guidance on billing and transparency, to make it more useful?
- Q10. Can you share some examples of best practice for billing, including any examples of templates or bills currently sent to consumers?
- Q11. Do you have any views on non-domestic billing guidance?

Context

This first iteration of guidance on billing and transparency has been produced to help authorised persons understand the requirements of authorisation condition [13], Provision of Billing and Price Transparency of Information.

There will be some differences in how this authorisation condition [13] is likely to apply differently for the housing sector. The main differences are in scenarios where there is no meter, where heat charges are paid for through rent or service charges, and where the property is part of a leasehold or tenancy agreement. The guidance aims to provide clarity on these scenarios.

Authorisation condition [13] does not apply to non-domestic consumers, and the guidance is limited in its applicability to the non-domestic market. This guidance will serve as examples of best practice for the non-domestic market.

The Heat Networks Provision of Billing and Price Transparency Information conditions are adapted from similar conditions which regulate the gas and electricity sector. The Heat Networks Provision of Billing and Price Transparency Information has been developed to provide Heat Networks consumers similar levels of protection, with the aim of improving consumer outcomes.

Proper billing and payments processes help to ensure that consumers' interactions with their energy supplier are as efficient as possible, with the aim of minimising negative experiences or hassle for the consumer. The rules aim to ensure all information that consumers receive from suppliers about metering, billing and payments is timely, accurate, and not misleading.

The main interaction between heat network customers and their supplier is the billing process. We expect all consumers to receive accurate and regular bills, that are clear and easy to understand.

It is essential that consumers can engage easily with their Heat Network supplier. They must be able to easily access and understand the information they need to effectively manage their consumption and costs. It should also be easy for consumers to find out who to contact, and to contact the right person, when things go wrong. The way in which suppliers communicate with their customers is critical to delivering these outcomes.

This is particularly important to consider in relation to vulnerable consumers. Suppliers must ensure all communications they send are appropriate for the needs of the customer. Suppliers should recognise that vulnerable consumers may have specific needs in terms of how and what information is communicated to them and should respond to this. While this is not part of this initial guidance, we are undertaking research to inform best practice for billing and transparency, including templates. The transparency of information guidance will be kept under review and updated as policy on vulnerabilities, central price transparency, and housing interactions progress.

4. Back-billing

Section summary

Pages 33-35 of the draft guidance are relevant to draft authorisation condition [14], Back-billing. This condition sets out how authorised persons are permitted to back-bill in respect of heat network charges.

For this iteration of guidance, we have provided clear expectations and best practice, including where we encourage all authorised persons to avoid back-billing consumers for heating, cooling or hot water consumed more than 12 months prior to the date of the bill.

We have also provided some initial guidance on scenarios where existing tenancy agreements or leasehold contracts are in place and existing housing legislation will take precedence at regulatory commencement in January 2026.

Questions

- Q12. Do you find our proposed guidance on back-billing relevant to the corresponding authorisation condition, and useful?
- Q13. What should we consider including in a future iteration of the guidance on back-billing, to make it more useful?

Context

Back-billing refers to when a supplier sends a bill charging for a period of consumption that falls outside the 12-month limit. A heat network supplier may, in certain circumstances, issue a back-bill to a consumer where that consumer has not been correctly charged for heat supplied to them.

This proposed guidance considers that interactions with existing housing legislation will limit back-billing to 18 months in some cases.

Based on evidence from consumer bodies we understand that back-billing practices cause detriment to heat network consumers. Without back-billing protections, heat network consumers face considerable disadvantages compared to consumers on gas and electricity.

As part of Ofgem's regulatory framework for heat networks, we want to achieve similar protections and outcomes for heat network consumers. We will be working closely with the Department for Energy Security and Net Zero and the Ministry of Housing, Communities & Local Government on this area.

5. Heat Supply Contracts

Section summary

Pages 36-41 of the draft guidance are relevant to draft authorisation condition [09], Heat Supply Contracts. This condition sets out the obligations on authorised persons to supply heating, cooling or hot water upon request from a consumer, exceptions to that requirement and our expectations for heat supply contracts.

This iteration of guidance provides some examples of alternative contracts that may be accepted when there is no relevant supply contract in place, particularly in scenarios present in the housing sector. We have also used this guidance to set out what we expect to be included in a heat supply contract and initial examples of best practice, as well as our approach to deemed contracts.

Questions

- Q14. Do you find our proposed guidance on heat supply contracts relevant to the corresponding authorisation condition, and useful?
- Q15. What should we consider including in a future iteration of the guidance on heat supply contracts, to make it more useful?
- Q16. Can you provide any examples of best practice for heat supply contracts/agreements?
- Q17. Do you agree with our use of “deemed contract”?
- Q18. Can you provide any examples of best practice for termination of contract, including scenarios where a consumer terminates the contract or disconnects but continues to live in the property?
- Q19. What are your views on transitional arrangements and timelines for implementing heat supply contracts?

Context

We want heat network consumers to be provided with accurate and understandable information about their heat network and the terms of supply. Heat supply contracts should set out the relevant information for consumers to understand what they can expect from their heat network.

We are aware that supply contracts interact with pre-contractual transparency arrangements in terms of providing consumers with accurate information prior to living on a premises supplied by a heat network. We are working with DESNZ on these interactions and will use future guidance to provide detail where these overlap.

As with other areas, guidance on heat supply contracts and the interaction with housing will be kept under review and will be updated as and when policy develops. This iteration of guidance explains what we will accept as equivalent contracts in scenarios where a formal heat supply contract is not in place, for example existing tenancy, leasehold agreements, or scheme for deemed contracts. We are working closely with DESNZ and MHCLG on these housing interactions and will use future guidance to provide more detail when possible.

We are using this consultation to seek views on the first iteration of draft guidance. In particular we want to hear views on where future guidance can help the sector. For example, we are keen to hear views on:

- interactions with existing contracts (for example, when suppliers are already using best practice examples from existing contracts),
- interactions with pre-contractual transparency,
- examples of best practice for the sector,
- timings for implementation and transitional arrangements,
- cooling off periods.

6. Protections for Consumers in Vulnerable Situations

Pages 42-61 of the draft guidance are relevant to the full suite of protections for consumers in vulnerable situations including draft authorisation condition [15] Priority Services Register, [16] Security Deposits, Payment Difficulties, Disconnections and Direct Debits, [17] Prepayment Meters, and [18] Self-disconnection.

In acknowledging this guidance, stakeholders should also take note of the principle-based requirement in the Standards of Conduct to provide consumers in vulnerable situations with additional support. Similarly, stakeholders should take note where other authorisation conditions and guidance also require additional protections for consumers in vulnerable situations.

We have included initial guidance on smart meters, which we will keep under review to ensure alignment with developments in the Heat Networks Technical Assurance Scheme (HNTAS).

We acknowledge that interactions may exist between current housing regulations, such as those set out by the Regulator for Social Housing in England & Wales and the Scottish Housing Regulator. We encourage stakeholders to provide their views on how we may best ensure we are aligned with existing regulations.

Questions

- Q20. Do you have any views on interactions between the protections for heat network consumers in vulnerable situations and existing regulations in housing, such as the social housing, leasehold and freehold, and private rental sectors?
- Q21. Do you find our proposed guidance on priority services registers relevant to the corresponding authorisation condition, and useful?
- Q22. Do you find our proposed guidance on security deposits, payment difficulties, disconnections and direct debits relevant to the corresponding authorisation condition, and useful?
- Q23. Do you find our proposed guidance on prepayment meters relevant to the corresponding authorisation condition, and useful?
- Q24. Do you find our proposed guidance on self-disconnection relevant to the corresponding authorisation condition, and useful?
- Q25. What should we consider including in a future iteration of the guidance on protections for consumers in vulnerable situations, to make it more useful?

Context

Adequately protecting and supporting consumers in vulnerable situations is a primary objective for regulation. The proposed guidance references [Ofgem's Vulnerability Strategy](#). This sets out the outcomes we want to achieve for consumers in vulnerable situations, who are defined as:

- 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

Not all the work programmes in the strategy are relevant to heat networks. However, the main themes, listed below, are relevant to the sector. We recognise there are aspects of some themes that will be longer-term, as regulation needs time to embed and there are dependencies on the introduction of technical standards.

- Theme 1: Improving identification and smarter use of data
- Theme 2: Supporting customers struggling to pay their bills
- Theme 3: Driving improvement in customer service for vulnerable groups
- Theme 4: Encouraging positive and inclusive innovation
- Cross-cutting theme: Working with others to solve issues that cut across sectors

Consumers in vulnerable situations will face similar issues across different markets and we are keen that heat networks are considered part of the cross-cutting work where appropriate.

The authorisation conditions include a Vulnerability Principle within the Standards of Conduct. The proposed guidance on Standards of Conduct (chapter 1 in the draft guidance document) covers the definition of vulnerability and the identification and assessment of consumers in vulnerable situations. The broad vulnerability definition is combined with specific, targeted protections through authorisation conditions on vulnerability:

- Priority Services Register: Authorisation Condition [15]
- Security Deposits, Payment Difficulties, Disconnections and Direct Debits: Authorisation Condition [16]
- Prepayment Meters: Authorisation Condition [17]
- Self-disconnection: Authorisation Condition [18]

The guidance provides stakeholders with some clarifications on interactions with existing definitions that apply in the housing sector. We expect that obligations for suppliers will exist alongside those similar provisions in the housing sector, however we welcome views on how best to balance this. We are undertaking further work on the interactions with housing and will keep the guidance under review.

Priority Services Register

One of the ways we ensure consumers in vulnerable situations are adequately protected is by requiring heat network suppliers to maintain a Priority Services Register. The Priority Services Register is a record of consumers in vulnerable situations, or whose personal circumstances mean they might need additional help or guidance from their heat network supplier. Ofgem requires heat network suppliers to maintain such records and offer Priority Services free of charge to consumers in vulnerable situations.

The draft guidance document explains what the PSR is and how heat network suppliers must operate it.

Significant progress has been made in sharing PSR data between utility sectors, thanks to the work of Water UK and the Energy Networks Association, with support from Ofgem, Ofwat and Energy UK. Another important development in this area is the publication of the [Smarter Regulation white paper by the Department for Business & Trade](#), setting out the work to create a Share Once Support Register, bringing together the current Priority Services Registers and similar telecoms registers. We are keen that heat networks are considered as part of the work and will follow any developments.

We are keen that PSRs are set up in way that will more easily enable data sharing for heat networks in the future. The proposed guidance also includes references to the needs codes that are published in appendix 6 of the [Consumer Vulnerability Strategy](#). We intend to keep the guidance in this area under review and will update as appropriate.

Security Deposits, Payment Difficulties, Disconnections and Direct Debits

As well as needing to identify all consumers in vulnerable situations, suppliers need to:

- proactively offer repayment plans (informed by ability to pay principles)
- advise consumers on how to reduce their energy usage
- consider alternative payment methods, such as Pre Payment-Meters or third-party deductions from social security benefits (where appropriate and available)

The authorisation condition covers requirements in relation to payment of a security deposit by the consumer, offering certain services to consumers in payment difficulty, placing restrictions in certain circumstances on disconnection due to non-payment of charges, and direct debit arrangements.

The proposed guidance focuses on debt prevention and communication, debt support and the recovery of debt. The guidance should support heat networks to deliver better outcomes for consumers who are in payment difficulty and improve standards in the consumer debt journey. The debt pathway should be followed, and installation of

prepayment meters with the consumer's explicit consent must be explored before disconnection, which should be an absolute last resort. We have, in the first instance, mirrored the debt trigger of £200 in gas and electricity but this will remain under review, and we encourage views on this for heat networks.

Prepayment Meters

The authorisation conditions place obligations on heat network suppliers relating to prepayment meters (PPM). These requirements include restrictions on the circumstances in which a prepayment meter can be installed, or an existing meter can be switched to a prepayment mode.

The proposed guidance contains the expected assessment process to determine if a PPM is suitable for a customer, information provision and aftercare that suppliers must comply with to ensure protections for customers in vulnerable situations. It covers explicit consents, sets out when PPMs must not be installed or switched for consumers with certain characteristics, and it also covers the temporary exemption for heat networks with ten or fewer connected premises.

This area of guidance will be kept under review and updated to align with government's work on options to mitigate the impact of unrecoverable debt and its decision on providing heat networks with Powers of Entry for debt management purposes, which have not been granted to heat network suppliers for the purposes of debt management and recovery at this time.

In this context, "Powers of Entry" refers to a statutory right for an authorised person to legally enter defined premises for specific purposes. The Energy Act 2023 gives the Secretary of State discretion to grant these powers for two purposes: essential maintenance of heat network technology, and installation of prepayment meters for debt management.

Self-disconnection

Ofgem wants to ensure that consumers in vulnerable situations on heat networks do not self-disconnect. The authorisation conditions require heat networks to take efforts to identify domestic consumers on PPMs that are self-disconnecting, and whether they are in vulnerable circumstances.

Where it is technically unfeasible to proactively identify consumers, the heat supplier must ensure that communication channels are available for a consumer to inform the heat network that they are self-disconnecting or self-rationing.

7. Security of Supply

Section summary

Pages 62-63 of the draft guidance are relevant to draft authorisation condition [20] Security of Supply. It includes recommended means to mitigate the impact of supply interruptions to consumers through risk assessments, optional improvement plans, and proactive communication with consumers.

We have also sought to provide clarity on the authorisation condition's distinction from the incoming Heat Network Technical Assurance Scheme (HNTAS). The guidance also contains suggestions on how operators can support their consumers where an interruption to supply occurs.

Questions

- Q26. Do you find our proposed guidance on the security of supply relevant to the corresponding authorisation condition, and useful?
- Q27. What should we consider including in a future iteration of the guidance on the security of supply, to make it more useful?

Context

The quality and consistency of heat supplied to consumers is a key priority of Ofgem's role in regulating the heat network sector. We want to enable consumer confidence that their supply of heat is secure, and the authorised person will take effective steps to resolve issues when they arise. We confirmed in the 2025 government response that this authorisation condition would remain principle-based in order to reflect the technical and infrastructural diversity across the sector, and stakeholder queries of how this requirement may interact with the incoming Heat Network Technical Assurance Scheme (HNTAS).

We also encourage further engagement with this guidance from operators who operate, or consumers who receive heat from, a shared ground loop. In previous consultations, stakeholders were clear that these obligations needed to reflect the unique nature of such networks. We believe keeping this a principle-based condition will aid in this, however, we are keen for stakeholder input to better refine this guidance for individual networks.

GSOPs for heat networks are subject to further policy development and stakeholder engagement, including a statutory consultation. As such, while we cannot set out at this stage what those requirements may be, we encourage authorised persons to use the

Security of Supply authorisation condition, and this guidance, to prepare for the introduction of GSOPs.

Existing technical guidance for heat networks

While we have been clear that it is not the aim of the Security of Supply authorisation condition, nor the guidance proposed in this consultation, to provide prescriptive technical standards or levels of performance, we encourage heat network operators to be proactive in their use of existing guidance for technical heat network standards:

- the Office for Product Safety and Standards has published [guidance on the government's existing regulations on heat network metering and billing](#)
- the Chartered Institution of Building Services Engineers has developed a [voluntary Code of Practice that establishes minimum technical standards for heat networks](#)
- the Building Engineering Services Association has provided a [voluntary test standard and testing regime for Heat Interface Units \(HIUs\)](#)

Appendices

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Appendix 1 - Privacy notice on consultations

Personal data

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

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

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

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

2. Why we are collecting your personal data

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

3. Our legal basis for processing your personal data

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

4. With whom we will be sharing your personal data

(Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data then make this clear. Be as specific as possible.)

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

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. 'six months after the project is closed')

6. Your rights

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

- know how we use your personal data
- access your personal data

- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

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

9. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, click on the link to our “[ofgem privacy promise](#)”.