

## Decision

# Heat networks regulation: consumer protection guidance

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In the [Heat networks regulation: consumer protection guidance consultation](#) ('2025 consumer protection guidance consultation'), we consulted on draft guidance relevant to key consumer protection requirements, including the Standards of Conduct, billing and protections for consumers in vulnerable situations.

The consultation built on our joint consultation with the Department for Energy Security and Net Zero (DESNZ) [Heat networks regulation Implementing consumer protections consultation](#) ('2024 ICP Consultation').

This document outlines our decisions on these proposals following consideration of the responses to our consultation. Our decisions have also been informed by stakeholders' responses to the [Heat networks regulation: authorisation conditions consultation](#) ('2025 authorisation condition consultation').

Alongside this document, we have published a finalised version of the guidance ahead of regulatory commencement on 27 January 2026.

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### Executive summary

The Energy Act 2023 named Ofgem as the regulator for heat networks in England, Scotland, and Wales (Great Britain). [Our Forward Work Plan](#) outlines the work we are doing in 2025 and 2026, including our ongoing preparations for our new regulatory responsibilities for heat networks and the commencement of the new regime in January 2026.

The aim of the new regulatory regime is to deliver good outcomes for heat networks customers. In particular, we want to ensure heat network customers are treated fairly, receive clear and transparent information about their heat supply, a reliable service and fair prices. In developing the authorisation conditions underpinning these outcomes, we are introducing a framework that aims to be proportionate, cost effective and which drives improvements in consumer outcomes, while delivering a stable regulatory framework which supports investment.

This document provides a response to the feedback received as part of our 2025 consumer protection guidance consultation and accompanies the publication of our final consumer protection guidance document.

### Response overview

Stakeholders were broadly supportive across each of the proposed areas of guidance. Key themes from stakeholders included calls for additional guidance to recognise the extent of diversity within the heat network sector, including the resource limitations faced by smaller operators and the challenges for older networks in meeting new regulatory requirements. Respondents welcomed where the guidance accounted for proportionality, however some stakeholders said this should be taken further into additional resources such as tailored templates.

Stakeholders broadly supported the consumer outcomes we expect from the sector, however, some suggested that these expectations could be strengthened by examples of best practice in line with any market segmentation. Some respondents also called for the guidance to further acknowledge the impact of supply interruptions on health and comfort, particularly for consumers in vulnerable situations.

Stakeholders emphasised the need for Ofgem's regulatory framework to align with broader expectations across the sector, including DESNZ's Heat Network Technical Assurance Scheme (HNTAS), and with existing requirements for authorised persons who also provide a housing service. These responses called for clear cross-referencing, avoiding duplication of rules where possible, and clearly displayed referral pathways for consumers.

### Additional response analysis

Alongside analysis stakeholder responses to this consultation, we have also updated the guidance as part of response to the 2025 authorisation condition consultation. While we had previously consulted on the underlying policy of the authorisation

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condition, this consultation was an opportunity for stakeholders to review the consolidated set of initial authorisation conditions.

While we have not called out individual stakeholder responses to that consultation in this decision document, any resultant changes are also included in the updated version of the guidance in the appendix.

We encourage all stakeholders to reference the 2025 authorisation condition consultation decision document.

### **Future guidance**

Where stakeholders called for changes to the guidance, we have assessed which are appropriate and feasible for this version of the guidance and updated the final document accordingly. However, we have also kept track of the changes and additional material requested by stakeholders that we will explore in future updates to the guidance or supporting materials.

We have been clear in our intent for this guidance to be updated over time, informed by market data gathered through our monitoring regime, adapted based on areas of consumer detriment, and where we see the most need for further clarity in the market. Some examples of updates requested by stakeholders that we will explore include templates of customer service processes, best practice case studies, and visual aids for consumer redress pathways.

We are keen that, where possible, these future supporting resources and guidance can be designed and produced to best reflect the unique characteristics of the sector.

Stakeholders should note that some of these potential future products may be published as updates to the guidance, or alongside as individual products.

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### Introduction

This is our response to the consultation “Heat networks regulation: consumer protection guidance”.

The consultation provided context and an opportunity to provide feedback on our proposed first version of guidance for the heat network sector’s consumer protection requirements. In keeping to the ambitious timeline of regulatory commencement in January 2026, this guidance is a first iteration, focused on the balance of introducing consumer protections, and providing adequate support to authorised persons responsible for complying with our authorisation conditions.

### Related publications

In preparation for regulatory commencement, authorised persons should engage with the finalised guidance published alongside this decision document, as well as our [general authorisation conditions](#).

### Our decision-making process

We received 37 responses to the consultation from a range of stakeholders including trade associations, consumer groups and heat network operators. We have reviewed all the responses and provide summaries in each respective chapter. Stakeholders were asked to provide answers to 27 questions.

Whilst not every single response we received for each question has been outlined in our summaries, we have considered and noted all responses during our analysis and response development. We also recognise some individual responses were submitted on behalf of numerous organisations. We have aimed, where possible and appropriate, to keep summaries succinct, aiding the readability and conciseness of the document.

### Our decision

We have considered responses to the consultation and provided our response under individual chapters.

We are proceeding with the intended guidance, using stakeholder suggestions to make changes where appropriate in order to finalise the guidance ahead of regulatory commencement.

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## 1. Standards of Conduct

### Question analysis

**Q1. Do you find our proposed guidance on the standards of conduct relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	23	62%
Partially agree	6	16%
Disagree	0	0%
Not answered	8	22%
Comments	26	

- 1.1 A majority (78%) agreed or partially agreed that our proposed guidance on the Standards of Conduct was relevant to the corresponding authorisation condition, and useful. No stakeholders told us that they disagreed with the question. While no respondents selected disagree as their response, several stakeholders outlined ways in which the guidance could be improved.
- 1.2 Four stakeholders called for clearer delineation of responsibilities between different parties and further guidance on information sharing between authorised persons and/or contracted services.
- 1.3 Three shared concerns around the feasibility of the consumer preferences regarding the heat source used to fuel their heat network. Clarity was requested around how this principle could work in practice.
- 1.4 Two comments called for further examples of good and bad practice.
- 1.5 Two requested segmented guidance and more detailed examples of how different types of authorised persons can comply with the regulations.
- 1.6 Some comments were unique to individual responses, for example:
  - clear thresholds for minimum standards
  - concern about potential overlap between the Standards of Conduct and existing housing regulations, and raised concerns about the associated costs

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- greater emphasis on the importance of vulnerability protections, highlighting the threat to life that consumers in vulnerable situations may face if regulations are not followed
- clarity on how the Standards of Conduct offer greater protections than those that are in place for gas and electricity consumers
- ask that information sharing requirements be more stringent for heat network consumers due to the monopolistic nature of the heat network market

1.7 Our response is on page 11.

**Q2. What should we consider including in a future iteration of the guidance on the Standards of Conduct, to make it more useful?**

1.8 28 stakeholders provided responses to this question.

1.9 The most frequent suggestion, made by nine stakeholders, was for Ofgem to provide more detailed examples of good and bad practice or to support these examples with detailed case studies. Feedback was divided between these respondents, with some asking for this to be incorporated before regulatory commencement and others suggesting this could be updated following a period of data collection.

1.10 Eight respondents asked for clearer definitions to be included in the guidance, including compliance assessment and penalty information. Specifically, minimum standards and assessment approaches were requested for the principles relating to 'fairness', 'transparency', 'appropriate', 'timely', and 'identifying vulnerability'.

1.11 Eight stakeholders requested segmented guidance to help small suppliers, different management structures, contracted services, and communal heat networks to meet the Standards of Conduct. A further two respondents asked for guidance on how Ofgem will be proportional in the regulatory approach to heat networks that have less financial and administrative capacity.

1.12 Four respondents requested additional materials, such as templates and visibility aids, to help authorised persons to improve their communication with consumers.

1.13 Two comments suggested more prescriptive guidance on vulnerability to help authorised persons to identify consumers in vulnerable situations and to provide relevant additional support.

1.14 Two respondents requested changes to how supplier and operator are defined within the guidance. One requested the 'operator' definition be broadened to be applicable to bulk supply arrangements. Another asked for clearer delineation of responsibilities between Supplier and Operator.

1.15 Some comments were unique to individual responses. For example:

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- guidance on how authorised persons should engage with consumers that engage with hostility
- inclusion of a list of appropriate communications preferences for consumers to pick from

1.16 Our response is on page 11.

**Q3. Can you share some examples of how you have approached consumer engagement practices, where this has improved your understanding of consumer needs?**

1.17 54% of respondents shared examples of consumer engagement practices, where these have improved understanding of consumer needs. The majority of these respondents shared their own consumer engagement practices. Of these examples, the most frequent method of consumer engagement provided was in-person events or drop-in sessions, reported by ten respondents.

1.18 Other examples provided by a number of respondents included surveys, digital channels, written correspondence, and seeking feedback before bringing in changes to the heat network. Some methods of consumer engagement, such as Q&A sessions, focus groups or workshops, and engaging with consumers over the phone, were each reported by two respondents. Six other consumer engagement activities were unique to individual responses.

1.19 Three respondents expressed concerns with the consumer engagement principle. However, two of these respondents were also able to provide examples of current practices that demonstrate they already carry out activities relevant to the consumer engagement principle. Comments included:

- concern that this requirement goes further than the requirements placed upon gas and electricity suppliers, noting the cost of compliance and preference that elements of customer service should be left to the discretion of the authorised person to allow a competitive market
- call for greater recognition of contracted services and the role of third parties in achieving the consumer engagement principle
- concern that this requirement should not apply to all heat network types as consumer engagement practices are already embedded in the housing sector

1.20 Our response is on page 11.

## Ofgem Response

Overall, the responses to this consultation question supported the proposed guidance, with many finding it useful, clear and well structured. Feedback suggested that respondents wanted more detail on identifying the authorised person, the role of third parties, how the standards will be assessed, and best practice examples.

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We have now updated the guidance to provide more clarity on the definitions of operator and supplier and on how to achieve the standards where third parties are involved. We have also provided examples of communication methods and guidance on how authorised persons should consider consumer preferences around the heat source.

As we develop future guidance products, we will consider developing worked case study examples and templates that will help set out best practice.

### Further clarity

We acknowledge requests for further clarity in several areas of the Standards of Conduct guidance. Stakeholders asked for clearer delineation of responsibilities between different parties, clarity around information sharing requirements, and the expansion of the operator definition to apply to bulk supply agreements. We have reviewed stakeholder feedback, assessed whether changes to guidance are appropriate at this stage, and made the relevant amendments to the guidance as detailed below.

We have not amended the definitions of operator and supplier, as these are statutory definitions and published in line with the [Heat Networks Market Frameworks Regulations](#). We have clarified within the guidance that the Standards of Conduct apply to alternative models and ownership structures, alongside examples.

### Information sharing

We have not set out prescriptive rules for authorised persons to follow regarding how information should be shared to ensure a regulatory regime that is appropriate for the diverse sector. We also note that authorised persons for individual heat networks will be best placed to understand the characteristics of their customer base and therefore best placed to identify the most appropriate means of sharing information, to meet their responsibilities.

### Consumer preferences

Following requests for examples of communication preferences consumers may reasonably request, we have added an example list of non-exhaustive formats to the guidance. We have not provided a list for consumers to choose from, as consumers may express preferences for less standardised communication due to having additional needs. In such circumstances, we expect the authorised person to provide the consumer with reasonable and relevant additional support.

Stakeholders have expressed concerns about the costs associated with decarbonisation if consumers request that a carbon emitting heat source is replaced with a low carbon heat source. We have reviewed and made amendments to the guidance to provide clarity around how this principle could work in practice and to signpost to relevant resources.

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### Approaches to assessment and compliance

We recognise that respondents called for clearer definitions to be included in the guidance, including minimum standards, compliance assessment and penalty information. We have reviewed the guidance and made appropriate additions outlining how Ofgem will apply the Standards of Conduct in line with the ‘Consumer Objective’.

We have not set prescriptive, minimum standards for how the Standards of Conduct should be achieved as we want to ensure this is a flexible, principles-based framework for networks of varying size and complexity. We will continue to consider how best to support all types of networks, including the potential development of templates tailored to different operational models.

### Good and poor practice examples, templates, and case studies

We acknowledge requests from stakeholders for further examples of good and poor practice, templates, and case studies to demonstrate how the principles of the Standards of Conduct can be achieved in practice and the types of behaviour that Ofgem would consider unacceptable. We will continue to review and update the guidance as appropriate after we gather data and insights across the heat network market following regulatory commencement.

### Consumer engagement principle

Over half of respondents shared examples of current consumer engagement methods, where these have improved understanding of consumer needs. These examples have provided us with a helpful insight into consumer engagement practices across the sector. We will use these insights to inform our further work.

We recognise feedback from stakeholders that this principle goes further than the requirements placed upon gas and electricity suppliers. Engaged gas and electricity consumers are usually able to switch between suppliers. The consumer engagement principle has been developed to provide an additional engagement opportunity to heat network consumers because opportunities to participate in the heat network market are more limited.

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## 2. Quality of Service

### Complaints

#### Question analysis

**Q4. Do you find our proposed guidance on complaints relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	19	51%
Partially agree	6	16%
Disagree	0	0%
Not answered	12	32%
Comments	26	

- 2.1 A majority (67%) agreed or partially agreed that our proposed guidance on complaints was relevant to the corresponding authorisation condition, and useful. No respondents selected disagree as their response, however, several stakeholders outlined ways in which the guidance could be improved.
- 2.2 13 respondents made comments specifically related to the strengths of the guidance, including the benefits of a structured complaints framework, the guidance's similarities to existing housing requirements, and the emphasis on accessibility and responsiveness.
- 2.3 Ten respondents called for further clarity on several aspects of the guidance, including requests for examples of 'expressions of dissatisfaction', and regarding the timescale for resolution of complaints, highlighting concerns that one working day to resolve a complaint is an ambitious target. Two stakeholders also indicated the need for further clarity regarding differences in existing housing requirements, so to avoid the unnecessary duplication of complaints procedures.
- 2.4 Three respondents raised points relevant to networks involving multiple authorised persons, including difficulties in signposting when the authorised person is not the building owner and the risk of consumers being unable to identify the heat supplier, and subsequently being unable to raise a complaint.

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2.5 Two comments raised concerns regarding the proportionality of requirements, particularly for smaller community networks. These stakeholders suggested that to communicate to all consumers about the complaints process would be resource intensive. They instead suggested flexibility to enable innovation in meeting the requirements, particularly where authorised persons can demonstrate that alternative methods are better suited to consumers.

2.6 Two respondents called for further detail on the processes and procedures necessary to facilitate group complaints.

2.7 Some comments were unique to individual responses, for example:

- the guidance should include a definition, and examples, of a ‘resolved’ complaint
- both the relevant authorisation conditions and guidance should require authorised persons to engage with statutory advice and advocacy bodies before designing and implementing a referral pathway

2.8 Our response is on page 19.

**Q5. What should we consider including in a future iteration of the guidance on complaints, to make it more useful?**

2.9 26 stakeholder provided responses to this question.

2.10 Seven respondents raised concerns about the demarcation of responsibilities within the complaints process. Respondents also sought clarity on the remit of third-party service providers who receive complaints about services they do not directly control, including whether signposting to the regulated entity would suffice and what obligations exist for recording such referrals.

2.11 Six respondents called for guidance on how complaints interact with other governing bodies. Stakeholders requested worked examples and a visual responsibility map to show when complaints should be directed to the Energy Ombudsman, Housing Ombudsman and First-tier Tribunal.

2.12 Five stakeholders suggested greater detail covering existing requirements in the housing sector. These stakeholders suggested joint work between registered providers, residents and Ombudsman services to develop an efficient process for resolving complaints. Two of these respondents disagreed that authorised persons should be able to charge an administration fee for providing a copy of their complaints handling procedure, noting that doing so could undermine consumer trust and that the cost of providing the procedure is negligible.

2.13 Five respondents highlighted the importance of providing clear information to consumers when they disagree with the outcome of a complaint. Stakeholders also called for clear examples of when it is reasonable to reject a complaint and guidance on how to evidence such decisions appropriately.

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2.14 Four comments called for greater prescriptive requirements, including on timescales for the acknowledgement, investigation and resolution of a complaint.

2.15 Four stakeholders requested that the guidance include various templates, including for responding to complaints, acceptable examples of redress, and of a compliant complaint handling procedure.

2.16 Three stakeholders emphasised a need for greater transparency on how Ofgem will assess compliance and called for ongoing engagement to identify areas where market support is needed. One of these comments questioned if Ofgem could engage in the early stages of complaints when requested by an authorised person, to support their understanding of regulations.

2.17 Two stakeholders stated that future guidance should provide greater detail on expected differences in the quality of service between segments of the heat network sector.

2.18 Some suggestions were unique to individual responses, for example:

- further guidance on handling complaints received through intermediaries such as managing agents or developers
- for Ofgem to make contributions in defining and standardising the process of referring consumers between the authorised person and an advice and advocacy organisation
- greater clarity on the complaint reporting requirements, including how such data is used by Ofgem
- greater emphasis on the use of complaints data as a tool for continuous improvement

2.19 Our response is on page 19.

## Assistance and advice

### Question analysis

**Q6. Do you find our proposed guidance on assistance and advice relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	10	27%
Partially agree	6	16%
Disagree	0	0%

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Not answered	21	57%
Comments	20	

2.20 Over half (57%) of responses did not answer this question. 43% of respondents agreed or partially agreed that our proposed guidance on assistance and advice was relevant to the corresponding authorisation condition, and useful.

2.21 Seven stakeholders stated where they found this guidance to be relevant and useful. This included a welcome of the clarity regarding expectations of authorised persons' provision of information and signposting, and emphasis on taking a pragmatic approach to combining information where requirements overlap.

2.22 Two comments called for more best practice examples and case studies to help authorised persons to understand the authorisation condition. One of these comments also suggested best practice examples would help smaller networks to comply with the regulations.

2.23 Two respondents commented on the formatting requirements of information presented to consumers. Clarity was requested over whether information should be presented in multiple formats, or if the authorised person can choose the type of format they use. A suggestion was made for information to only be provided in one format to consumers to avoid confusion and the duplication of information.

2.24 Two responses sought clarity over Ofgem's expectations around how frequently updates and reminders on assistance information should be provided to consumers.

2.25 Two stakeholders expressed concern about the role of third parties in providing assistance and advice. Greater recognition of the roles of third parties (contracted services) and further information on Ofgem's approach to monitoring and compliance was requested. Concern was raised about the requirement to publish or signpost to the latest version of any relevant guidance and/or advisory publications relating to heat networks within 28 days. The stakeholder commented that the timeline would be difficult for third parties to achieve.

2.26 Some comments were unique to individual responses, for example:

- request that a link be provided to a webpage containing all assistance and advice publications and information
- suggestion that the guidance clearly signpost to areas of guidance on vulnerability
- ask for templates and a minimum checklist to help smaller operators to comply. Concern that there is a greater level of detail in the authorisation condition and request that this level of detail be incorporated into the guidance

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- recommendation that guidance encourage authorised persons to ensure an enquiry service is available to consumers for any interruption of heat supply, not just due to losses that result from meter faults

2.27 Our response is on page 21.

**Q7. What should we consider including in a future iteration of the guidance on assistance and advice, to make it more useful?**

2.28 19 stakeholders provided responses to this question.

2.29 Nine stakeholders requested more prescriptive guidance. Examples included:

- requests for more detailed guidance authorised persons may signpost consumers to on rights to redress
- prescriptive guidance on assessing the accessibility of information provided to consumers
- calls for further requirements and guidance on systems consumers can access to check their network status
- clarification over whether or not online reviews from consumers should be considered complaints

2.30 Six comments called for Ofgem to produce a list of organisations and schemes that would be considered acceptable to signpost and refer consumers to.

2.31 Three stakeholders called for Ofgem to specify minimum standards for timeframes for responding to consumers that would be considered compliant.

2.32 Four respondents called for the inclusion of further supportive examples or templates to demonstrate best practice. Examples of templates requested included bill inserts, welcome packs and dedicated website sections.

2.33 Two comments asked further information about how to comply with the regulations where coordination is required between multiple authorised persons and contracted third parties deliver services.

2.34 Two stakeholders asked for further guidance on how assistance and advice should incorporate accessibility adaptations and whether there are any language requirements.

2.35 Some comments were unique to individual responses, for example:

- call for further information on Ofgem's approach to monitoring, reporting requirements and feedback to best support continuous improvement
- request for guidance on how a heat network should operate an enquiry service.
- ask for Ofgem to create and maintain a regularly updated repository of the relevant publications that authorised persons can signpost consumers towards

2.36 Our response is on page 21.

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### Ofgem Response

#### Complaints

We welcome the broad support from respondents across our complaints guidance and will continue to use market intelligence to update and strengthen the areas that stakeholders find most useful.

After assessing stakeholder feedback, we have decided to proceed with our proposed guidance for the authorisation condition on complaints. Updates we've made to the guidance, and those we will consider for a future version, are discussed below.

#### Identifying a complaint

Where stakeholders asked for further examples of complaints and expressions of dissatisfaction, we have provided a non-exhaustive list with focus on cases where the consumer's complaint may be less obvious. We have also provided further guidance for authorised persons on identifying where a response may be expected. We acknowledge the strong call for detailed case studies which reflect the complexity of some heat network complaints and will consider this in our work beyond regulatory commencement, working in partnership with statutory delivery partners to capture insights from their advice services.

#### Engagement with statutory bodies and referral pathways

Following requests to mirror the common practice of suppliers in the gas and electricity retail market, we have updated the guidance to encourage authorised persons to engage with statutory advice and advocacy bodies before implementing referral pathways. We will continue to work with our statutory advice and advocacy partners to assess if this requirement needs strengthened through the authorisation conditions.

#### Service improvement

Consumer complaints can be a valuable source of insight into the quality of an authorised person's service. Both our experience in regulating the gas and electricity retail sector, and trends from other sectors show that complaints analysis can be an effective tool for the continuous improvement of services. We have updated the guidance to incorporate stakeholder encouragement that complaints should be used as a learning and service improvement tool. As suggested by responses, the updated wording reflects similar principles present in the housing sector.

#### Group Complaints

We recognise the challenges in networks involving multiple authorised persons, including oversight of subcontracted parties and signposting responsibilities. We intend on working closely with statutory delivery partners to build a clear understanding of complex complaint types in the heat network sector and explore how to best address some complexities through guidance.

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We remain of the position that the guidance on group complaints will develop as the sector adjusts to regulation and the Energy Ombudsman considers more heat network complaints. However, based on stakeholder feedback, we have now updated the guidance with additional suggestions for authorised persons in handling group complaints, and potential examples of where a group complaint may be appropriate to consider.

### Complaints monitoring and future compliance

We see complaints data, be it that recorded by the authorised person, submitted to us as part of the regular reporting requirements, or shared with us by statutory partners, as a key insight to the quality of service being delivered across the heat network sector. We intend for complaints data to be one of several sources used to further our understanding of the sector.

Generally, Ofgem does not intervene in individual disputes between consumers and energy businesses, including heat suppliers and operators. We will continue to work closely with the Energy Ombudsman as the designated Alternative Dispute Resolution (ADR) provider, who may be able to support both consumers and authorised persons during a complaint.

We encourage stakeholders to review the complaints authorisation condition and guidance alongside the [draft regular data reporting guidance](#) for a rounded understanding of how we will use the monitoring of complaints data to interpret market trends and consumer experiences.

### Interactions with Other Governing Bodies

Stakeholders requested guidance on how complaints interact with bodies such as the Energy Ombudsman, Housing Ombudsman, and First-tier Tribunal, including worked examples and a visual explainer of referral pathways and responsibilities. By continuing to work with relevant organisation, we will explore ways to make these interactions clearer in future guidance or supporting materials.

### Timescales for complaint resolution

We remain of the position that it would not currently be suitable to implement prescriptive targets or key performance indicators (KPIs) for authorised persons' resolution of complaints. The period after which a complaint can be escalated to the Energy Ombudsman remains eight weeks for heat networks. We do, however, encourage authorised persons to seek resolution ahead of escalation and to embed effective and efficient complaint handling processes. Based on stakeholder feedback, we may explore complaint resolution requirements through future consultations on the guaranteed standards of performance (GSOPs) for heat networks.

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### Assistance and advice

Overall, the responses to consultation questions supported the proposed guidance, finding it useful, clear and transparent. Feedback suggested that respondents wanted more detail on organisations to signpost to, the role of third parties, and signposting to other guidance that is of relevance.

We have assessed the suggested changes and updated the guidance where suitable at this stage. We have summarised amendments to the guidance below and indicated where we will take actions in the future to inform future iterations of the guidance. As we develop future guidance products, we will consider whether it may be appropriate to develop templates to demonstrate best practice.

### Information on organisations and schemes

We recognise calls for information on organisations and schemes that would be considered acceptable to signpost and refer consumers to. We encourage authorised persons to refer to the information provided by the relevant consumer advice bodies.

### Relevant consumer advice bodies

Following requests for clarification on which organisations are the relevant consumer advice bodies, we have amended guidance to include this information as set out in the [Heat Networks Market Frameworks Regulations](#).

### Accessible information and vulnerability

There was support for further information on how to ensure communications for consumers are accessible. We have amended the guidance to signpost to the information on communicating information to consumers and considering vulnerability in the Standards of Conduct guidance.

Examples of resources that authorised persons could use to inform the development of accessible materials include: SCOPE's [accessibility resources toolkit - Scope for business](#), which helps businesses to be more accessible and inclusive of disabled people; for local authorities, [SCULPT for Accessibility](#) is a guide designed to raise awareness and skills for accessibility across the wider workforce ; and resources developed by the UK Government Communications Service: [Making your digital content accessible – GCS](#).

### Housing sector regulation

In instances where the authorised person is also an actor in the property sector, such as the landlord, the supplier and leaseholders will be subject to both the authorisation conditions and existing housing legislation. We have amended the guidance to encourage that the requirements may be integrated into existing processes where possible to avoid duplication of information and to reduce the administrative burden.

## Decision Heat networks regulation: consumer protection guidance

### Enquiry service

Stakeholders called for a twenty-four-hour enquiry service to be made available to consumers experiencing an interruption in their supply, regardless of the reason for the interruption. We have amended the relevant authorisation condition to reflect this change. We have updated the guidance to make it clear that the enquiry service should be capable of taking enquiries at any time but authorised persons are not required to respond to enquiries outside of usual working hours.

### Third parties

Respondents have called for guidance on how to comply with the regulations when more than one authorised person is involved, and where services are delivered by third parties. The guidance has been updated to clarify that third party activities may satisfy the requirements on behalf of the authorised person, but that it is the responsibility of the authorised person to ensure their activities meet their regulatory requirements.

We recognise concerns about the ability of contracted third parties to notify consumers of relevant guidance and advisory publications within twenty-eight days. We have amended guidance to be clearer that, if circumstances prevent the third party from meeting this requirement, responsibility remains with the authorised person to meet the requirements set out in this authorisation condition.

### Formatting, templates and best practice examples

The guidance is clear that where similar information is required across multiple authorisation conditions, we do not expect that information be duplicated or sent in multiple formats.

There is support for the inclusion of templates to demonstrate suitable content and formats for assistance and advice packs, such as bill inserts, welcome packs and dedicated website sections. We will consider whether it may be appropriate to develop templates that could help set out best practice.

**Decision Heat networks regulation: consumer protection guidance**

### 3. Billing and Transparency

#### Question analysis

**Q8. Do you find our proposed guidance on the on billing and transparency relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	14	37%
Partially agree	7	19%
Disagree	2	5%
Not answered	14	38%
Comments	23	

- 3.1 Generally, respondents found the guidance on billing and transparency useful and clear. Stakeholders raised some ways that the guidance could be amended to be clearer especially in regard to unmetered premises, and interactions with existing housing obligations.
- 3.2 Some respondents raised concerns regarding additional information such as net zero. One stakeholder noted the guidance does not account for system and data constraints which may impact compliance. Another respondent questioned how billing would work in the case of third parties, acting as the supplier, for example residential management company.
- 3.3 One stakeholder raised concerns around inconsistencies with the AC, which they consider formalises lease terms as a barrier, while the guidance signals that leases shouldn't prevent unbundling where meters are installed.
- 3.4 One respondent raised concern that signposting infers EO is the first point of contact, when it should be the supplier.
- 3.5 Overall, the feedback from stakeholders is positive and they are supportive of the guidance. There are some comments that will help us improve guidance drafting, making it clearer especially for networks that are unmetered, and covered by housing legislation.
- 3.6 Our response is on page 26.

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### **Q9. Do you have suggestions for what we should consider including in a future iteration of the guidance on Billing and Transparency, to make it more useful?**

- 3.7 There was a total of 27 comments in response to this question. There were 17 Yes, 2 No, and 18 Not Answered responses.
- 3.8 Most respondents suggested that future guidance could include clearer references to unmetered networks, and where third-party metering and billing agents are used. Most of the respondents suggested guidance including templates and worked examples for billing, and best practices for billing in different scenarios.
- 3.9 Eight respondents suggested future guidance needs to also include how Ofgem will tackle unmetered networks. A few of these respondents also suggested that shared ground loops should be considered in relation to guidance on metering.
- 3.10 Six stakeholders said it would be useful to see templates of bills, showing how charges can be itemised and unbundled between heat supply, maintenance and other costs. As well as providing model wording for tariff explanations and standing charge justifications.
- 3.11 Six stakeholders raised concern that many suppliers bill consumers through service charges or use third-party metering and billing agents and that the guidance should reflect this diversity. Additionally, some respondents highlighted concerns around the comparison of consumption from the same period in the previous year, being too little time for suppliers to prepare for billing.
- 3.12 Six respondents would like further clarification and guidance on unbundling, as well as recognition in the guidance that the process of unbundling heat network charges would be very complicated.
- 3.13 Five respondents suggested that billing is simplified and accessible for vulnerable consumers and that guidance encourages providers to signpost support services.
- 3.14 Our response is on page 26.

### **Q10. Can you share some examples of best practice for billing, including any examples of templates or bills currently sent to consumers?**

- 3.15 38% (18 comments) of respondents provided examples of best practice. Of these, one respondent said they could not provide any examples of best practice as they use a third party for their billing services. Most examples shared recommended having clear and accessible billing formats. Others suggested some best practice for suppliers in how to engage with customers on relation to billing services. The examples of best practice shared by respondents included:

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- four respondents suggested that bills could be as simple as possible and accessible, and were against providing too much information to avoid consumer confusion
- two respondents recommended that additional information could be displayed on a website should a customer want this additional information
- one respondent suggested that a standardised layout can help when advisors or charity organisations guide a customer over the phone on how to understand their bill.
- one suggested having a standardised heat network bill which is sent to all Priority Service Register customers alongside their regular bills was best practice for vulnerable consumers
- two respondents recommended including a comparison against the previous billing period to help customers identify unusual patterns

3.16 Some respondents suggested best practice behaviour for suppliers. These examples included:

- one stakeholder suggested that suppliers should proactively engage with customers when there are early signs of people struggling with affordability and paying their bills
- one suggested that suppliers should ensure billing and customer service is accessible for everyone, including those who may be digitally disadvantaged

### **Q11. Do you have any views on non-domestic billing guidance?**

3.17 There were 22 comments in total in response to this question. There were 13 Yes responses, 7 No, 1 Partially, and 15 Not answered. Most respondents wanted to have guidance for non-domestic consumers. We used this question to seek views on non-domestic guidance for billing, we will use the responses to develop future guidance products for this sector.

3.18 The majority of those who responded to this question think it would be beneficial to have guidance for non-domestic on billing and would be sensible to bring the same billing protections in for non-domestic customers.

3.19 Several respondents said the guidance should clarify how suppliers should handle mixed-use buildings where domestic and non-domestic consumers share infrastructure, including how shared costs are apportioned and reported.

3.20 Some respondents think that there will be information requirements that are not relevant to non-domestic buildings. Therefore, suppliers should have the ability to remove these points, if system capabilities allow, for non-domestic bills.

3.21 Our response is on page 26.

## Decision Heat networks regulation: consumer protection guidance

### Ofgem Response

Overall, the responses to consultation questions supported the proposed guidance, finding it useful and understandable. Feedback suggested that respondents wanted more detail on unmetered networks, and when billing is through third-party services.

For this first version of guidance, we have redrafted some of the wording to make the language clearer on where there may be differences between metered and unmetered networks. We have also clarified the wording in the guidance to ensure there is no inconsistency with the authorisation condition, and to ensure that it is clear suppliers are the first point of contact for complaints.

The guidance has been updated to acknowledge the diversity in the billing arrangements and regarding billing responsibilities when services are managed by third parties. The authorisation condition and guidance on requirements around providing historical consumption on every bill has been updated. While transparency on usage remains important, we think this information should be provided where reasonable, where it is available to the authorised person or the consumer requests it.

The guidance has also been updated to reflect the removal of Relevant Lease from the authorisation conditions. The interaction with housing is considered as part of the specific Condition rather than relying on one broad term that was causing confusion. These updates do not change the policy intent and how the interactions of housing have been considered.

### Best practice and future guidance

Overall, respondents raised useful suggestions for what we could consider for future versions of guidance or supporting resources. Most respondents suggested developing billing templates and worked examples of best practice for billing. Work on these products will likely begin after regulatory commencement in January 2026. To inform these products, we will use the feedback we receive from both this consultation, and the consumer insights research on billing information that we have conducted this year and which will be published in due course.

We plan to engage with stakeholders on these products to develop useful examples of billing templates and worked examples of best practice. As part of our work we will consider if further guidance is needed on shared ground loops.

### Non-domestic billing

We recognise that the responses supported developing specific guidance for non-domestic heat network consumers. We are aware that this first version of guidance has been focused on the domestic consumer sector. We intend to undertake further work on exploring guidance for the non-domestic sector. We will take the feedback received to explore developing tailored guidance for the non-domestic sector and will work closely with DESNZ and engage with stakeholders to do so.

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## 4. Back-Billing

### Question analysis

**Q12. Do you find our proposed guidance on back-billing relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	13	35%
Partially agree	7	19%
Disagree	2	5%
Not answered	15	41%
Comments	22	

- 4.1 There was general support for the alignment with housing legislation. However, there was a comment about the lack of inclusion of references to Scottish housing legislation.
- 4.2 There was a comment from a stakeholder regarding the differences between wording in the AC and the guidance, which suggests different exemptions. Some stakeholders suggested having better guidance with real-life scenarios on who is covered and who is exempt.
- 4.3 There were some concerns raised around the 12-month limit, particularly around networks reliant on third-party data or those transitioning between metering providers.
- 4.4 Our response is on page 28.

**Q13. What should we consider including in a future iteration of the guidance on back-billing, to make it more useful?**

- 4.5 Feedback from respondents suggested that they would like more detail and clarification on the interactions between back-billing and existing housing legislation.
- 4.6 The majority of respondents would like further clarification on who is subject to the Landlord and Tenant Act. Respondents also wanted examples and further guidance on scenarios – for example, where a meter fault was outside the

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operator's control or where a customer obstructed access. As well as where responsibilities are shared between operators and suppliers.

- 4.7 Some respondents raised concerns that council house tenants have more complex routes of redress than private sector tenants. These respondents wanted more detailed guidance on how errors could be communicated to consumers.
- 4.8 A few respondents wanted more detailed guidance on how back-billing can be prevented. Some stakeholders also wanted guidance on how to evidence compliance with back-billing.
- 4.9 Our response is on page 28.

## Ofgem Response

Overall, respondents were supportive of this first version of guidance on back-billing, but stakeholders did provide useful comments on how this guidance can be made clearer, and what can be included in future guidance products.

Stakeholders wanted more clarity on interactions with existing housing requirements under the Landlord and Tenant Act, especially different tenancy types, like leasehold, mixed-tenure properties, and Right to Manage (RTM) or Resident Management Companies (RMCs).

The guidance has also been updated to reflect the removal of Relevant Lease from the authorisation conditions. The interaction with housing is considered as part of the specific Condition rather than relying on one broad term that was causing confusion. This does not change the policy intent or how the interactions of housing have been considered.

The guidance reflects the position in the authorisation conditions, where the authorised person or any Representative recovers charges through a Service Charge<sup>1</sup> this is not covered by the 12-month back-billing limit under the authorisation conditions, and in these scenarios heat networks should direct consumers to access support or redress organisations through existing routes in housing.

We want good back-billing outcomes for customers, and for suppliers to get billing practices right. We will work closely with stakeholders to develop future guidance products to support the heat network industry and customers with billing and back-billing. As part of this we will further consider if more clarity is needed for different tenancy types, like leasehold, mixed-tenure properties, RTM or RMCs.

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<sup>1</sup>A service charge means within the meaning of s18(1) of the Landlord and Tenant Act 1985 or any similar charge to which equivalent legal protections in any jurisdiction within Great Britain apply.

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## 5. Heat Supply Contracts

### Question analysis

**Q14. Do you find our proposed guidance on heat supply contracts relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	13	35%
Partially agree	7	19%
Disagree	2	5%
Not answered	15	41%
Comments	26	

- 5.1 A large proportion of respondents would like a further recognition of diverse contractual arrangements, especially where heat supply is embedded within tenancy or leasehold agreements.
- 5.2 Respondents were also concerned about the amount of information required to be included in the contracts, such as Key Performance Indicators (KPIs), and network efficiency.
- 5.3 Some respondents were unclear on regulatory timelines and wanted more clarity over transitions and timings for implementing heat supply contracts.
- 5.4 One stakeholder questioned whether some of the detail in the AC should be transferred to the guidance.
- 5.5 Our response is on page 32.

**Q15. What should we consider including in a future iteration of the guidance on heat supply contracts, to make it more useful?**

- 5.6 Several stakeholders suggested including templates of heat supply contracts in future guidance, especially where there are different managing authorities.
- 5.7 Some stakeholders also wanted more clarification on DESNZ's HNTAS requirements to be able to better determine the expected metering and technical standards for their heat networks. They said that with this information, they could

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better assess requirements and transition periods to meet technical standards and the reporting metrics for heat supply contracts.

5.8 Some respondents wanted further clarification of the varied contractual arrangements in the housing sector, and more explanation on how requirements for heat supply contracts may differ for different tenancy arrangements.

5.9 Our response is on page 32.

### **Q16. Can you provide any examples of best practice for heat supply contracts/agreements?**

5.10 16% of respondents provided examples of best practice for heat supply contracts. The majority of these were about ensuring that contracts were easy for consumers to understand

5.11 Some examples were aimed at best practice for Ofgem as the regulator, including clearly stating whether existing templates comply with regulatory requirements. Additionally, for Ofgem to publish templates and provide worked examples to cover a range of ownership and management structures.

5.12 Other examples were more clearly reflective of existing heat supply contracts, such as including a plain-language summary of principal terms and a clear breakdown of responsibilities between supplier, landlord and agents.

5.13 Some stakeholders also provided examples relevant to instances where a tenancy or leasehold agreement is the equivalent of a heat supply contract. These included that residents should be provided with clear and accessible information about their heat supply, charges, and responsibilities at the start of their tenancy or lease. Respondents also noted that information could be included in welcome packs, or resident handbooks so it could be more accessible to consumers.

### **Q17. Do you agree with our use of “deemed contract”?**

<b>Response</b>	<b>Number of responses</b>	<b>Percentage</b>
Agree	11	30%
Partially agree	9	24%
Disagree	1	3%
Not answered	16	43%
Comments	21	

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5.14 A large proportion of respondents would like a clearer definition of 'deemed contract' and how this differs from other contracts. Along these lines, most respondents wanted more practical examples of deemed contracts and the scenarios when they would apply and how.

5.15 Stakeholders also wanted more clarity on how deemed contracts will interact with housing law in scenarios with different tenancy arrangements, for instance sub-lets, heat supply included in rent, and when there is a change of tenancy without new heat supply agreement being issued.

5.16 Respondents also wanted different wording in the guidance on deemed contracts as some stakeholders suggested that current drafting inferred that deemed contracts are temporary.

5.17 Our response is on page 32.

**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?**

5.18 11% of respondents provided examples of best practice for contract termination. Examples of best practice included:

- using a simple termination form, clear communication processes, and defined timelines for refunding any credit balances
- including guidance on handover processes to avoid accidental disconnections or billing disputes
- an approach for early termination that could cater for fault-based reasons and non-fault-based reasons such as prolonged force majeure events or a voluntary termination break clause on notice
- supply contracts should not include provisions for disconnection at the consumer's request. Instead, contracts should focus on ensuring transparency and support for consumers during transitions such as moving home
- practices that help prevent situations where consumers feel the need to terminate their heat supply contract or self-disconnect while continuing to live in the property – for instance:
  - affordable repayment plans tailored to individual circumstances,
  - referrals to third-party debt advisors, and
  - access to money advice services
- ensuring that when consumers self-disconnect or ration to reduce debt repayment plans is not misused. This helps avoid unmanageable debt levels and threatening the financial viability of the heat network

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### Q19. What are your views on transitional arrangements and timelines for implementing heat supply contracts?

5.19 There were 23 comments in response to this question, of these 17 (11%) provided views on transitional arrangements and timelines for implementing heat supply contracts.

- four respondents suggested that good practice would be allowing at least 12 months from regulatory commencement (27<sup>th</sup> January 2026) for heat suppliers to have new contracts ready
- one stakeholder suggested a phased transition for implementing heat supply contracts, including:
  - by regulatory commencement, compliance for new contracts,
  - within 6–12 months for legacy variations,
  - up to 24 months for complex leasehold arrangements
- some stakeholders suggested Ofgem establish milestone requirements for suppliers and operators to plan out contract changes over a period of time
- one stakeholder suggested issuing contracts with welcome pack information, with no requirement to sign and return to minimise administration and delays with set up of supply

5.20 Our response is on page 32.

## Ofgem Response

Overall, respondents were supportive of the proposed guidance on heat supply contracts. They provided good feedback on how we can develop future guidance products on heat supply contracts to make them more useful for the sector.

### Future guidance

For developing future guidance products, a few respondents wanted clarification on the technical standards and metering requirements that DESNZ are considering as part of the HNTAS. We will work closely with DESNZ and stakeholders to encourage alignment where possible.

Some respondents also wanted clarification on how heat supply contracts will work in conjunction with existing obligations under housing legislation for different contractual arrangements such as leasehold, private renting, and RMC/RTMs. We are working with the Ministry of Housing, Communities & Local Government (MHCLG) on these interactions and will explore developing guidance products to clarify the interactions with housing.

The guidance has been updated to reflect the removal of the broad definition of Relevant Lease but reflect that Heat Supply Agreements may include leases or tenancy agreements covered by legislative provisions across Great Britain. We have also

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included a reference to cooling-off period requirements under The Consumer Contract Regulations<sup>2</sup>. These regulations place separate requirements on the entities covered by them and it is for regulated entities to seek their own legal advice and satisfy themselves that they meet the necessary obligations.

### Best practice

Stakeholders suggested a range of examples for best practice. Respondents suggested that having templates and worked examples published by Ofgem would be helpful for the industry to meet expectations for best practice. We are considering how we will develop and use examples and templates for future guidance products. We will engage with stakeholders as we develop these products.

Respondents also suggested examples of best practice where a tenancy or lease agreement is the equivalent of a heat supply contract. These examples are useful as they help us better understand the needs of this sector, and the interactions between heat networks and housing. We will consider these points raised with MHCLG, who we will work closely with to develop future guidance and best practice standards for this sector. There are complex interactions including legal provisions not within Ofgem's remit to change, but our starting principle is that we don't want heat network consumers to be disadvantaged because of the tenancy or contractual arrangement they are on. As we get more information and data from this sector of heat networks, we aim to develop guidance products that support the interactions between housing and heat networks.

### Deemed contracts

While this question did not get a lot of responses, we did receive some useful feedback on the use of deemed contracts and how guidance could be updated to make it clearer. Most of the feedback wanted more detail and clarity on how deemed contracts will interact with existing housing legislation in scenarios with different tenancy arrangements such as sub-lets, leaseholds, and RMCs/RTMs. For the current version of guidance, we will seek to amend wording where necessary to ensure that the language used for this section is clear and accessible.

For future guidance, it is clear from the feedback received that stakeholders want more practical examples of how deemed contracts will operate and apply in different scenarios. We will work with MHCLG on developing these examples on how deemed contracts will work in different housing settings, including various tenancy and contractual arrangements. We want the housing interactions to be clear and understandable, and we recognise that feedback suggests that worked examples can be a good way to achieve this.

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<sup>2</sup> [The Consumer Contracts \(Information, Cancellation and Additional Charges\) Regulations 2013](#)

**Decision Heat networks regulation: consumer protection guidance****Termination of contract**

We received a variety of examples of best practice for contract termination. We will consider the feedback received as we continue to develop future guidance products.

**Transition arrangements**

We received a range of responses for views on potential timelines and transitional arrangements for implementing heat supply contracts. The majority of responses suggested timelines of 12-24 months from regulatory commencement. We will consider these views received as we develop more guidance on timelines and transitions, and we will engage more with stakeholders as we do this.

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## 6. Protections for Consumers in Vulnerable Situations

### Question analysis

**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?**

- 6.1 Just under half (48%) of respondents had views on interactions with existing regulations in housing.
- 6.2 Some respondents noted that consumer protections and metering arrangements for heat network users should align with existing housing regulations, avoiding unnecessary duplication and recognising that responsibilities differ across housing types.
- 6.3 Another concern raised was that, without proper alignment, there is a risk of creating a two-tier system of protection, with some consumers enjoying stronger safeguards than others depending on their tenancy or ownership.
- 6.4 Several comments noted that information and communications to consumers should be streamlined to prevent duplication and confusion in notices and documentation sent to consumers.
- 6.5 Some respondents recommended the priority services register should enable lawful data sharing between heat networks and landlords to ensure consistent consumer protection.
- 6.6 A few comments expressed concerns about the use of surveillance equipment in social housing during site visits, suggesting it could undermine trust and may not be practical for local authorities and housing associations.
- 6.7 Some comments expressed uncertainty in how capped service charges will interact with energy costs which are billed separately.
- 6.8 Our response is on page 40.

**Decision Heat networks regulation: consumer protection guidance****Q21. Do you find our proposed guidance on priority services registers relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	14	38%
Partially agree	8	22%
Disagree	2	5%
Not answered	13	35%
Comments	24	

6.9 A majority (60%) of the respondents to this question agreed or partially agreed that the proposed guidance on priority services registers is relevant to the corresponding authorisation condition, and useful. Among these responses, there was a general welcoming of a consistent framework for identifying and supporting consumers in vulnerable situations.

6.10 Two respondents disagreed, with one suggesting that priority services registers are not appropriate in the leasehold sector and would introduce an unnecessary financial and administrative burden. The other respondent who disagreed did not see the relevance for heat networks on an operational level.

6.11 Six respondents highlighted further that this area has potential crossover with housing regulation. Some suggested that we should aim to avoid competing with those existing regulations particularly in social housing. Other responses indicated that we should provide further clarity for private tenants of leaseholders and raised uncertainty on the applicability of the definition of vulnerability to service charges.

6.12 Five respondents raised data sharing between parties. Some mentioned that data sharing between utility sectors (a universal, or shared, priority services register) would be welcome, to reduce the overall administrative and financial burden on heat networks and ensure consistency across utilities. Others raised uncertainty around how lawful data sharing would be implemented and requested clearer instructions and templates for data sharing agreements between various parties while respecting consumers' consent and data rights.

6.13 Three respondents requested further guidance on which services should be provided.

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6.14 One respondent raised the financial impact on suppliers of offering priority services to consumers and requested further clarity on the definition of “reasonable” in this context.

6.15 Our response is on page 40.

**Q22. Do you find our proposed guidance on security deposits, payment difficulties, disconnections and direct debits relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	13	35%
Partially agree	7	19%
Disagree	4	11%
Not answered	13	35%
Comments	26	

6.16 A majority (54%) agreed or partially agreed that the proposed guidance for this question was relevant to the corresponding authorisation condition, and useful.

6.17 Four respondents disagreed, and highlighted the impact of unmanageable debt – whether this were to result in insolvency or termination of service by the gas or electricity supplier, resulting in heating outage for all connected premises. They also shared the view that the debt trigger of £200 was set too high, as by this point the debt taken on by the heat supplier would be very high and potentially result in insolvency.

6.18 In addition to those who disagreed, three further respondents highlighted the importance of balancing the requirements around debt with the financial risk to heat networks.

6.19 Six respondents requested further clarity, guidance on templates, and best practice. This included:

- setting up and managing direct debit payments and repayment plans, and clarification on access to social security deduction schemes such as Fuel Direct
- assessing payment difficulties, and examples of how to communicate the disconnection process to consumers

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- coordinating with landlords or managing agents where charges are recovered through rent/service charges
- conducting good site welfare visits
- defining 'reasonably practicable' when referring to reconnection following disconnection for non-payment

6.20 Respondents from the social housing and leasehold sectors raised resource limitations and made reference to the bundled charges, where heat is included in service charges or rent, where there is a divergence between the debt recovery pathways for heating and rent arrears.

6.21 Our response is on page 40.

### **Q23. Do you find our proposed guidance on prepayment meters relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	12	32%
Partially agree	6	16%
Disagree	6	16%
Not answered	13	35%
Comments	28	

6.22 A majority (75%) of the 24 stakeholders who responded to this question agreed or partially agreed that our proposed guidance on prepayment meters is relevant to the corresponding authorisation condition, and useful.

6.23 Six respondents disagreed, and highlighted that smaller networks will struggle to comply with requirements around reporting, training and hiring staff to conduct site welfare visits with audiovisual equipment, and metering. Another expressed concern around needing to obtain written consent to install a prepayment meter, as a new requirement.

6.24 Across respondents who both agreed and disagreed, a common theme was that ten attempts to contact consumers is too onerous. Monthly Quality Assurance reporting for involuntary prepayment meters was also raised as too burdensome for most networks.

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6.25 Three respondents highlighted technical challenges of implementing the prepayment meter requirements for small operators, and those with older systems which may be expensive and difficult to upgrade.

6.26 Six respondents raised debt issues, two of which questioned the 10 or fewer exemption as being helpful for debt mitigation. Among the issues raised, financial insolvency, unrecoverable debt, and difficulties with debt recovery were most significant.

6.27 Two respondents with high proportions of prepayment meter consumers offered to share best practice.

6.28 One respondent suggested that we should go further, and ban all involuntary meter switching for consumers with serious medical conditions.

6.29 Across responses, stakeholders highlighted varying abilities to comply with prepayment meter requirements and requested a proportional approach or carve outs to better cater to different sectors of the market, especially for smaller networks at greater risk of financial insolvency.

6.30 Our response is on page 40.

**Q24. Do you find our proposed guidance on self-disconnection relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	13	35%
Partially agree	8	22%
Disagree	3	8%
Not answered	13	35%
Comments	22	

6.31 A majority (57%) agreed or partially agreed that our proposed guidance on self-disconnection is relevant to the corresponding authorisation condition, and useful.

6.32 Three respondents disagreed. They recognised the importance of the guidance but raised that greater clarity on interactions between self-disconnection and the debt pathway is required. They requested guidance on what to do when a consumer fails to engage with support mechanisms and continues to accrue debt, and how to balance this with debt recovery. Another argued that proactive

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monitoring of self-disconnection is not possible due to how quickly heat usage changes per consumer, and recommended signposting support instead.

6.33 Responses regarding smaller networks especially commented that they may struggle to implement system upgrades and rollout provisions such as Emergency Credit and Additional Support Credit. There were calls for staged, proportionate implementation and a request for more targeted, outcome-focused guidance to ensure financial viability of the market.

6.34 Two respondents raised issues around leasehold. One stated that the guidance is not applicable to the sector, while the other requested clarity on how support mechanisms should be funded for leaseholders.

6.35 One response raised that cases of self-disconnection where a consumer uses a credit meter (for example, pays monthly, for example, via direct debit) are often overlooked, and that guidance should be developed to address this.

6.36 Our response is on page 40.

**Q25. Do you have suggestions for what we should consider including in a future iteration of the guidance on protections for consumers in vulnerable situations, to make it more useful?**

6.37 A majority (64%) had suggestions for what we should consider in future to make the guidance on protections for consumers in vulnerable situations more useful. These included:

- practical examples of how policies can be applied proportionately by smaller suppliers, such as lighter registration processes and flexible data-sharing arrangements
- requests for a wide range of case studies and templates for across market segments, including building on best practice in other utilities, in order to illustrate how to cater to various consumers and comply with requirements correctly
- guidance on how to integrate existing requirements with other utilities and the housing sector, such as those set out by the Housing Ombudsman
- calls for consideration for unrecoverable debt and risk of insolvency

6.38 Our response is on page 40.

## Ofgem Response

### Housing Sector Interactions

Respondents raised a number of areas where existing housing requirements may interact with those we have set out in heat networks. Across responses there was a strong desire for these requirements to be mapped out and integrated for simplicity and clarity, to avoid duplication and two-tier protections for consumers.

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We understand that many heat network suppliers will also be subject to requirements in the housing sector. We will commit to working with the sector and relevant bodies, in order to provide further specific guidance for housing sector stakeholders.

Due to the nature of housing legislation and that of the authorisation conditions laid out for heat networks, requirements set out under housing legislation will take legal precedence. However, we strongly encourage the sector as a whole to provide the best possible outcome for the end consumer.

### Priority Services Registers

We note that respondents made further connections between this area and housing regulation, and we will seek to explore this further and engage with relevant housing stakeholders. We have updated the guidance to reflect that where a register is maintained already, this may be used to reduce the administrative burden of setting up a new register for heat as long as it contains Minimum Details.

The PSR is one of the key tools we expect an authorised person will use to ensure appropriate support and services are provided. We recognise that initially authorised persons might need to make updates to their systems and/or processes to have a robust PSR in place. Where this is the case, authorised persons should prioritise ensuring good consumer outcomes and reducing the risk of consumer harm.

Many respondents raised the issue of data sharing, especially between utilities, to avoid the need to duplicate efforts in creating and maintaining a PSR. To that effect, we have updated our guidance accordingly to encourage heat networks to build on existing registers which meet the standard of what we would expect from a PSR. We would encourage suppliers to reference the Energy PSR Needs Codes to facilitate future data sharing with respect to vulnerability, as we will be closely following developments in this area in gas & electricity. We are keen to work with relevant stakeholders to explore how data could be potentially shared with other utilities.

The guidance has also been updated to provide clarity on the term, “relevant occupants”, and clarifications around the use of third parties following feedback to the authorisation condition consultation.

### Disconnection & Debt

A number of respondents raised the risk of financial insolvency as a result of unrecoverable debt. DESNZ has committed to doing further work on debt mitigation and we will continue to work with DESNZ on this and consult further should guidance require updates.

In response to feedback raising concerns that the £200 debt trigger is too high, we did not receive sufficient evidence to inform what an alternative number for the debt trigger should be set at for the heat network sector at this time. We are aiming, in the first instance, to provide comparable consumer outcomes to those in gas & electricity and will keep this under review as more data and information becomes available. We also

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strongly encourage suppliers to engage with consumers to prevent debt accruing to this level.

Stakeholders requested templates, examples, and case studies, particularly around good practice and achieving good consumer outcomes. We will continue to explore and provide further guidance in time.

### **Prepayment Meters**

Of note were responses which raised concerns around the ability to implement metering requirements, and that some monitoring requirements were too onerous. We remain committed to a proportionate and fair approach when rolling out these requirements for heat networks. We have reflected this in changes to guidance around monitoring and consumer contact and have removed the prescriptive requirement to have specific contacts and changed this to a more outcomes-based requirement.

Following feedback from stakeholders on concerns around the requirement for written Explicit Consent when installing prepayment meters, we have updated our authorisation conditions and guidance accordingly. Consent may now be given in writing or verbally, however, this must still be recorded with the consumer's knowledge and not given under duress.

### **Self-disconnection**

We have updated our guidance to reflect that self-disconnection may occur among consumers who pay for heating by credit methods.

In response to concerns raised over the rollout of credit provision to self-disconnecting consumers, support mechanisms such as Additional Support Credit will be introduced in a staged, proportionate manner. Further detail will be provided in the technical standards work on the staged system upgrades required to facilitate these support mechanisms.

We note that respondents raised issues around consumers potentially failing to engage with support mechanisms and continuing to accrue debt. In those instances we would expect the debt pathway to be followed appropriately. Some further detail on self-disconnection was added to the guidance following feedback.

### **Future Guidance & Further Work**

Following respondents' feedback, we are committed to working on further guidance where possible to help the sector as it grows and gets used to regulation. In particular, we will focus on the significant crossover with housing regulation and look to streamline our guidance and clarify where possible.

We will also work on a package of examples, case studies, and templates.

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## 7. Security of Supply

### Question analysis

**Q26. Do you find our proposed guidance on the security of supply relevant to the corresponding authorisation condition, and useful?**

Response	Number of responses	Percentage
Agree	10	27%
Partially agree	8	21%
Disagree	3	8%
Not answered	16	43%
Comments	21	

- 7.1 A majority (85%) of the 21 stakeholders who responded to this question agreed or partially agreed that our proposed guidance on the security of supply was relevant to the corresponding authorisation condition, and useful. Three respondents indicated that they disagreed, two of which cited the need to align with future clarifications on HNTAS, while one stakeholder stated they expect Guaranteed Standards of Performance to strengthen this guidance.
- 7.2 Eight stakeholders provided further support of where they found this guidance to be relevant and useful. This included a welcome response to proactive risk management of interruptions to supply. One of these stakeholders found the guidance appropriately flexible for smaller operators, and one other stakeholder indicated they already provide an enquiry service.
- 7.3 Eight comments focused on the connection between the Security of Supply guidance and the HNTAS and the need to ensure consistency and alignment as both develop.
- 7.4 Six of the responses asked for greater detail in the guidance, including clarity on how non-compliance might be considered where major technical improvements are required and calls for examples of poor practice in providing sufficient notice of additional costs.
- 7.5 Two comments requested clear timeframes on the retention requirements of maintenance records.

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7.6 Two stakeholders highlighted the need for further best practice, but also for future best practice to recognise that technical performance targets will develop over time. One of these responses indicated their use of a traffic light function to represent network functionality could be adopted as best practice.

7.7 Two stakeholders commented that resolving an interruption should be prioritised before investigating the source of the problem and providing a summary to consumers.

7.8 Two stakeholders suggested that the sector would require more funding to be made available to existing heat networks in their efforts to perform upgrades to infrastructure.

7.9 Some comments were unique to individual responses, for example:

- the guidance should recognise the balance between ensuring customers are informed promptly and the level of detail it is reasonable to include in communications for technical faults
- further clarity regarding the role of s.20 Landlord and Tenant Act 1985<sup>3</sup> regarding major technical works required for compliance with technical performance

7.10 Our response is on page 45.

**Q27. What should we consider including in a future iteration of the guidance on the security of supply, to make it more useful?**

7.11 15 stakeholders provided further responses to this question.

7.12 Seven of these comments were clear for the guidance to be revisited with additional best practice and reflections based on sector adjustments to the HNTAS. These stakeholders also called for updates following further detail on future GSOPs for heat networks, including Ofgem's preference for recording outages and how best to communicate planned and unplanned outages.

7.13 Four of the comments called for a clearer recognition of diversity in the sector and for Ofgem to focus on a flexible, principles-based framework regarding technical performance, that enables proportionate compliance.

7.14 Some comments were unique to individual responses, for example:

- further clarity on the relevance of this guidance to future GSOP policy and compensation requirements
- guidance on the impact that any future zoning approach would have on existing heat networks and their consumer protection processes

7.15 Our response is on page 45.

<sup>3</sup> [Landlord and Tenant Act 1985](#)

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### Ofgem Response

While we welcome the support from stakeholders on our guidance on the security of supply, we also note that almost half of respondents didn't engage with this question. We are encouraged by feedback that the guidance establishes clear expectations for maintaining the continuity of heat supply, and that it has reassured some stakeholders of our focus on proportionality and flexibility, rather than imposing a one-size-fits-all approach.

We are proceeding with our proposed guidance for the authorisation condition on the security of supply but will continue to work closely with DESNZ to address stakeholder concerns regarding the relevance of HNTAS to compliance with these requirements. Updates we've made to the guidance, and those we will explore in future versions, are discussed below.

#### Strengthening the security of supply

We recognise the importance of robust protections to ensure the reliable supply of heat to consumers and will use these requirements in tandem with our broader protections to ensure that adequate steps are being taken for consumers in vulnerable circumstances. We have updated the guidance to ensure clarity that authorised persons' priority during an interruption, should be to provide a temporary heat supply to consumers.

We have now updated the security of supply guidance to align with the recently published [draft heat network technical standard](#) (TS1). This includes the recommendation that records of technical maintenance be kept for 5 years.

#### Future technical standards

Responses received and stakeholder engagement as part of the consultation indicated a clear interest in alignment of the Security of Supply authorisation condition, and guidance, with other future technical requirements.

We are clear that this authorisation condition is not an alternative to the HNTAS but is intended to reinforce the broader ambition of ensuring consumers have a secure and reliable supply of heat, sector wide. We acknowledge responses that suggested we revisit this guidance following the commencement of HNTAS and will continue to work with the government to ensure consistency across both sets of requirements. We also encourage stakeholders to engage with the current draft heat network technical standard (TS1) that sets out the minimum requirements necessary for the proper design, installation, and operation of Heat Networks.

We agree with stakeholders that there are links between the security of supply requirements and future GSOPs for heat networks. GSOPs will be the subject of a future consultation, through which we will likely seek views on various prescriptive thresholds for performance, including on outages and interruptions.

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### Recognising sector diversity

We acknowledge stakeholder calls for more detailed guidance, designed to reflect the complexity and diversity present within the heat network sector. This diversity was a driving factor in our decision for the security of supply to be a principle-based regulation. Similarly, and in line with some stakeholder feedback, we consider that maintaining high-level guidance during the initial period is the most effective approach, as it allows networks to adapt their compliance strategies to their individual characteristics and operational contexts.

We remain committed to a flexible, principles-based framework, enabling authorised persons to tailor their compliance strategies to account for networks of varying size and complexity. We will continue to consider how best to support all types of networks, including the potential development of templates tailored to different operational models.

### Interactions with existing housing legislation

Several of the respondents to this section of the guidance queried issues specific to authorised persons providing both a housing and energy service. From regulatory commencement in January 2026, authorised persons in this scenario will be subject to both the new authorisation conditions and existing housing legislation.

In response to stakeholder queries on the impact of section 20 of the LTA 1985, specifically the need to consult tenants ahead of ‘major works’, we have not made changes to the relevant authorisation condition, but we have provided further clarity in our guidance. We remain of the position that authorised persons should prioritise restoring supply to consumers in cases of interruptions and take all reasonable steps to ensure this is achieved promptly.

We continue to work closely with the Ministry of Housing, Communities & Local Government on areas of overlap between the regulation of heating and housing and will update the relevant guidance when appropriate.

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## Send us your feedback

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

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

Please send your feedback to [stakeholders@ofgem.gov.uk](mailto:stakeholders@ofgem.gov.uk).

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## Appendix 1. Updated heat network consumer protection guidance

A1.1 The following is an updated version of the guidance published in the 2025 consumer protection guidance consultation on 5 September 2025. Any changes are highlighted in **red**, please note the marked changes are not definitive but aim to highlight substantive changes.

### 1. Standards of conduct

#### Scope

1.1 This guidance is relevant for authorised persons' requirements under the Supplier Standards of Conduct and the Operator Standards of Conduct authorisation conditions.

1.2 Authorised persons are advised to refer to the specific condition that most accurately represents the activity they are responsible for.

#### Identifying the authorised person

1.3 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

1.4 **The Supplier Standards of Conduct and the Operator Standards of Conduct apply to suppliers and operators of domestic and non-domestic networks and to alternative models and ownership structures including but not limited to: bulk supply arrangements; shared ground loop arrays; and small communal heating systems.**

1.5 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

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that, in most cases, dealings with consumers will be the responsibility of the supplier.

- 1.6 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.
- 1.7 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.
- 1.8 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.
- 1.9 Authorised persons and third parties may design information sharing methods as are considered most appropriate. The sharing of information must follow any existing data protection obligations relevant to the authorised person.
- 1.10 Authorised persons may satisfy the requirements of this authorisation condition via the activities of contracted third parties, in cases where third parties are the usual point of contact and provide information to heat network consumers.
- 1.11 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.

### Applying the principles of the Standards of Conduct

- 1.12 Suppliers and operators should ensure that fairness is at the core of all decisions made with regards to their consumers, in line with the 'Consumer Objective'.
- 1.13 Where an action is taken by a supplier or operator that could detrimentally impact consumers, we expect suppliers and operators to record and retain the reasons, demonstrating that fairness has been considered and that the principles of the Standards of Conduct have been followed.

**Decision Heat networks regulation: consumer protection guidance****Understanding the broad principles**

1.14 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

PRINCIPLE	BEHAVIOUR TOWARDS CONSUMERS	PROVIDING CONSUMERS WITH INFORMATION	CUSTOMER SERVICE PROCESSES	CONSIDERING VULNERABLE CONSUMERS	CONSUMER ENGAGEMENT
RELEVANT TO	Suppliers, operators	Suppliers, operators	Suppliers	Suppliers	Suppliers
APPLIES TO (CONSUMERS)	Domestic and non-domestic	Domestic and non-domestic	Domestic and non-domestic	Occupants of domestic premises	Domestic and non-domestic
WHAT THIS MEANS IN PRACTICE	Must behave and carry out any actions in a fair, honest, transparent, appropriate and professional manner.	Must provide information (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 people 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.
CONSUMER OUTCOME	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 considered 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

1.15 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.**

1.16 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.

1.17 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.

1.18 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.

1.19 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.

1.20 Examples of poor behaviours could 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.**

1.21 Authorised persons should provide adequate information that is not false, misleading or incomplete.

1.22 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

1.23 Examples of methods of communication that consumers may request include, but are not limited to: online written communications, postal letters, telephone, and in person visits. Where a consumer has vulnerable characteristics, non-standard communications may be required to ensure they receive any relevant additional support, such as translated materials, large print, audio recording, or braille. This list is non-exhaustive.

1.24 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

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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

### Customer service processes

**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.**

- 1.25 Customer service processes should be easy for consumers to find and follow information about.
- 1.26 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.
- 1.27 Customer service arrangements should be transparent and complete to enable consumers to experience a positive end-to-end consumer journey.
- 1.28 Customer service processes are required to be fit for purpose, enabling consumers to effectively raise and resolve issues.
- 1.29 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.
- 1.30 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

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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

### Considering vulnerability

**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.**

1.31 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

1.32 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

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

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1.34 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.

1.35 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.

1.36 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.

1.37 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.

1.38 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.

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

<b>Detrimental situations in the energy market</b>	<b>Characteristics that put someone at greater risk of detriment, or impact their ability to represent their interests</b>	<b>Risk factors that can make someone with vulnerable characteristics more likely to suffer detriment</b>
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

1.39 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 **and alternative methods of communication**.

1.40 Examples of poor behaviours may 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

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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

1.41 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.**

1.42 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.

1.43 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.

1.44 Suggestions and input gathered through consumer engagement should be given proper consideration and authorised persons are expected to respond as appropriate.

1.45 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

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cases, we expect authorised persons to respond to feedback in a way that is considerate, clear and transparent.

### Consumer engagement: meeting the standard

1.46 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

1.47 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.

1.48 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.

1.49 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]?
- Is the information provided by [your supplier] easy to understand?

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- 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]?

### Consumer engagement: heat source

1.50 When engaging with consumers about their preferences about heat source and/or fuel type, we expect the supplier to provide clear information to consumers on options that have been considered, including whether funding opportunities have explored or applied for.

1.51 In England and Wales, the [Heat Network Efficiency Scheme \(HNES\)](#) funds the improvement of district and communal heating projects with particular focus on how funded projects reduce detriment for residential "customers in need". Capital grants part-fund the delivery of measures to improve network performance, whilst Revenue grants provide funding to procure specialist support to assess the performance of a network and provide costed recommendations for potential improvements.

1.52 In England, capital grant support is also available for the development of new and existing low and zero-carbon heat networks via the [Green Heat Network Fund](#). [Scotland's Heat Network Fund \(SHNF\)](#) supports the decarbonisation of existing district heat networks and the development of new low or zero direct emissions district heat networks. Additional funding opportunities are currently available for non-domestic and publicly owned heat networks.

1.53 In instances where changing the fuel type is not possible, or consumer preferences conflict with other obligations, we expect authorised persons to keep consumers informed.

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## 2. Quality of Service

### Complaints

#### Scope

2.1 This guidance is relevant for authorised persons requirements under the Complaints authorisation condition.

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.

2.3 Authorised persons may choose to use third party organisations to satisfy some of the requirements of this authorisation condition and guidance. The authorised person is responsible for ensuring that all services, including those carried out by a third-party organisation, achieve the expected consumer outcomes of each relevant authorisation condition.

#### Definition of a complaint

2.4 A consistent definition and shared understanding of a complaint work to effectively empower consumers and reassure authorised persons in their determination of a complaint.

2.5 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:

- the dissatisfaction arises in direct response to the carrying out of a regulated activity by the authorised person, or those acting on its behalf;
- one or more Relevant Consumers are affected; and
- a response is explicitly or implicitly required or expected to be provided thereafter

2.6 A consumer does not have to use the word 'complaint' for it to be treated as such and the subject of a consumer's expressions of dissatisfaction will be dependent on their individual circumstance. Some non-exhaustive examples may include:

- a consumer contacts their supplier to explain they are waiting to receive an updated bill, several weeks after providing a meter reading to correct an incorrect bill, and having been promised a response by the supplier
- a consumer informs their supplier that promised compensation for a previous service outage has not been received, and no update has been provided
- a consumer contacts their supplier following an unexpected increase in their direct debit amount, and states they haven't received an explanation or breakdown of charges

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2.7 An authorised person should recognise where a consumer is expressing dissatisfaction and encourage them to raise it formally through their complaint handling procedure.

2.8 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.

2.9 Authorised persons should use their judgement to recognise when a consumer is dissatisfied, even if the consumer does not explicitly state they are making a complaint. Some consumers may not wish to label their issue as a complaint, but it may still be appropriate to record and handle it as such.

2.10 Authorised persons should always confirm with the consumer that their concern has been recognised as a complaint and explain the next steps in the complaints process.

2.11 A consumer's expression of dissatisfaction could take on various forms, be it in writing, orally, or digitally, for example:

- 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

2.12 Authorised persons should be clear in their complaint handling procedure whether or not they accept complaints via social media.

2.13 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

2.14 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

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### Unreasonable or egregious complaints

2.15 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.

2.16 It is our intention that variations between our definition of a complaint and the definition applied by another relevant authority, such as a housing regulator, should not result in an authorised person having to accept heating complaints that do not fall within our definition, nor should it result in a duplication of complaint handling procedures.

### Complaints handling procedure

#### The consumer journey

2.17 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.

2.18 Authorised persons should work collaboratively to ensure that the consumer journey is as accessible and straightforward as possible.

2.19 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

2.20 Consumers must be made aware of the authorised person's complaint handling procedure not less than annually.

2.21 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.

2.22 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

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2.23 We encourage authorised persons to seek the most effective methods of communicating with their consumers, avoiding methods that could create undue costs being passed on, while seeking to achieve the outcome required by the authorisation condition.

2.24 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**

2.25 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.

2.26 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.

2.27 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.

2.28 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.

2.29 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

2.30 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.

2.31 The complaint handling procedure, required by this authorisation condition, should, at a minimum, provide the following details:

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- 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

2.32 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

2.33 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

2.34 Taking coordinated and collective action can help heat networks consumers, and the relevant authorised person, in formulating and resolving complaints. Group complaints are a means by which an issue, affecting multiple heat network consumers, can be escalated to the authorised person, likely by one nominated consumer.

2.35 An authorised person can also encourage a group complaint if they reasonably suspect the source of an individual complaint is likely to impact multiple consumers. This should include providing a resolution, which may include redress, to all those impacted.

2.36 We expect that an authorised person would progress a group complaint through the necessary procedure established by the complaints authorisation condition, and this guidance. This includes, where appropriate, providing a fair resolution to all consumers impacted by the subject of the complaint.

2.37 Some non-exhaustive example scenarios where a group complaint regarding a heat network may arise:

- a group of consumers raising concerns about persistent inaccuracies or delays in their heat bills, resulting in overcharging or unclear statements across several households
- multiple customers lodging a complaint regarding repeated supply interruptions or outages affecting several buildings connected to the same heat network

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2.38 Authorised persons should recognise that consumers may prefer to be involved in a group complaint, rather than raising an individual one, for a variety of reasons, such as:

- some consumers or occupants may be hesitant to raise a complaint on an individual basis if they have had a previously poor experience with the authorised persons, or are concerned that they might be treated unfairly after raising a complaint
- the authorised person has a recurring forum for consumers of the heat network to raise issues and concerns
- consumers and occupants on a heat network share a common issue and believe the scale of its impact mean it should be prioritised by the authorised person

2.39 If consumers are raising different matters, or if the circumstances are not the same despite a shared issue, the authorised person should consider if it may be more suitable to treat each case as a separate complaint.

2.40 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.

2.41 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

2.42 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).

2.43 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

2.44 Authorised persons should ensure that their consumers are appropriately aware of their complaint handling procedure and reminded of it at regular intervals. If requested by a consumer, the authorised person should always be able to provide a copy of its Complaints Handling Procedure, free of charge.

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2.45 While 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, **we strongly encourage that this information is provided free of charge to all consumers, in line with the expected outcomes of the relevant authorisation condition.**

2.46 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.

2.47 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

2.48 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.

## Using complaints for continuous improvement

2.49 Complaints data can be a key source of insight to identify problems and implement changes that enhance service quality. Authorised persons should take action beyond the resolution of an individual complaint, particularly where it may be indicative of a systemic issue and actively consider how lessons learned can lead to service improvements.

## Referral of consumer complaints

2.50 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.

2.51 Each authorised person should reasonably engage with the relevant Consumer Advocacy Bodies to inform the design and implementation of appropriate arrangements to deal effectively with referrals to it from the relevant Consumer Advocacy Bodies.

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2.52 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).

2.53 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 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

2.54 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.

2.55 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.

2.56 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

2.57 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.

2.58 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

2.59 In addition to our requirements, we recommend that authorised persons consider producing and publishing an annual complaint report. Publishing the following information on an annual basis, in a clear and accessible location, can be an effective way to display transparency and build consumer trust:

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- 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

## Assistance and advice

### Scope

2.60 This guidance is relevant for authorised persons requirements under the Assistance and Advice authorisation condition.

2.61 Authorised persons may choose to use third party organisations to satisfy some of the requirements of this authorisation condition and guidance. The authorised person is responsible for ensuring that all services, including those carried out by a third-party organisation, achieve the expected consumer outcomes of each relevant authorisation condition.

### Relevant consumer advice bodies

2.62 The relevant organisations are:

- a. Citizens Advice;
- b. Citizens Advice Scotland;
- c. Consumer Scotland;
- d. a qualifying public consumer advice body.

A “qualifying public consumer advice body” is a body that is supported by Citizens Advice or Consumer Scotland to enable the body to provide, or arrange for the provision of, consumer advocacy or advice in relation to heat network consumers free of charge.

2.63 For consumers in England and Wales, the relevant consumer advice bodies are Citizens Advice and any related, qualifying consumer advice bodies. For consumers in Scotland, the relevant consumer advice bodies are Citizens Advice Scotland and Consumer Scotland, and any related, qualifying consumer advice bodies.

### Provision of information

2.64 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 conditions, we do not expect that information to be duplicated or sent in multiple formats.

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2.65 Authorised persons may also find it useful to reference existing guidance on Ofgem's expectations for consumers to be able to contact their supplier.

2.66 Additional information on identifying occupants in vulnerable situations and providing them with additional support is set out in the Standards of Conduct guidance.

2.67 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

2.68 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

2.69 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.

2.70 Where activities to meet the requirements can be integrated into existing processes, we encourage authorised persons to do so where possible to avoid duplication of information and to reduce the administrative burden.

## Enquiry Service

2.71 The enquiry service required by the relevant authorisation condition should be capable of receiving enquiries twenty-four hours per day on all days, but authorised persons are not required to respond to enquiries outside of usual working hours.

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### 3. Billing and Transparency

#### Scope

- 3.1 This guidance is relevant for authorised persons requirements under the Provision of Billing and Price Transparency of Information authorisation condition.
- 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, where heat might be included in rent or service charges.
- 3.3 The authorisation condition takes into consideration where supply to a Consumer is subject to a lease to which Sections 18 to 24 of the Landlord and Tenant Act 1985 apply (or any other agreement governed by legislative provisions with similar effect in any jurisdiction within Great Britain), for example where the Charges are Service Charges or a statement of Charges or account.
- 3.4 The authorised person is responsible for ensuring that consumer outcomes are aligned to our expectations and the requirements in the authorisation conditions. Where third parties are providing billing services, we would expect the responsible person to be managing these relationships and any contracts to ensure they align with the appropriate requirements.
- 3.5 Where buildings are multi-occupancy, it is important that the consumers have the appropriate information to understand the basis on which they are being charged, and heat networks are clear how costs are being apportioned.

#### Billing information

- 3.6 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.
- 3.7 If appropriate, a consumer could be provided with an electronic bill, however, suppliers should have regard to the Standards of Conduct in relation to communication. For instance, the authorised person will need to take into consideration any specific needs of the consumer.
- 3.8 When third parties are used for billing, we are clear that the authorised person is responsible for ensuring that all consumer outcomes are aligned to our expectations and the requirements in the Standards of Conduct.
- 3.9 We expect heat network suppliers to ensure:

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- 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

3.10 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
- based on actual consumption.

3.11 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.

3.12 Minimum requirements for Billing Information that must be provided with each bill 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), where reasonable comparisons of the Relevant Consumer's current consumption of heating, cooling or hot water with consumption for the same period in the previous year should be provided. Where possible this could be 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. If this is not provided on the Bill, where it is available, it should be provided to the consumer, if requested;
- 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:

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- 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 work; and relevant information about emissions information
  - a notice of monopoly supply together with an explanation of what this means for a Relevant Consumer.

## Billing Requirements

3.13 Listed below are further details on the billing requirements referred to above. This should provide clarity on the various billing requirements:

3.14 **Comparison of current consumption:** Where reasonably practical, a 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. If this is not provided on the bill, where it is available, it should be provided to the consumer, if requested.

3.15 **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.

3.16 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.

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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.

**3.17 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.

**3.18 Contact information for: The party responsible for handling any Complaints from the Relevant Consumer:** Consumers should first contact their heat supplier with any complaints and work with them to try and resolve the issue in the first place. If a complaint or problem isn't resolved, then the consumer should contact the Energy Ombudsman. **The bill should set out that consumers should contact their supplier before the Energy Ombudsman with complaints.**

Contact information accepted:

- name of organisation or supplier,
- email address,
- telephone or mobile number.

**3.19 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,
- link to website if applicable.

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**3.20 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.

**3.21 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.

**3.22 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,
- link to Energy Ombudsman website: [Helping You Resolve Heat Network Disputes | Energy Ombudsman](#).

**3.23 Notice of monopoly supply:** Heat networks are natural monopolies, where one entity is the supplier for all homes and businesses on the network. This means that most heat network consumers cannot switch suppliers or move to a different tariff and most consumers on the heat network cannot easily leave the network once they've moved in. If consumers have no choice but take the heat they should

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be informed that they are unable to change heat providers or install their own heat source. Or if they can change, whether there is a disconnection charge.

3.24 Consumers should be made aware of this 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

3.25 **If the relevant consumer is on an unmetered heat network, the Authorised Person should employ billing and billing information requirements as set out in Part One of the authorisation condition or Part Two of the Authorisation Condition, where relevant.**

3.26 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;

3.27 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);
- where practicable, comparisons of a Relevant Consumer's current consumption of heating, cooling or hot water with consumption for the same period in the previous Service Charge period, if possible displayed in a graph, and estimates of the Charges a 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;

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- 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 work; and relevant information about emissions information; and
- a notice of monopoly supply together with an explanation of what this means for a Relevant Consumer.

## Requirements for Billing where Service Charges are used

3.28 Where the supply to a Consumer is subject to a lease to which Sections 18 to 24 of the Landlord and Tenant Act 1985 apply (or any other agreement governed by legislative provisions with similar effect in any jurisdiction within Great Britain), for example where the Charges are Service Charges, the authorised person's obligations under the authorisation condition in relation to such supply are to be construed in accordance with the modifications in Part Two (paragraphs 6.20 to 6.31) of the authorisation condition.

3.29 Where the heat network supply charges are considered Service Charges, the wording in the authorisation condition in Part Two of the condition on points 6.20 through to 6.31 that the requirements can be read as applying to Service Charges.

3.30 While the requirements for service charges are largely similar, there are some differences. The key differences in how the condition applies is in the specific references to Service Charges, Service Charge periods, and that the complaints body is the Housing Ombudsman rather than the Energy Ombudsman.

3.31 Where needed, the authorised person should familiarise themselves with Part Two of the authorisation condition to understand the expectations for Billing Requirements and the provision of Billing and Billing Information where the Bill or Billing Information are Service Charges.

**Decision Heat networks regulation: consumer protection guidance****Future updates to metering policy**

- 3.32 Expectations and requirements for metering are likely to change over time as the policy progresses alongside the Heat Network Technical Assurance Scheme (HNTAS).
- 3.33 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.
- 3.34 When individual metering comes into effect for unmetered networks covered by a lease to which Sections 18 to 24 of the Landlord and Tenant Act 1985 apply, or any other agreement governed by legislative provisions with similar effect in any jurisdiction within Great Britain, we would expect suppliers, to then charge for heat separately and unbundle the heat charge from service charges or rent, where this possible and not prevented by the terms of the lease
- 3.35 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.

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### 4. Back-billing

#### Scope

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

#### 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 The back-billing authorisation condition applies only to domestic and micro-business consumers. This means that non-domestic consumers are not covered by this condition. The authorised person should familiarise themselves with the Authorisation Condition and this guidance so that they understand who the back-billing limit applies to.

4.4 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.

4.5 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 and this results in unpaid consumption

4.6 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.

4.7 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 recovery charges through a Service Charge

4.8 Where the authorised person or any Representative recovers charges through a Service Charge this is not covered by the 12-month back-billing limit under the authorisation condition. A Service Charge is defined within the meaning of s18(1) of the Landlord and Tenant Act 1985 or any similar charge to which equivalent legal protections in any jurisdiction within Great Britain apply

4.9 From the start of regulation, until further notice, Section 20B of the Landlord and Tenant Act 1985 (and any other relevant legislation) will take precedence. Landlords of properties/heat networks covered by this legislation will need to have regard to their obligations under the appropriate legislation and will continue to be subject to provisions such as the 18 months back-billing limit set out in Section

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20B once the cost is incurred. In some scenarios where there are multiple landlords involved this can result in longer back-bills.

- 4.10 This means that the landlord who is 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 the consumer of Service Charge costs being incurred or demand payment from the consumer. If they fail to either notify the consumer or demand payment within 18 months, they will not be able to recover the charges from the consumer.
- 4.11 Where the 18 month limit still applies under the Landlord and Tenant Act 1985 or similar legislation, we encourage networks with individual metering to keep to the 12 month limit. **We view back billing best practice for metered networks to be within 12 months, alongside regular timely and accurate bills. Existing obligations under housing legislation should not prevent these networks with individual metering from aiming for this best practice.**
- 4.12 The authorisation condition on back billing applies across Great Britain. The aim of this condition is to limit back billing to 12 months across all heat networks, unless there are conflicts with existing housing legislation, including interactions with devolved housing legislation.

## Back-billing and housing interactions

- 4.13 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.
- 4.14 **Where the authorised person or any Representative recovers charges through a Service Charge this is not covered by the 12-month back-billing limit. A service charge is defined within the meaning of s18(1) of the Landlord and Tenant Act 1985 or any similar charge to which equivalent legal protections in any jurisdiction within Great Britain apply.**
- 4.15 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 of incurring the costs, subject to the required notification being given.

Examples of premises served by a heat network that could be covered by the Landlord and Tenant Act 1985

- 4.16 This is not an exhaustive list, but should provide some examples of the scenarios where a heat network consumer may not be covered by the 12 months back-billing limit:

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- the heat network consumer pays for heating, cooling or hot water through rent or service charges;
- the heat network consumer lives on a property with a landlord;
- the heat network consumer lives in council housing or social housing where their landlord is the local council;
- the heat network consumer lives in a property with a lease/leasehold.

4.17 It would be for the authorised person to make sure that they have met their obligations under housing or any devolved legislation.

**What assistance should be made available to these consumers**

4.18 We are working with government on these protections. From January 2026 and until further notice the following will be in effect.

4.19 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 suppliers should inform consumers that they are able to contact their supplier, Citizen's Advice, Consumer Scotland and the Energy Ombudsman for complaints and questions. Where appropriate, suppliers should also advise consumers to also contact the Housing Regulator, Regulator of Social Housing, LEASE (Leasehold Advisory Service), and the First Tier Tribunal.

4.20 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, suppliers should be advising consumers that the First Tier Tribunal will remain as the main route that complaints and redress can be made.

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## 5. Heat Supply Contracts

### Scope

5.1 This guidance is relevant for authorised persons requirements under the Heat Supply Contracts authorisation condition.

### 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 an agreed Heat Supply Contract or a deemed Heat Supply Contract.

5.3 **For the purpose of this authorisation condition and guidance, a Relevant Consumer is a domestic consumer, a micro-business consumer, or a small business consumer.**

5.4 For this authorisation condition, the following are Heat Supply Contracts. These are examples and the list is not exhaustive:

- a deemed contract;
- 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

5.5 **A deemed contract applies where premises are supplied with heating, cooling or hot water by an authorised person without agreement as to the terms on which the supply is made. The authorised person is deemed to have made a contract for the supply with the occupier or, if the premises are unoccupied, the owner as from the relevant time.**

5.6 **A deemed contract will normally exist in circumstances when a customer moves into a premises, and starts to consume heat, without formally agreeing a contract with a supplier. It could also arise in circumstances where a contract comes to an end, and the customer continues to consume heat before a new contract can be formally agreed.**

5.7 **It refers to scenarios where there is no agreed Heat Supply Contract. 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 Heat supply contract currently is in place,

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- a heat supplier is not made aware of a new resident moving into a property it supplies, for example a sub-let premises under a tenancy or lease.

5.8 As listed above a Heat Supply Contract may include leases or tenancy agreements covered by legislative provisions across Great Britain. Where a consumer is supplied pursuant to these types of arrangements the authorised person must comply with any housing legislation that applies in relation to the terms of such supply.

5.9 This approach recognises the different housing regimes across Great Britain and where they interact with heat network regulation, and avoids cutting across existing regimes in different areas, including Scottish and Welsh devolved regimes.

## Heat Supply Contract best practice

5.10 A Heat 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;
- include all terms and conditions for the supply of heating, cooling or hot water by means of the specified heat network

5.11 If a consumer has a Heat Supply Contract covered by housing legislation, we would expect the supplier to take reasonable steps to provide information that would otherwise be required by heat network legislation to the consumer upon request. We would not expect parties to vary the lease or contract to include the missing information if it is not reasonable to do so.

5.12 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.

5.13 In scenarios where a Heat Supply Contract does not sit with the end consumer, for example in a leasehold where the Heat Supply 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.

5.14 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

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- notice that Heat Supply Contracts, with terms that may be different from the terms of deemed contracts, may be available and of how information about such Heat Supply Contracts may be obtained

5.15 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.

5.16 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.

## What is included in a Heat Supply Contract

5.17 The authorised person must include in each Heat Supply Contract, (or, until such time as any existing Heat Supply 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 Relevant 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;
- 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;

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- 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 Heat Supply Contract, in accordance with the authorisation conditions

5.18 The authorisation condition does accommodate scenarios where consumers might pay for their heat network heating, cooling, or hot water through service charges. In these scenarios, the consumer would likely live in a premises covered by housing legislation. Where applicable, in these cases the Relevant Consumer must be provided with all terms and conditions for the supply of heating, cooling or hot water including a term separately identifying the Charges and the charges for any other good or service to be provided under the service charge. Additionally, provisions under existing housing obligations would continue to apply.

5.19 The Consumer Contract Regulations <sup>4</sup> reference district heating in relation to cooling off periods. The definition included in these regulations is broad, therefore some heat networks that are covered by heat network regulatory requirements are likely covered by these existing regulations. This could mean that for some heat networks their existing contractual arrangement should include cooling-off periods. Whether a heat network is in scope will need to be determined on a case-by-case basis, in reference to the general scope of the cooling off provisions. These regulations place separate requirements on the entities covered by them and it is for regulated entities to seek their own legal advice and satisfy themselves that they meet the necessary obligations.

## Termination of contract

5.20 In relation to any Heat Supply Contract with a Domestic 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

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<sup>4</sup> [The Consumer Contracts \(Information, Cancellation and Additional Charges\) Regulations 2013](#)

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- 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:
  - 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

5.21 In relation to any other Relevant Supply Contract the authorised person must ensure that the notice period for termination by a Relevant Consumer is no longer than 30 Working Days.

5.22 **The regulatory framework needs to account for the diversity in the sector and the range of commercial arrangements and have been drafted for those scenarios where termination and informed choices could be possible.**

5.23 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

5.24 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.

### Transitional arrangements

5.25 Where the authorised person supplies a consumer with an existing Heat Supply Contract, which is a **lease or tenancy agreement covered by legislative provisions across Great Britain**, the authorised person must, wherever appropriate:

- meet the requirements imposed by the authorisation condition; and
- treat the consumer as if the Heat Supply Contract - or Deemed Contract does meet the requirements imposed by the authorisation.

5.26 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:

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- when a new resident enters the property,
- when meter requirements come into effect, for example the Heat Network Technical Assurance Scheme (HNTAS), or
- when an existing contract term ends and a new one is needed.

5.27 This is not an exhaustive list, but should help demonstrate examples of when it might be practical for authorised persons to make changes to existing contracts, or implement new ones to align with regulatory requirements.

5.28 We want to take a pragmatic approach to changes to existing supply contracts or equivalent contracts and are keen to make sure that the drivers to update existing supply contracts are proportionate.

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

**Contract Changes Information**

5.30 We want to take a pragmatic approach to contract changes information, and the AC is drafted in a way to account for the diverse range of contractual arrangements across the heat network sector. Authorised persons should ensure contract change notifications clearly explain any changes to payment methods or tariff types in factual terms.

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## 6. Protections for Consumers in Vulnerable Situations

### Scope

- 6.1 This guidance is relevant for authorised persons requirements under the authorisation conditions: Priority Services Register; Security Deposits, Payment Difficulties, Disconnections and Direct Debits; Prepayment Meters; and Self-disconnection.
- 6.2 All authorised persons 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 We recognise that some authorised persons may delegate services to third party organisations, however, this does not lessen the authorised persons' responsibility for ensuring compliance with our requirements. We expect authorised persons to put in arrangements to share appropriate information with each other, having regard to relevant data and privacy requirements, for example in a bulk supply scenario.
- 6.4 In addition to those referenced above, the Standards of Conduct authorisation condition includes a Vulnerability Principle which provides guidance on the definition of vulnerability and the identification and assessment of consumers in vulnerable situations.
- 6.5 We understand that there are existing provisions for consumers in vulnerable situations in other areas, particularly within the housing sector. All authorised persons will need to comply with the Vulnerability Principle of the Standards of Conduct.
- 6.6 Authorised persons who are also obliged to provide protections under housing legislation will be able to exercise rights under that legislation. In some instances those terms may differ from vulnerability measures laid out here. Housing law, by its nature, will take precedence where there is a conflict with authorisation conditions laid out for heat networks. Where possible, we strongly encourage authorised persons to provide the best outcome for consumers.

### Priority Services Register

#### Duty to establish a Priority Services Register

- 6.7 Authorised persons are required to establish and maintain a Priority Services Register. The Register is a record of consumers who have requested, or been identified and agreed to be on the Register due to their personal circumstances or being in a vulnerable situation.

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6.8 In heat networks, we are following the definition of consumers in vulnerable situations as defined in Ofgem's [Consumer Vulnerability Strategy](#), where the personal circumstances and characteristics of each consumer creates 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.

6.9 This definition is intentionally broad and non-exhaustive, as we want to ensure a wide range of aspects of vulnerability are captured. Vulnerability is not static, and any consumer may at some point in their lives be in a Vulnerable Situation.

6.10 We intend to follow ongoing developments in the wider Consumer Vulnerability Strategy, so this will remain subject to change and improvement in the future.

6.11 Authorised persons 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.

6.12 Authorised persons 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.

6.13 Authorised persons 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.

6.14 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.

6.15 **Where a register (or similar) is maintained already, for example as a requirement under housing legislation, this may be used to reduce the administrative burden of setting up a new register for heat as long as it contains Minimum Details.**

6.16 **The PSR is one of the key tools we expect an authorised person will use to ensure appropriate support and services are provided. We recognise that initially authorised persons might need to make updates to their systems and/or processes to have a robust PSR in place. Where this is the case, authorised persons should prioritise ensuring good consumer outcomes and reducing the risk of consumer harm.**

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### Duty to offer services

6.17 The authorised person 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 authorised person is required to offer the services that a consumer in vulnerable situations may reasonably require.

6.18 The authorised person must ensure that all Priority Services will be delivered as soon as practically possible. This will differ from service to service. For example, provision within 24 hours of alternative heating and hot water for a priority services consumer during a longer supply outage may be considered reasonable. Meter reading services, however, would differ as this is a less critical service.

6.19 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;
- regular meter reading services - the authorised person 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 that the authorised person is genuine
- providing any further services addressing the needs of the consumers in vulnerable situations, considering the financial and practical constraints of the authorised person

### Compliance with data protection and privacy laws

6.20 The authorised person is obliged to comply with any laws relating to data protection and/or privacy when obtaining, recording, using, retaining, and sharing information.

### Setting up of Priority Services Registers

6.21 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. We expect authorised persons to act in line with relevant data protection legislation.

6.22 Setting PSRs up in a way that will more easily enable data sharing for heat networks in the future could have benefits. The alignment of needs codes (codes

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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<sup>5</sup>.

## Security Deposits, Payment Difficulties, Disconnections and Direct Debits

6.23 Authorised persons have a crucial role in helping their consumers if they get into payment difficulty.

6.24 We are providing guidance focusing on debt prevention and communication, debt support and the recovery of debt. The debt pathway should be followed, focusing 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 authorised persons will take a sustainable approach to debt management and not focus on short-term debt recovery.

6.25 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

6.26 Regularly contacting consumers through preferred contact methods can drive up engagement, help them to understand their bills, and budget for their heat use.

6.27 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.

6.28 The authorised person must actively engage with consumers, and is required to include flags where:

- a consumer has consecutively missed two monthly payments or, if billed less frequently, has missed one payment; or
- a consumer has informed the authorised person that they are unable to make the next scheduled payment

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<sup>5</sup> [Consumer Vulnerability Strategy](#) – see Page 60 onwards for the PSR Needs Codes.

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6.29 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.

6.30 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 authorised person should consider what tools and innovations may be appropriate for the size and nature of their organisation and consumer base.

6.31 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;
- 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

6.32 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.

6.33 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.

6.34 Authorised persons 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
- offering 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

6.35 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.

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- 6.36 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.
- 6.37 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.
- 6.38 Authorised persons 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
- 6.39 Where it may not be possible to contact consumers to discuss their arrears or non-payment. When this happens, authorised persons 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

- 6.40 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 authorised persons, such as debt collection agencies, to abide by the same regulatory requirements we place on authorised persons.
- 6.41 If a heat network reaches a stage where they need to recover debt from a consumer, they can tailor debt paths according to the consumer's situation gathered through interactions with the consumer, including any potential vulnerable situation a consumer may be in. Authorised persons must give due consideration to all of this when considering a consumer's ability to pay.
- 6.42 If a consumer is in a vulnerable situation, authorised persons 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.
- 6.43 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

- 6.44 Disconnection of a heat consumer's supply should only be undertaken as a last resort, once all other reasonable options have been exhausted. We expect the debt pathway to be followed in full, including exploration of prepayment meters

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before considering disconnection. This is especially the case during winter, where disconnection is likely to pose the greatest risk to a consumer's health and safety.

### 6.45 The authorised person 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

### 6.46 When communicating the disconnection process to a consumer, we would expect good practice to include:

- plain and simple communications detailing that supply will be disconnected, why, and when disconnection will take place
- what the consumer needs to do to be reconnected (with a clear way to do this), and when they will be reconnected
- signposting to further support

### 6.47 Reconnection takes place as soon as reasonably practicable after this has occurred, so that consumers are not off supply for longer than necessary. For example, in gas and electricity a reconnection within 24 hours of repayment is required. A consumer may consider a reconnection of their heat supply within that time frame to be reasonable, although what is reasonably practicable will differ between services, a consumer's needs, and the authorised persons' capability.

## Prepayment Meters

### Scope and Context

#### 6.48 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.

#### 6.49 We recognise many consumers pay for energy and heating through prepayment meters, and that prepayment meters are not solely a measure of debt prevention. 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. In these cases, a consumer should be allowed to request a prepayment meter from the authorised person.

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6.50 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.

6.51 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. Authorised persons do not have powers of entry or the ability to obtain a warrant to install a smart or traditional prepayment meter for the purposes of debt recovery. The following table details differing scenarios:

**Table 03: Installing or switching payment mode for a heat meter**

Access required	Consent Obtained	Outcome
Yes	Yes	You may install or switch
Yes	No	You must obtain consent before installation
No	Yes	You may install or switch
No	No	<p>Full debt pathway must be followed: debt trigger met, communication attempts made, assessments of payment difficulty and safe &amp; reasonably practicable, and advance notice given.</p> <p>Further restrictions: do not install in Winter for protected groups (see 1.45 category 1), and undertake vulnerability assessments to assess impact on wellbeing (see 1.45 category 2)</p>

6.52 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.

**Decision Heat networks regulation: consumer protection guidance****Safe and reasonably practicable**

6.53 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 consumer's ability to pay should always be considered before offering a prepayment meter.

6.54 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, remember to top it up, or be able to top up through various means.
- whether the consumer lives quite a distance from any top-up outlets. This may not apply if a consumer does not want or need to top up in person, 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 consumer'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 nor access to top up means online or via an app.
- whether the consumer 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 consumer could not operate the prepayment meter, in the event they do not have access to alternative top up means such as on their phone or online.
- 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)

6.55 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 authorised persons 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.

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- 6.56 The authorised person must not proceed with the installation of the prepayment meter or switching to a prepayment meter unless they have made necessary arrangements to ensure that it would be safe and reasonably practicable for a relevant consumer to use a prepayment meter.
- 6.57 The authorised person 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

- 6.58 Involuntary PPM means where a authorised person wants to install or switch an existing heat meter to PPM mode without a consumer's Consent.
- 6.59 Consent must be explicit, meaning this must be written or recorded 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. This must be retained as evidence of the consumer's consent, and could, for example, take the form of an email, an opt-in option on a form, etc. This could also include a body cam recording, or a recorded phone call for example, with the consumer being made aware such a recording is being taken.
- 6.60 Heat networks are not provided with Powers of Entry for debt management, so they are unable to obtain a warrant to enter a consumer's property to install a PPM. It is only via switching an existing heat meter to PPM mode that authorised persons can "install" a PPM on an involuntary basis.
- 6.61 In all cases of Involuntary PPM, authorised persons must not install a PPM where a consumer 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.
- 6.62 The personal circumstances and characteristics listed below 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.
- 6.63 In all cases, authorised persons must seek to identify consumers in vulnerable situations and take into account their situation and that of their household.

### Do not install

- 6.64 Authorised persons 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:

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- 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
  - households with chronic/severe or terminal health conditions (such as cancer, cardiovascular/respiratory disease (COPD such as emphysema, chronic bronchitis) and organ failure)

6.65 Heat networks with 10 or fewer individually 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 the authorisation condition on prepayment meters. The consumers in the “do not install category” are particularly at risk from harm and we encourage heat networks to very carefully consider the impacts of switching the meter to PPM mode.

6.66 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

6.67 Authorised persons 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)

6.68 The authorised person 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.

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**Identification of consumer circumstances**

6.69 The sort of proactive steps that we would generally expect authorised persons 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

**Decision Heat networks regulation: consumer protection guidance****Table 04: Determining “safe and reasonably practical” for installation purposes**

Requirement	Consumer Requests	Auth Per Offers	Involuntary Switching	Already Uses
Recording the location of the meter when installed or inspected	Yes	Yes	Yes	Yes
Reviewing appropriate notes on the consumer’s accounts to ascertain whether any vulnerability which means it is not safe and reasonably practicable for the consumer to have a PPM is recorded	Yes	Yes	Yes	Yes
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		Yes	Yes	
Where a discussion with the consumer 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 authorised person should take reasonable steps to visit the consumer at their premises, which could include making visits at various times of day			Yes	
Checking whether there has been a change of occupancy		Yes	Yes	
Attempting to check with any appropriate advice or other agency such as local authority or housing association		Yes	Yes	
Obtaining authorisation of an appropriate senior person prior to moving a consumer to a PPM			Yes	

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### Identification process for involuntary PPM

6.70 Debt trigger: Is as defined in the authorisation conditions (“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”).

6.71 The value of Outstanding Charges owed for heat supply must be £200 or more for at least three consecutive months, for the purposes of the Debt Trigger. **During this period, we expect authorised persons to engage with consumers to manage debt and take steps where possible to avoid the Debt Trigger being reached. Involuntary PPM installation should only be considered once these other steps have been explored.**

### Involuntary PPM communications

6.72 It is necessary to understand a consumer’s individual circumstances and offer support in the three months preceding any execution of Involuntary PPM (via switching a meter to PPM mode. The authorised person must achieve this by:

- making an appropriate number of attempts to engage with a consumer using multiple communication channels, where relevant at various times of day, taking into account their obligation to treat their consumers fairly and the requirements around vulnerability, in addition to the authorised person’s own capability consumer
- making translation services and accessible formats (for example, braille, large print, easy read) available as required
- providing multiple communication channels which may include: written (email and/or letter), phone (where a number is available), and Site Welfare Visits
- a Site Welfare Visit, which is required at least once in all instances before progression to Involuntary PPM switching

### Site welfare visits

6.73 A Site Welfare Visit is defined in the authorisation conditions: “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”.

6.74 While conducting a Site Welfare Visit, a authorised person must make sure to include audio recording equipment 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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6.75 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 authorised person in all cases.

6.76 Relevant information on potential vulnerabilities and a consumer's ability to pay from a third party, where offered to the authorised person 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 consumer 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 authorised person may proceed with remote mode switch to prepayment mode

6.77 However, the authorised person must:

- make reasonable attempts to assess any potential vulnerabilities without consumer engagement, seeking support from authorised person staff with responsibility for overseeing the safeguarding of consumer protection (Welfare Officer) in situations where the authorised person 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)

6.78 Authorised persons 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.

6.79 Where only a postal address is held for a consumer, an authorised person needs to consider what is an appropriate number of contact attempts. It may be appropriate not to undertake a large number of contact attempts, to avoid harassing the consumer, but an authorised person must be able to evidence to Ofgem any attempts to access additional contact details, including email address and telephone number.

### Ability to pay

6.80 When considering progression to Involuntary PPM switching, authorised persons must consider the cheapest payment option for the consumer and attempt to

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offer this alongside energy savings advice and an affordable, sustainable repayment plan prior to progression to Involuntary PPM switching.

- 6.81 Where a consumer agrees, and adheres to, a debt repayment plan the authorised person must accept this and should not threaten Involuntary PPM switching to try and secure higher payment than is affordable.
- 6.82 Where an authorised person 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 consumer's ability to pay. Where any financial assessment concludes that the consumer will be able to afford to pay for ongoing energy needs but not debt repayments, authorised persons must consider alternative approaches to recovering the debt such as delaying repayment start (seasonality or change in financial circumstances).
- 6.83 Authorised persons 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

- 6.84 Authorised persons are encouraged to install smart meters. Smart meters provide a range of benefits to both consumers and authorised persons. 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.
- 6.85 For authorised persons, 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.
- 6.86 Authorised persons are expected to ensure their operational and administrative processes and third-party metering and billing contractor instructions, reflect this guidance.
- 6.87 For prepayment consumers with a preference for using online and mobile apps for top-ups, it is advised that authorised persons 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.

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- 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

6.88 Authorised persons 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 authorised person must use translation services and make accessible formats available as required
- access to appropriately trained, priority consumer service team, through an easy access route
- links to any relevant information on authorised person website

### Post installation aftercare

6.89 The proactive steps that authorised persons must follow after putting a consumer on a PPM in order to ensure it is safe and reasonably practicable for the consumer include:

- a) the authorised person must monitor top-up and disconnection patterns. When self-disconnection occurs, in line with existing ACs and guidance, authorised persons must make multiple attempts to contact the consumer 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 consumer is considered reliant on ASC to remain on supply (exceeding authorised person policies of number of or frequency of ASC), authorised persons must assess whether PPM remains safe and reasonably practical in line with this guidance
- c) assessing on a yearly basis, in whichever form of communication the consumer prefers, whether using a prepayment meter remains safe and reasonably practicable

### Internal processes

6.90 All assessment documentation and audio/body camera recordings are to be retained for a minimum of five years.

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6.91 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.

6.92 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

6.93 Authorised persons must conduct quarterly Quality Assurance of a sample of Involuntary PPM cases.

6.94 This must include additional proactive assessment of all identified erroneous or non-compliant Involuntary PPM.

6.95 Authorised persons must incorporate failings identified in QA assessments to drive continuous improvements in training and processes.

## Self-disconnection

### Identifying a PPM consumer self-disconnecting

6.96 **Self-disconnection is where a PPM consumer rationa, reduces, or completely stops using their heat, particularly when it would be reasonably expected for them to be using it – for example, during winter.**

6.97 Authorised persons should endeavour to monitor this where possible, and support consumers who may be in difficulty or at risk of self-disconnection.

6.98 When a domestic consumer is using a prepayment meter, there are obligations placed on the authorised person:

- they must monitor the usage of prepayment meters on an ongoing basis to identify any consumers who might be self-disconnecting and
- if the authorised person identifies a self-disconnecting consumer, they are obliged to offer this consumer appropriate support in accordance with authorisation conditions Assistance and Advice, Security Deposits, Payment Difficulties, Disconnections and Direct Debits and Self-Disconnection, and all other obligations relating to Prepayment Meter Consumers. While deciding what is appropriate support for that consumer, the authorised person has to take into account whether any occupant of the relevant household is in a vulnerable situation.

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6.99 If the relevant prepayment meter does not have the functionality to enable the authorised person to identify itself whether the relevant consumer is self-disconnecting, the authorised person must ensure that appropriate communication channels are available for that consumer to inform the authorised person that they are self-disconnecting.

6.100 Certain groups, particularly those at risk of payment difficulty or being in a vulnerable situation, are more likely to ration or self-disconnect.

6.101 It is also important to note that some consumers who pay by credit may also self-ration. Where it is possible to detect unusually low heat usage, especially over the colder months, the authorised person should aim to support these consumers also.

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

6.102 The authorised person 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. Determining what is reasonable will depend on the needs of each consumer, their consumption, and overall costs, so this is a discussion we encourage authorised persons to have with consumers.

6.103 If it is technically infeasible for the authorised person to provide Emergency Credit and Friendly Hours Credit to their consumer, the authorised person is obliged to offer alternative short-term support to the consumer.

6.104 If the authorised person becomes aware or has reason to believe that a consumer is having or will have difficulty paying the charges, the authorised person must adhere to authorisation condition 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

6.105 The authorised person is obliged to offer a reasonable amount of additional support credit in a timely manner in the following situations:

- the authorised person 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 authorised person 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.

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6.106 What constitutes reasonable will depend on a mixture of factors: the authorised person's ability to provide credit, and the individual consumer's needs and circumstances.

6.107 When an authorised person is obliged to offer additional support credit, the authorised person must assess the sum of Additional Support Credit which is offered to the consumer and calculate the instalments for the consumer to repay.

6.108 If the authorised person 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 authorised person is not obliged to provide this credit on that occasion. However, the authorised person is obliged to provide alternative appropriate support, in line with the authorisation conditions Supplier Standards of Conduct and Assistance and Advice.

### Provision of Involuntary Prepayment Meter Credit

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

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

6.111 If it is technically infeasible to apply the Prepayment Meter Credit, the authorised person 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

6.112 The authorised person 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.

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## 7. Security of Supply

### Scope

- 7.1 This guidance is relevant for authorised persons requirements under the Security of Supply.
- 7.2 Neither the Security of Supply, nor the broader suite of authorisation conditions are part of the requirements 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 **any** relevant **heat networks** in line with good industry practice where **it exists**, evidence of **this maintenance** 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 should** 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 **authorised persons** 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 **In accordance with broader technical standards, it is expected that any documentation related to the operation and maintenance of a heat network is retained digitally in an easily accessible format for at least 5 years.**
- 7.9 Where **an authorised person** 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 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.

**Decision Heat networks regulation: consumer protection guidance****Additional good practice****Providing consumer support**

7.10 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.

7.11 **In all circumstances, authorised persons should prioritise the provision of a temporary heat supply to consumers as the initial response to any interruption. Once this has been reasonably addressed, further assistance and support measures should be implemented as appropriate to the situation.**

7.12 In providing additional 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

7.13 **Authorised persons** 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.

7.14 Clear, accessible guidance on using controls, reading meters, and understanding system performance can help improve efficiency, reduce faults, and better support consumers.