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## Introducing a zero standing charge energy price cap variant consultation: summary of responses

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Publication date:	24 July 2025
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This document summarises the responses we received to our policy consultation on introducing a zero standing charge energy price cap variant, published in February 2025. It includes views from consumers, charities, and various other stakeholders. This summary sets out the feedback that has shaped our planned next steps outlined within our accompanying [update on our next steps](#). Non-confidential responses to the consultation can be accessed on [our online consultation](#).

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## **Executive summary**

In our February 2025 policy consultation on introducing a zero standing charge price cap variant, we sought feedback from key stakeholders, including, but not limited to consumers, charities, and industry bodies such as energy suppliers. The response to our consultation showed a diverse range of views on the feasibility and desirability of introducing a zero standing charges price cap variant.

While there was no consensus across stakeholder groups, a number of clear themes emerged. Individual consumers consistently expressed a desire for greater affordability of energy bills, with many calling for a fundamental rethink of how fixed costs are recovered through standing charges.

Charities and advocacy groups shared their concerns around standing charges reform, urging Ofgem to prioritise affordability and simplicity of energy bills over flexibility, particularly for vulnerable households.

Suppliers emphasised the operational and financial risks of a zero standing charge price cap variant. They called for a cautious, evidence-led approach, highlighting the need for robust tariff modelling, real-world trials, and clear consumer protections. Many suppliers also advocated for broader reforms—such as a government-funded social tariff and changes to network charging—as more effective means of addressing affordability.

Across all responses, there was strong support for trialling or phasing the implementation of any price cap variant tariff structure. Suppliers generally agreed that any trials to gather wider evidence on the impact of the introduction of a price cap variant should be inclusive, transparent, and designed to capture both quantitative and qualitative insights. There was also widespread recognition that any future reforms to standing charges must be underpinned by clear communication, accessible support, and a commitment to protecting the most vulnerable consumers.

This publication aims to summarise the responses we received and clarify trends found in the views shared. Noting that there were diverse opinions within each group, this document captures the key trends and viewpoints and other significant views.

## **1. Consumer responses overview**

- 1.1 Campaign and consumer responses tended not to follow a question by question format, so we have summarised their key themes and messages in a separate section, to clearly draw out their overall messages.

### **Campaign responses**

- 1.2 In addition to responses from stakeholders and individual consumers, we received approximately 1,400 campaign emails coordinated by one campaign group, and around 9,200 emails through a campaign platform. Similarly to campaign responses received as part of our previous consultations, these campaigns expressed strong public sentiment in favour of reducing or eliminating standing charges.
- 1.3 One campaign advocated for reducing fixed costs on consumer bills by addressing excess profits, subsidies, waste, and the £3.9 billion in network profits. Of the three tariff structures included in our policy consultation, the campaign advocated for a rising block tariff model. In contrast to the proposal outlined in the policy consultation to increase the unit rate in line with the reduction in standing charge to minimise under recovery risks, the campaign called for the rising block model to be implemented without an increase in the unit rate and said that our proposed models did not go far enough to redistribute costs away from lower income consumers.
- 1.4 As part of the campaign, participants were invited to engage with an interactive platform that featured a series of questions covering a range of topics relevant to the consultation. Among those who responded via the platform, a significant majority (75%) expressed support for the introduction of a basic energy allowance that would be provided either free of charge or at a very low cost. Additionally, an even larger proportion (87%) believed that standing charges on energy bills should not be passed on to consumers but instead should be absorbed by energy suppliers through their profits.

### **Individual consumer responses**

- 1.5 In addition to the campaign responses, we received 240 responses from individual domestic consumers. These conveyed a range of views but generally expressed dissatisfaction with the options set out in the policy consultation, calling for more substantial reductions in overall energy bills.

- 1.6 Consumers had split views on whether the falling block, rising block, or single rate tariff structure would be preferred. Of the respondents that gave a view, 21% favoured the single rate model, with many saying it was the fairest and easiest to understand and compare with existing tariffs. Fourteen percent preferred the rising block model, supporting the argument that it was fairest for the highest users to pay more and that this would incentivise energy efficiency. Only 4% expressed a preference for the falling block model.
- 1.7 Many consumer responses echoed the thoughts of feedback we have received on standing charges previously, particularly regarding the perceived unfairness of fixed charges and a call to abolish standing charges entirely.

## **2. Case for change**

### **Q1. Views on our case for change**

### **Q2. Do you agree that introducing a zero standing charge variant is an effective way for us to achieve our case for change?**

#### **Supplier responses**

- 2.1 Supplier responses to the case for change were mixed, with a significant number expressing scepticism or outright opposition to the zero standing charge variant.
- 2.2 While some suppliers welcomed the policy intent to provide customers with greater choice and flexibility in how they pay for energy, they considered the current approach lacked sufficient research and risked causing significant consumer detriment through consumers mistakenly switching to a tariff they may be worse off on. Suppliers urged Ofgem to reflect on why suppliers have not already introduced such tariff structures voluntarily, suggesting that while consumer demand may exist, it is often based on an incomplete understanding of the implications such as paying a higher unit on a tariff with no standing charge. Other respondents highlighted that the case for change appeared to assume that a significant group of consumers prioritise choice over affordability - an assumption they felt was inconsistent with their experience.
- 2.3 Several suppliers expressed a preference for broader, more systemic reforms. They supported the idea of phasing out standing charges as part of a comprehensive package that includes a well-targeted social tariff funded through progressive taxation, and reforms to network charging to enable more cost-reflective and volumetric cost recovery.
- 2.4 Some suppliers also flagged sector-specific issues, such as the distinct and higher fixed costs associated with heat networks compared to gas and electricity. They cautioned that recovering these costs through unit rates could introduce new risks. Others emphasised that energy suppliers already bear the risk of under-recovery while network operators have more guaranteed revenue. Suppliers warned that mandated zero standing charge price cap variants could exacerbate this imbalance.
- 2.5 In summary, while a few suppliers acknowledged the value of increasing consumer choice, most were either opposed to the zero standing charge price cap variant or only conditionally supportive. They called for a more evidence-based



approach, greater clarity on legal and financial implications, and a broader strategy to address affordability and fairness in the energy market.

### **Consumer groups and charities responses**

- 2.6 Charities and consumer advocacy groups expressed a wide range of views on the case for change; many supported the principle of reform but raised significant concerns about the specific options put forward.
- 2.7 A recurring theme was the belief that the current standing charge arrangements are fundamentally unfair, particularly for low-income and low-usage households. Several respondents highlighted that these groups often see standing charges form a disproportionately high share of their energy bills, and that a zero standing charge tariff could offer meaningful relief if designed appropriately.
- 2.8 While there was broad support for the idea of reforming standing charges, many organisations were critical of the zero standing charge price cap variant. Some argued that the proposals were of limited benefit to consumers as the aim is to offer choice rather than financial savings.
- 2.9 Others warned that the introduction of new tariff structures could further complicate an already confusing energy market, particularly for vulnerable consumers who may lack the information or support needed to make informed choices. These groups emphasised the need for basic energy education and clearer communication to help consumers navigate the market.
- 2.10 A number of charities expressed concern that the proposals did not adequately address the root causes of energy affordability challenges. They argued that the focus should be on redistributing costs, rather than choice. For example, some charities argued that the focus should instead be on removing policy costs such as the contribution to the Warm Home Discount from low-income consumers bills. Instead, these costs should be funded through more progressive means, such as general taxation.
- 2.11 While some organisations supported the policy intent behind the proposals, they felt that the measures lacked the robustness needed to address the deep-rooted affordability issues being faced by consumers. Others were more critical, stating that the consultation lacked ambition and failed to present meaningful options for reform. Concerns were also raised about the complexity of the proposed consumer journey, the risk of consumers making poor tariff choices, and the potential harm caused by restrictions on switching.

- 2.12 In summary, while there was general agreement among charities and consumer groups that change is needed however, there was limited support for the specific zero standing charge price cap variant. Many respondents called for a more ambitious, equitable, and consumer-friendly approach that prioritises affordability and simplicity over market complexity and theoretical choice.

### **Q3. What alternatives should we consider to achieve the case for change?**

#### **Supplier responses**

- 2.13 Suppliers proposed a range of alternatives to the zero standing charge variant, with a strong emphasis on broader affordability measures and structural reforms. Many called for the introduction of a government-funded social tariff, targeted at vulnerable groups using Department for Work and Pensions data. This was seen as a more effective and equitable way to support those in need than shifting fixed costs into unit rates.
- 2.14 Several suppliers recommended reversing or revisiting the Targeted Charging Review, particularly for domestic customers, to allow more flexibility in how network costs are recovered. Others shared the view of some consumer groups that policy and non-energy costs - such as the Warm Home Discount – should be moved into general taxation to reduce the burden on energy bills.
- 2.15 There was also support for trialling alternative tariff structures in the competitive market, with some suppliers volunteering to offer low or zero standing charge options under controlled conditions. These trials would help gather evidence on consumer behaviour, cost recovery, and the viability of different tariff models.
- 2.16 Suppliers stressed the importance of transparency around fixed costs and called on Ofgem to improve consumer understanding of why these costs exist. Some advocated for demand-side response initiatives as a more strategic way to give consumers control over their bills while supporting system efficiency and decarbonisation.
- 2.17 In addition, suppliers urged Ofgem to expedite its project to review and assess the recovery of system wide energy costs, such as electricity and gas network costs, and ensure any reforms are based on robust consumer research. They emphasised that any changes should be carefully timed and sequenced to avoid unintended consequences, particularly for suppliers' ability to recover legitimate costs.

### **Consumer groups and charities responses**

- 2.18 Charities and consumer groups proposed a range of alternative policies focused on affordability and fairness. Many supported introducing a social tariff, such as one modelled on schemes like WaterSure, to protect low-income and high energy need households. Several respondents also called for reducing or eliminating regional variations in standing charges.
- 2.19 For prepayment meter customers, proposals included reallocating standing charges to unit rates, seasonal exemptions, and moving standing charge accrual to the back of the meter to reduce disconnection risks. Others recommended freezing standing charges or shifting specific costs, like policy charges, to unit rates.
- 2.20 Additional suggestions included capping supplier profits, redistributing network profits, and running trials alongside broader affordability measures. Respondents also urged Ofgem to ensure vulnerable consumers retain access to existing support schemes and are not disadvantaged by mistakenly switching tariffs.

### **3. Tariff structures and impacts**

#### **Q4. What views do you have on the various structures that we could adopt to allow consumers to contribute to fixed costs through a unit rate rather than a standing charge?**

##### **Supplier responses**

- 3.1 Suppliers expressed a strong preference for the falling block tariff structure, viewing it as the most viable option for managing the risk of under-recovery while offering some consumer benefit. Many noted that this tariff structure aligns well with consumption patterns and provides the highest likelihood of revenue recovery. However, they acknowledged that, as with the other proposed tariff structures, it introduces complexity and would require system changes, trials, and potentially a risk premium to manage financial exposure.
- 3.2 The single rate structure was widely criticised due to its risk of under-recovery and potential for cross-subsidisation, where high-usage households could end up subsidising low-usage ones. While it is the simplest of the structures to implement and understand, suppliers argued it would be unsuitable without extensive trials and safeguards.
- 3.3 The rising block tariff received the least support. Suppliers highlighted its significant risk of under-recovery, limited appeal to high-usage customers, and the need for smart meters to track daily consumption. Many felt it was incompatible with the goals of fairness and simplicity, and some recommended removing it from consideration entirely.
- 3.4 Across all structures, suppliers emphasised the need for clear communication with consumers, robust modelling, and trials to assess real-world impacts. They also raised concerns about competitive distortions, customer confusion, and the potential for unintended financial harm if tariffs are not carefully designed and targeted.

##### **Consumer groups and charities responses**

- 3.5 Charities and consumer groups expressed a range of views on the proposed tariff structures, with many favouring the rising block tariff as the fairest option for low-income and low-usage households. They argued that rising block tariffs could help ensure access to essential energy while encouraging energy efficiency. However, several respondents noted that this tariff structure would only deliver

these benefits if designed with a generous initial consumption block, allowing consumers to pay a reduced unit rate for their essential energy and applied universally.

- 3.6 Concerns were raised about the complexity of block tariffs, with many warning that they could confuse consumers and lead to poor decision-making. Some groups highlighted the risk of consumers opting into unsuitable tariffs, potentially resulting in higher bills or energy rationing. There were also concerns about the additional burden this could place on advice services.
- 3.7 The single rate structure was seen as simpler and easier to communicate, particularly for older or vulnerable consumers. However, respondents warned that it could still lead to affordability issues if the unit rates are not carefully calibrated, especially for high-usage or medically vulnerable households.
- 3.8 Falling block tariffs received mixed views. While some acknowledged their potential to reduce under-recovery risk for suppliers, others criticised them for penalising low-income users by placing higher costs on initial consumption. Several groups stressed the need for clear communication, targeted protections, and trials to ensure consumers are not disadvantaged.
- 3.9 Overall, respondents emphasised that any new structure must prioritise fairness, simplicity, and support for vulnerable consumers, rather than focusing solely on supplier cost recovery.

**Q5. Please share your feedback on the modelling we have undertaken, including what additional risks or considerations we should be taking into account, and whether there are additional or more appropriate consumption scenarios to consider.**

**Supplier responses**

- 3.10 Suppliers broadly agreed that the current modelling provided a useful starting point but lacked the depth needed to support implementation. Many raised concerns that it does not reflect real-world energy demand volatility, customer behavioural responses, or seasonal variation of energy consumption.
- 3.11 Several suppliers questioned the assumptions used, particularly around consumption scenarios and customer behaviour. They stressed the need for more

realistic modelling based on actual usage data and proposed live trials to test the tariff's impact over time.

- 3.12 There was also concern about increased financial risk, especially with shifting fixed costs to unit rates. Suppliers warned this could complicate hedging strategies and create competitive imbalances between suppliers depending on their customer demographics. For example, suppliers with a larger percentage of customers who are low users would suffer more financial risk than suppliers with fewer low users of energy.

### **Consumer groups and charities responses**

- 3.13 Several respondents expressed concern that the modelling was too complex for most consumers to understand, potentially undermining confidence and informed decision-making. They emphasised the need for greater accessibility and clarity in how the impacts of tariff changes are communicated.
- 3.14 Some organisations questioned whether the modelling adequately considered the needs of vulnerable groups, particularly households with complex disabilities and consistently high energy use. They called for additional scenarios that reflect these usage patterns to better assess the real-world implications.
- 3.15 There was also concern that the modelling focused too heavily on supplier under-recovery risks, without sufficiently analysing the direct impacts on consumers. Respondents urged Ofgem to test assumptions around consumer preferences—particularly the value placed by consumers on having more choice and control over their energy bills - to assess whether enough consumers would opt into such tariffs to make them viable.
- 3.16 A few groups supported the modelling as a useful evidence base but stressed the importance of incorporating broader factors such as energy efficiency, regional variation, seasonality, and behavioural responses. Overall, respondents called for more inclusive and consumer-focused modelling to ensure fair and effective outcomes.

## **Q6. How do we best manage the risk of under recovery of fixed costs in the interest of consumers?**

### **Supplier responses**

- 3.17 Suppliers offered a range of proposals to manage the risk of under-recovery, with many favouring the use of falling block tariffs combined with minimum

consumption thresholds. These were seen as effective mechanisms to reduce volume risk and ensure fair cost recovery, particularly when paired with eligibility criteria, lock-in periods, or fixed cost recovery charges for early exits.

- 3.18 Several suppliers supported the introduction of a risk premium, either within the variant tariff or across the market, though some strongly opposed spreading this cost to all price cap customers. Others recommended true-up mechanisms or reconciliation processes to adjust for over- or under-recovery over time.
- 3.19 Some suppliers argued that the most effective way to manage risk was to avoid introducing a zero standing charge price cap variant altogether and instead prioritise a review of energy system cost allocation. Others suggested phased implementation, starting with less vulnerable consumers, or gathering real-world data through fixed market trials to better understand the impact of consumer behaviour.
- 3.20 There was also concern about competitive distortions, with calls for safeguards to ensure suppliers with a higher proportion of low-usage customers are not disproportionately affected. Overall, suppliers emphasised the need for careful tariff design, robust data, and targeted mitigations to ensure financial stability and consumer fairness.

### **Consumer groups and charities responses**

- 3.21 Charities and consumer groups generally opposed placing the risk of under-recovery on consumers. Several respondents argued that suppliers should bear this risk, with some calling for stronger regulation on what suppliers can charge and how costs are recovered.
- 3.22 A number of organisations suggested spreading fixed costs more broadly—either across all consumers or over total demand—to reduce volatility and ensure fairness. Others proposed targeted mitigations, such as risk premiums applied only within the variant tariff, and controls to cap the additional annual cost consumers might face under a zero standing charge price cap model.
- 3.23 There was concern about the potential for over-recovery, with some respondents urging Ofgem to consider how excess revenues would be managed and communicated. Transparency around the break-even point and clearer comparisons between tariffs were also recommended to help consumers make informed decisions.

- 3.24 Some groups highlighted the need to reduce the overall burden of fixed costs through structural reforms, such as investing in cheaper renewable energy and addressing energy debt. Overall, respondents emphasised that any approach to managing under-recovery must prioritise affordability, transparency, and consumer protection.

## **Q7. What are your views on our assessment of the impacts and trade-offs of these options?**

### **Supplier responses**

- 3.25 Suppliers raised significant concerns about the assessment of impacts and trade-offs, particularly around the financial risks posed by a zero standing charge price cap variant. Many highlighted the potential for under-recovery of fixed costs, especially if consumer behaviour deviates from modelled assumptions. They warned that this could lead to rising unit rates, making the tariffs less attractive and undermining long-term viability.
- 3.26 The falling block tariff was generally seen as the least risky option, with some suppliers recommending trials to better understand its revenue implications and to calibrate any necessary risk premiums. However, several respondents noted that the consultation did not adequately address competitive distortions, where suppliers with a higher proportion of low-usage customers could be disproportionately affected.
- 3.27 Suppliers also criticised the modelling for lacking transparency around risk premiums and for not fully accounting for behavioural responses or seasonal consumption patterns. Some questioned whether the proposals aligned with consumer expectations and warned that the complexity of the tariffs could lead to confusion and undermine trust in energy billing.
- 3.28 There was a strong call for more robust consumer research, including willingness-to-pay studies and real-world trials, to validate assumptions and ensure that any new tariff structures deliver genuine consumer benefit without compromising supplier resilience.

### **Consumer groups and charities responses**

- 3.29 Charities and consumer groups expressed mixed views on Ofgem's assessment of the impacts and trade-offs of the proposed tariff options. While some acknowledged the analysis as broadly accurate, others felt it failed to fully



capture the lived experiences of households, particularly those with complex needs or disabilities. Several respondents stressed that the modelling focused too narrowly on bill impacts and did not reflect the day-to-day financial and emotional strain of managing energy costs.

- 3.30 There was concern that the complexity of the proposed tariffs could lead to confusion and poor decision-making, especially among vulnerable consumers. Respondents emphasised the importance of allowing consumers to switch tariffs without penalty if their chosen option proves unsuitable. Some called for exemptions from lock-in periods for people with terminal illnesses or other exceptional circumstances.
- 3.31 The rising block tariff was seen by some as the most reasonable option for low-usage households, though many felt it would need significant improvements—such as a cheaper or free initial consumption block—to deliver meaningful benefits. Others questioned whether any of the proposed structures could balance consumer benefit with supplier cost recovery.
- 3.32 Overall, respondents urged Ofgem to test the options with real consumers in varied circumstances and to reassess the trade-offs with a stronger focus on equity, accessibility, and long-term affordability.

## **4. Implementation approach**

### **Q8. Please share your feedback on the potential criteria and process for joining and leaving the zero standing charge price cap variant.**

#### **Supplier responses**

- 3.33 Suppliers broadly agreed that a zero standing charge price cap variant should be opt-in only, to ensure consumers are not moved onto a potentially unsuitable tariff without their consent. However, many noted that this would mean the variant no longer functions as a default tariff and therefore may not be subject to the same regulatory framework as default tariffs.
- 3.34 There was significant concern about the risk of supplier under-recovery due to seasonal switching or low-consumption users opting in. To mitigate this, many suppliers supported the introduction of a minimum consumption threshold, lock-in periods of at least 12 months, or fixed cost recovery charges for early exits. Some also suggested restricting eligibility to smart prepayment meter customers or those receiving the Warm Home Discount, as these groups may benefit most and pose lower financial risk to suppliers.
- 3.35 Several suppliers raised concerns about the complexity of the variant, both for consumers and suppliers. They warned that the process of comparing tariffs could be confusing and that locking consumers into unsuitable tariffs could damage trust. Others highlighted the risk of gaming, such as switching to fixed-term contracts and using cooling-off periods to avoid lock-in.
- 3.36 While some supported lock-in mechanisms to protect against revenue loss, others argued that such features make the variant more like a fixed-term contract and should therefore be left to supplier discretion. Overall, suppliers emphasised the need for clear rules, consumer protections, and careful tariff design to balance flexibility with financial sustainability.

#### **Consumer groups and charities responses**

- 3.37 Charities and consumer groups generally supported an opt-in approach for the zero standing charge price cap variant, recognising the importance of consumer choice. However, many raised concerns that vulnerable or disengaged consumers—particularly those on prepayment meters—may not be aware of or able to access the tariff without proactive support. Several respondents

suggested suppliers should identify eligible consumers and offer the tariff directly, while others proposed an opt-out model for vulnerable groups to ensure broader access.

- 3.38 There was strong opposition to lock-in periods, with many arguing they undermine the principle of choice and could trap consumers in unsuitable tariffs, especially if their circumstances change unexpectedly, such as following a medical diagnosis. Respondents called for flexibility and safeguards to allow consumers to switch without penalty in such cases.
- 3.39 Some groups warned that the complexity of comparing tariffs could lead to confusion and poor decision-making, particularly for those with low literacy or numeracy skills. They emphasised the need for clear, accessible, and personalised advice, and for suppliers to fulfil their obligations to guide consumers to the best available tariff.
- 3.40 Views on eligibility criteria were mixed. While some supported limiting the variant to pre-payment meter or low-income households, others opposed restrictions that could exclude those in need. Several respondents stressed that eligibility should not be tied to the Warm Home Discount, as the zero standing charge variant is intended to offer choice, not affordability support.
- 3.41 Overall, respondents urged Ofgem to ensure the process is inclusive, transparent, and designed to protect vulnerable consumers while enabling informed and flexible participation.

**Q9. Considering our assessment of the challenges and opportunities around non-smart meters, prepayment meters and multi-rate meters, what could be done in these areas to support the success of a zero standing charge price cap variant?**

**Q10. Do you have any views on how suppliers could offer block tariffs to consumers without smart meters?**

**Supplier responses**

- 3.42 Suppliers broadly agreed that the success of a zero standing charge price cap variant depends heavily on restricting eligibility to customers with smart meters. They argued that accurate and timely consumption data is essential for implementing block tariffs and managing billing effectively. Applying such tariffs

to traditional or legacy meters was widely seen as impractical due to infrequent meter readings and the risk of inaccurate billing.

- 3.43 There was strong support for limiting the variant to smart prepayment meter customers, who are seen as most affected by rising standing charges and best positioned to benefit from the variant. Some suppliers also supported additional eligibility criteria, such as receipt of the Warm Home Discount, to reduce market risk and better target support.
- 3.44 Views on multi-rate meters were more cautious. Many suppliers noted that applying block tariffs to Economy 7 or other time-of-use tariffs would be complex and potentially confusing for consumers. Some suggested excluding these consumers altogether, while others acknowledged that implementation would be difficult but not impossible with smart technology.
- 3.45 A few suppliers raised concerns that restricting eligibility could undermine fairness or public understanding of the policy's intent. Others argued that the broader issue lies with the energy price cap methodology itself, which they suggest may need to be reviewed if it cannot accommodate non-smart meter customers.
- 3.46 Overall, suppliers emphasised that limiting the variant to consumers who have smart meters —particularly smart prepayment meters —would simplify implementation, reduce financial risk, and improve the likelihood of successful implementation of the variant.

### **Consumer groups and charities**

- 3.47 Charities and consumer groups emphasised the need to ensure that the zero standing charge price cap variant does not exclude vulnerable consumers based on meter type. Many opposed limiting eligibility to smart meter users, noting that some consumers are unable to obtain smart meters due to technical or regional constraints. They argued that excluding these individuals would be unfair and could deepen existing inequalities in the energy market.
- 3.48 There was strong support for targeted protections for prepayment meter customers, who are disproportionately affected by standing charges. Respondents recommended removing standing charges entirely for these consumers or moving accrual to the "back of the meter" so that charges only apply when energy is used. Several also supported making the zero standing charge price cap variant the default for pre-payment meter customers, provided it is paired with progressive cost recovery and safeguards against disconnection.

- 3.49 On multi-rate meters, respondents highlighted the complexity of applying block tariffs and suggested simpler alternatives, such as a single unit rate, to ensure equitable access for Economy 7 users. Some warned that block tariffs could create confusion or lead to disproportionate costs depending on time-of-use patterns.
- 3.50 Overall, respondents called for inclusive design, clear communication, and careful consideration of how meter type, vulnerability, and regional access affect eligibility and outcomes under the proposed variant.

### **Q11. What support should be in place for consumers in deciding if the variant is the right tariff for them?**

#### **Supplier responses**

- 3.51 Suppliers expressed a range of views on the level and type of support consumers would need to allow them to make informed decisions about whether a zero standing charge price cap variant was right for them. Many agreed that the complexity of the tariff - particularly where block structures are involved - would make it difficult for consumers to assess suitability without clear, accessible guidance.
- 3.52 Several suppliers emphasised that existing obligations under the supplier licence conditions already requires them to support informed tariff choices and questioned whether additional regulatory requirements were necessary. Others noted that implementing personalised quote journeys, updating digital tools, and training staff would incur additional costs, which should be reflected in price cap allowances.
- 3.53 There was broad agreement that consumers would need to understand their own consumption patterns, including seasonal variation, to make an informed choice. However, many suppliers noted that this level of analysis is beyond the capability of most households. Some proposed that Ofgem or suppliers provide illustrative customer profiles or breakeven calculators to help guide decisions, though they acknowledged these tools would be imperfect.
- 3.54 A number of suppliers raised concerns about the reputational risk if consumers opt into the variant and later find it unsuitable. They stressed that Ofgem should lead on public communications and awareness campaigns, particularly to support vulnerable customers. Others argued that suppliers are not best placed to advise

on tariff suitability, as they cannot fully understand individual customer motivations or future usage.

- 3.55 Overall, suppliers called for a pragmatic approach that balances transparency, simplicity, and consumer protection, while recognising the operational and financial implications of delivering tailored support.

### **Consumer groups and charities responses**

- 3.56 Charities and consumer groups emphasised the need for clear, accessible, and impartial support to help consumers assess whether a zero standing charge price cap variant is suitable for them. Many expressed concern that suppliers may not be best placed to provide this advice, citing a lack of trust and the complexity of the tariff.
- 3.57 There was strong support for involving trusted third parties—such as Citizens Advice and local advice agencies—to provide tailored guidance, particularly for vulnerable consumers and those with complex needs. Respondents stressed that information should be available in multiple formats and communication channels, including in-person support, to ensure accessibility for all.
- 3.58 Several organisations called for proactive engagement, including personalised comparisons based on past usage, clear explanations of potential risks and benefits, and regular updates on whether consumers would be better off on the variant. Some recommended that bills include comparisons between the zero standing charge and standing charge tariffs to aid decision-making.
- 3.59 Respondents also urged Ofgem to lead a national awareness campaign and to work with suppliers and consumer groups to develop consistent and accurate messaging. They highlighted the importance of avoiding misleading claims about savings and ensuring that consumers understand the implications of seasonal cost variation, particularly for prepayment customers.
- 3.60 Overall, charities and consumer groups stressed that robust, inclusive, and well-communicated support is essential to ensure consumers - especially the most vulnerable - can make informed and confident choices.

**Q12. Are there any considerations we should make in relation to supplier implementation and ongoing delivery of this price cap variant?**

**Supplier responses**

- 3.61 Suppliers raised significant concerns about the feasibility and timing of implementing a zero standing charge price cap variant, particularly by winter 2025. Many highlighted the complexity of the changes required, including updates to billing systems, customer communications, and internal processes. Several suppliers noted that systems would need to be redeveloped from scratch, making the proposed timeline highly challenging.
- 3.62 There was strong support for conducting a trial before full implementation. Suppliers suggested that trials would help assess revenue impacts, test system readiness, and inform the design of risk mitigation measures.
- 3.63 Concerns were raised about increased administrative burdens, higher customer contact volumes, and the risk of consumer complaints if the tariff is poorly understood or misapplied. Several suppliers called for cost recovery mechanisms to be built into the price cap to reflect the additional operational demands.

**Consumer groups and charities responses**

- 3.64 Charities and consumer groups stressed the need for clear, accessible information and strong consumer protections during implementation. They called for suppliers to be monitored to ensure the variant is promoted fairly and that vulnerable consumers are supported.
- 3.65 Several respondents urged flexibility for consumers whose circumstances change, such as those with terminal illnesses. Others recommended supplier staff training, regular reviews, and a duty on suppliers to offer impartial guidance to prevent harm from unsuitable tariff choices.

**Q13. Please share your views on trialling or phasing implementation, and how this might work effectively**

**Supplier responses**

- 3.66 Most suppliers supported trialling the zero standing charge price cap variant before full implementation. They emphasised that a trial should span multiple seasons to capture the effects of seasonal consumption patterns and allow for

accurate assessment of revenue impacts, customer behaviour, and system readiness. Several suppliers recommended that trials involve a small number of suppliers and a diverse range of customer profiles.

- 3.67 Suppliers highlighted the need for trials to inform the design of risk mitigation measures, such as risk premiums, and to test the effectiveness of customer communications and billing systems. Many noted that system changes required for a trial would be significant and argued these costs should be funded through additional allowances in the energy price cap.
- 3.68 While some supported a phased rollout following a successful trial, others expressed concern that phasing could create market distortions or require all suppliers to invest in system changes without clarity on customer uptake. A few suppliers opposed trials altogether, citing the unsuitability of the current proposals and the risk of wasted resources.
- 3.69 Overall, suppliers called for a cautious, evidence-based approach, with trials used to refine the policy and reduce the risk of unintended consequences.

### **Consumer groups and charities responses**

- 3.70 Charities and consumer groups generally supported trialling or phasing the implementation of the zero standing charge price cap variant. Many saw trials as essential to identify and mitigate unintended harms, particularly for vulnerable consumers. Respondents recommended that trials include a diverse range of household types, meter types, and heating systems to ensure broad applicability.
- 3.71 Some organisations emphasised the importance of collecting both qualitative and quantitative data to inform future decisions. Others suggested that a phased approach could follow the trial to allow for gradual rollout and adjustment.
- 3.72 However, one respondent cautioned that a phased or low-profile trial could limit public engagement and recommended a high visibility “big bang” launch to maximise awareness and uptake.