

Consultation

Consumer Outcomes – Implementation

Publication date:	23 June 2026
Response deadline:	19 August 2026
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This consultation asks for views on how outcomes-based regulation can be put into practice in both the domestic and non-domestic supplier retail markets.

Outcomes-based regulation focuses on the outcomes we want for consumers, rather than setting detailed requirements on how firms must behave. It gives suppliers flexibility in how they operate, while holding them accountable for delivering good outcomes.

We welcome views on what changes may be needed to our rules, market monitoring, compliance activity and engagement with stakeholders. Please provide responses by 19 August 2026. Your feedback will help us implement outcomes-based regulation in a clear, proportionate and effective way.

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Executive summary

We are committed to delivering an energy retail market that works for all consumers. As our [Strategic Direction](#) sets out, we are moving to a more consumer outcomes-based approach to regulating both domestic and non-domestic energy suppliers. We believe that this will deliver better consumer results. The Strategic Direction proposes the outcomes we want suppliers to deliver. This consultation focuses on the practical steps required to implement these changes.

Changing how we regulate

To deliver an outcomes-based approach, we need to update both our rules and how we regulate. For example, improving how we monitor real-world consumer experience, adopting a compliance approach that is focused on outcomes, modernising the supply licence and our engagement with stakeholders to help clarify expectations of what “good” looks like. Changing how we regulate is critical to delivering lasting consumer benefits and preventing swings in regulatory approach. We want to move quickly to improve how we regulate to deliver benefits to domestic and non-domestic consumers.

Changing our rules

Phased approach to updating our rules, starting with billing

To rollout outcomes we will implement rule changes in phases, starting with billing. This will allow us to test what works and refine changes before wider rollout. Billing is a key consumer touchpoint and can be a source of confusion, debt build up, or loss of trust when things go wrong. It is the most common source of customer complaints. We intend to change our billing rules so that they focus more on consumers’ experience, by making the billing outcome a supply licence condition that suppliers are required to achieve. Alongside this we will adapt how we monitor billing performance and ensure suppliers can demonstrate successful delivery of the outcome.

Simplifying our licence

We have identified a range of non-controversial improvements to make the licence simpler and remove outdated rules. We are consulting on making these changes now, to streamline the licence, before we implement wider reforms for consumer outcomes.

Reforming our Guaranteed Standards of Performance (GSOPs)

The supplier GSOPs set minimum supplier service standards, with consumers automatically compensated if they are breached. In this document we clarify the role of GSOPs and propose specific changes to how the GSOP payments are designed.

Our goal is to develop a clear, workable model for outcomes-based regulation. Your feedback will play a vital role in shaping how we deliver this transition and ensure regulation is fit for the challenges facing today’s energy market.

1. Introduction

Outcomes based regulation

- 1.1 There are compelling reasons to change how we regulate the domestic and non-domestic supply market. Although some customers experience great service, outcomes are uneven and not all consumers are well-served. As the market evolves rapidly, regulation must also keep pace. We think a different approach is needed to deliver good outcomes for all consumers, support innovation and enable economic growth.
- 1.2 In our [Consumer Outcomes Strategic Direction](#), we set out our intent to move to a more outcomes-based approach to regulation for both the domestic and non-domestic markets. Outcomes-based regulation focuses on the results that consumers experience, rather than prescribing the exact processes firms must follow. It provides more flexibility for suppliers to choose how they serve their customers, but with stronger accountability to deliver good consumer outcomes. In the Strategic Direction we provide more information about what outcomes-based regulation is and set out the seven outcomes that we expect suppliers to deliver for consumers.
- 1.3 We set out our current thinking on outcomes below, developed in collaboration with industry parties, charities and consumer groups:
 - **Outcome 1:** Consumers are charged energy prices that represent fair value.
 - **Outcome 2:** Consumers receive accurate, timely, accessible and understandable energy bills.
 - **Outcome 3:** Consumers struggling to pay for their energy receive flexible payment options and proactive, tailored interventions.
 - **Outcome 4:** Consumer concerns and complaints are addressed fairly, effectively, and promptly.
 - **Outcome 5:** Consumers get clear, accurate, and timely information to help them make informed choices.
 - **Outcome 6:** Consumers can switch providers and contracts without unnecessary barriers.
 - **Outcome 7:** All products and services should be reliable and perform as intended.
- 1.4 Vulnerability is a core consideration across all outcomes. These outcomes are especially important for consumers in vulnerable situations, who may face greater risk of harm when things go wrong and may need additional, tailored support.

Purpose of this consultation and how to respond

- 1.5 This consultation seeks stakeholder views on how outcomes-based regulation should be implemented in energy supply. It focuses on proposed changes to both our how we regulate (including monitoring) and our rules. In particular, this policy consultation seeks views on reforms to billing rules and how we monitor billing performance to support delivery of the intended billing outcome. The policy consultation also clarifies the role of the supplier Guaranteed Standards of Performance (GSOPs) and seeks views on potential changes to the design of GSOP payments. Following this policy consultation, if we decide to change our billing rules or GSOP rules, we will issue a statutory consultation setting out our exact proposed changes.
- 1.6 Alongside this document, we have also issued a [statutory consultation on changes to the licence](#), to make it simpler and easier to engage with.
- 1.7 We want to hear from anyone interested in this consultation. Please send your response to FutureConsumers@ofgem.gov.uk. More information on the consultation stages and how to get involved can be found in Chapter 6.

Related publications

- 1.8 In our [Consumer confidence](#) publication, we set a clear ambition for a retail energy market that delivers good outcomes for consumers. Last Autumn, we published our [Consumer Outcomes: Call for Input](#) seeking views on the consumer outcomes that energy suppliers should deliver and how we can best use our regulatory framework to deliver these outcomes. We also published a [Supplier GSOP: Call for Input](#) seeking views on how to improve the effectiveness of the supplier GSOPs in delivering good consultation outcomes. This policy consultation builds on the responses received to both these calls for input.
- 1.9 The government also recently published the outcomes of the [Ofgem Review](#). The Ofgem Review recommends that we should have a clearer focus on the outcomes that our regulation is intended to deliver. The publication of our [Strategic Direction](#) and this implementation consultation are important steps towards achieving more outcomes-focused regulation in energy supply.
- 1.10 This document focuses specifically on applying this regulatory approach to domestic and non-domestic energy supply. However, in line with the recommendations of the Ofgem Review, in the future we will consider whether a similar outcomes-based approach to regulation could be applied more widely to other sectors that we regulate. This will be informed by the lessons learned embedding this approach across the supply market.

2. Approach to implementing outcomes-based regulation

This chapter sets out our strategic approach to implementing outcomes-based regulation and embedding consumer outcomes at the heart of the market.

- 2.1 There are choices about how we approach this transition. In response to our Call for Input, most stakeholders broadly agreed on the need for change. However, there was disagreement amongst suppliers, consumers groups and charities about the pace and extent of change.
- 2.2 We have listened to stakeholder feedback. As a result, we have decided to adopt a balanced implementation approach. This will allow us to move quickly where there are clear “no regrets” improvements (such as improving our monitoring to better understand consumer experience). However, in more complex areas, we will take additional time to ensure changes are well designed, deliverable and in consumers’ interests. Specifically, we will take a phased approach to licence changes to implement the outcomes. This will give us more time to design, test and refine rule changes with stakeholders. Overall, this approach will help ensure that reforms deliver early benefits, while remaining effective and sustainable over the long term.

Ensuring a robust and consistent approach

- 2.3 We will ensure that the transition to more outcomes-based regulation is grounded in best regulatory practice. This means making sure any changes (such as monitoring changes) are proportionate and do not create unnecessary burdens. We will work closely with stakeholders, using evidence and feedback, to shape our reforms. We will also ensure that our changes are coordinated and consistent, using guiding principles we have developed to strike the right balance of outcomes-based and prescriptive rules.

Evaluating our approach

- 2.4 We are committed to ensuring that any changes we make lead to better consumer outcomes. Where we make changes to our rules, monitoring, compliance and engagement activities (such as through implementing the billing outcome), we will monitor the impact of our reforms over time. For billing, we plan to use a mixed-methods approach (an impact evaluation and a complementary process evaluation) which will allow us to assess what is working well and where improvements are needed. By focusing our evaluation on these specific changes, we can adapt our approach as we go and ensure that the regulatory framework remains effective as the market evolves. More information on our approach to evaluating our billing proposals can be found in Chapter 4.

Changing how we regulate

- 2.5 Moving to a more outcomes-based approach represents a significant shift in “how” we regulate the domestic and non-domestic market. It is not just about changes to our rules. It involves changes to how we apply our rules, how we monitor performance, and how we engage with stakeholders. Our oversight would move away from rule-checking, towards assessing the delivery of consumer outcomes. To do this well, we will need better data, deeper insight into customer and stakeholder experiences, and clear processes that allow us to identify and address emerging issues early.
- 2.6 We consider these changes to be “no regret” improvements that will strengthen our regulatory approach. We therefore intend to progress these changes at pace. Chapter 3 provides more detail on our proposed changes to “how” we regulate.

Changing our rules

Balancing prescription vs outcomes

- 2.7 We have developed a set of principles to guide the balance between outcomes-based rules and targeted prescription. As we rollout more outcome-based regulation, these principles should help ensure our regulatory approach remains effective, proportionate, and supportive of innovation, while maintaining strong consumer protections:
- 2.8 **Sustainable and proportionate rules:** Our rules should be future-proofed to remain effective as the market evolves, avoiding unnecessary complexity or duplication.
- **Severity and scale of consumer harm:** The level of prescription will reflect the potential seriousness and reach of consumer harm, with clearer and firmer rules where process failures could cause significant detriment.
 - **Need for standardisation:** Where consistency across the market is important for effective operation and positive consumer outcomes, we will set more standardised and prescriptive requirements.
 - **Innovation and efficiency:** Where regulatory flexibility is likely to support innovation or improve efficiency without weakening consumer protections, we will adopt more outcomes-focused rules.
- 2.9 Alongside these principles, we will consider how effectively the market is delivering good outcomes and complying with existing rules. We will use this to help inform the balance between outcomes-based rules and more detailed requirements. We will also ensure that any new rules are introduced only where supplier performance against the rule can be clearly and effectively measured.

Phased approach to licence changes to implement outcomes

- 2.10 Rather than making wide-ranging rule changes to implement all the outcomes at once, we will take a phased approach. This will enable us to get the right balance of where outcomes-based rules can best drive improvements, and where more prescriptive rules can help ensure consistency or safeguard consumers from harm. It will also allow us to manage demands on industry and enable us to properly consider the associated monitoring, compliance and stakeholder engagement changes.
- 2.11 We propose to start with implementing the billing outcome. We think that billing is a strong starting point due to current concerns about supplier performance, feedback that our rules are too complex, and potential opportunities to innovate (such as through bill understandability). More details on our billing proposals, including range of options to amend billing rules, can be found in Chapter 4. We plan to implement billing rule changes from the start of next year.
- 2.12 Learning from billing, we plan to implement all the outcomes over the next couple of years. We will publish more information on plans to implement the remaining outcomes later this year.

Licence simplification

- 2.13 We want the supply licence to be easy to engage with. We have already engaged industry on this topic and have developed proposals that we are ready to progress. This includes removing outdated rules, deleting blank pages, setting out definitions more clearly and improving how the licence is structured.
- 2.14 We have decided to move ahead with these no regrets changes to streamline the licence, ahead of wider implementation of consumer outcomes. Alongside this document we have published a Statutory Consultation outlining our detailed proposed changes.

Guaranteed Standards of Performance (GSOPs)

- 2.15 The supplier GSOPs set minimum supplier service standards, with automatic customers compensation if they fail. The GSOPs are prescriptive by design and focus on specific supplier failures.
- 2.16 As part of the wider move towards more outcomes-based rules, we have therefore considered the role of these GSOPs in delivering good consumer outcomes. We have also considered whether the current GSOP framework is set up to effectively deliver good consumer outcomes. More information on our thinking and proposed changes can be found in Chapter 5.

3. Changing how we regulate

This chapter sets out proposals to change how we regulate, to focus more on consumer outcomes.

Question 1: Do you agree with our initial monitoring approaches for the other Consumer Outcomes outlined in Appendix 1, and the data and evidence we need for each of them? If not, please provide more detail on this, including alternative metrics.

Question 2: To help minimise the burden of data collection, do you have any views on data collections we can streamline or retire?

Question 3: How can we best ensure that all stakeholders have a consistent understanding of the Consumer Outcomes we expect suppliers to deliver? Do you have any views on initial proposals to do this?

- 3.1 In shifting to outcomes-based regulation, considering how we regulate is just as important as the rules themselves. The way we monitor, engage and apply our regulatory framework shapes suppliers' behaviours and consumers' experiences.
- 3.2 We consider that there are immediate changes that we can make to improve how we regulate. Many of these changes deliver benefits to consumers quicker than rule changes. We will engage with stakeholders to seek their feedback on these changes (for example, through existing stakeholder forums).

Monitoring

- 3.3 As we move to an outcomes-based regulatory framework, our aim is to establish a clear, proportionate and evidence-driven approach to monitoring how well suppliers deliver outcomes for energy consumers. Consumer Outcomes monitoring will focus on high-quality, robust evidence that allows us to assess performance and identify where harms may arise.
- 3.4 Our monitoring approach will build a strong and holistic evidence base, strengthen supplier accountability, and support effective compliance and enforcement by identifying issues early and providing actionable insight. We will take a proportionate, risk-based approach, focusing on areas of greatest potential harm. We will ensure data is consistent, clearly defined and where possible comparable across suppliers.
- 3.5 To monitor whether outcomes are being met effectively, we propose to use a combination of supplier reporting on the Outcomes, alongside data and evidence from our consumer surveys and our existing wider market monitoring that we must continue for other regulatory purposes (including data collections from suppliers and other stakeholders). Where possible and necessary, we will seek to also collect data and evidence related to customers in vulnerable circumstances and for different non-domestic customer groups to ensure outcomes are being

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met for these customers too. In practice, altogether this would mean that we put a clear requirement on suppliers to produce robust, verifiable evidence tailored to each Outcome, which we can verify and support with other data and evidence we already collect.

- 3.6 We will build on learning from the new approach we took to our Consumer Vulnerability Strategy in 2025/26 to ensure the evidence we receive is robust and comparable. We held sessions with each energy supplier individually to strengthen our understanding of how they are meeting the themes and outcomes in the Vulnerability Strategy. As well as the sessions, we also received supplementary evidence from each supplier. This approach has helped us understand where suppliers are delivering good outcomes for consumers in vulnerable situations, and where they could go further.
- 3.7 While we are not implementing the remainder of the six Outcomes now, we also want to seek early stakeholder views on some provisional monitoring approaches so that we are able to refine them further, consider how they fit within our wider monitoring regime and consider the interrelations across different Outcomes effectively. For example, there will be interrelations between the Billing Outcome and Complaints Outcome where the data we collect on billing complaints volumes, and resolution could also be effective for ensuring the Billing Outcome is met, even if it doesn't form the basis of core reporting on Billing. Table 1 below outlines a summary of these possible evidence requirements, and more detailed tables can be found in Appendix 1.
- 3.8 We are keen to engage further on the feasibility, frequency and comparability of reporting, as well as the links between outcomes across both domestic and non-domestic markets. To minimise burden, we are also reviewing existing data collections across Ofgem and welcome views on data we can streamline or retire. These changes will improve our understanding of Consumer Outcomes now and strengthen the foundations for any future regulatory reform. We welcome all feedback on the above and will refine our approaches based on the feedback we receive.

3.9 **Table 1: Summary of potential monitoring approaches for the remaining six Consumer Outcomes**

Outcome	Brief description of potential evidence requirements
Fair value	Simple random sample of customer-level dataset on tariff/energy prices paid. Analysis of prices against definitions of fair value in domestic and non-domestic markets.
Debt	Evidence on the range of flexible payment offerings, options and consumer uptake. Consumer survey data on satisfaction with proactive, tailored support when struggling with bills, and with flexibility in payment methods provided by suppliers. Could also be supplemented with quantitative evidence on time taken to contact customers struggling with bills, as well as existing market-level data on customers in debt and arrears.
Complaints	Quantitative data on complaints volumes, resolution timescales, repeat complaints, and complaints escalated to the Energy Ombudsman. Survey data on satisfaction with complaints processes, awareness of redress mechanisms and on other issues customers raise that do not escalate to complaints.
Informed choices	Consumer comprehension testing across broad range of areas consumers need to make informed choices on. May overlap with Billing consumer comprehension testing. Alternative approach could be based on mystery shopping to determine whether information received is accurate, clear and timely.
Switching	Quantitative evidence on blocked/objected switches and underlying reasons. Could be supported with consumer survey data on reasons given for failed switches.
Reliability	Supplier product and service design reports. Supplemented with consumer survey data on issues or harms posed by supplier products and services. Should also include quantitative evidence on customers off supply in each reporting period.

Compliance and enforcement

- 3.10 Moving to outcomes-focused regulation places greater responsibility on suppliers to demonstrate that they are delivering good consumer outcomes. It also requires us to adapt how we monitor performance, assess compliance and respond to poor outcomes. Our updated Compliance Operating Principles are already in place. It prioritises early identification of issues, swift resolution and fair consumer redress, underpinned by a stronger focus on real-world outcomes rather than procedural ‘technical’ non-compliance.
- 3.11 Our compliance work is guided by four principles: prioritising the outcomes experienced by consumers and the risk of harm; using compliance insight to test whether policies are working as intended and to inform future policy design; taking data-led, consistent and proportionate decisions; and raising standards through transparency, clear expectations and sharing good practice. In practice, this means more open and ongoing engagement with suppliers and working collaboratively to resolve issues early where possible. Improved outcomes data will strengthen our ability to act early and effectively.
- 3.12 Where compliance activity fails to address serious concerns, we may exercise our enforcement powers to protect consumers, reserving enforcement action for the most egregious cases. Clear outcomes supported by guidance, high-quality monitoring and evidence, and effective information-gathering powers will provide a robust basis for any possible enforcement activity, when necessary.

Clear and transparent communication

- 3.13 Clear and transparent communication is critical to enabling outcomes-based regulation. We want to be clear about the outcomes we expect suppliers to deliver. Stakeholders have raised concerns that our current expectations are spread across a wide range of historic guidance documents and regulatory letters. This makes it difficult to identify what is relevant, creates uncertainty, and adds unnecessary burden for stakeholders.
- 3.14 To address this, we propose to simplify and improve our approach to issuing guidance. This involves archiving outdated guidance documents, updating our approach to issuing guidance (such as by strengthening change management) and improving signposting for live guidance documents with a central, single repository for all live guidance documents.
- 3.15 As part of our phased implementation of outcomes, we will identify and archive relevant historic regulatory expectation documents and replace them with a single, high-quality guidance document for each outcome. We do not intend for this guidance document to become an alternative route to impose prescriptive rules on suppliers. Instead, it is intended to clarify our expectations and support consistent understanding of our rules for licenced suppliers, Energy Ombudsman, consumers and consumer groups.

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- 3.16 We also want to be clear with stakeholders about how our own activities, and stakeholder input, are driving improvements in consumer outcomes. This is important in an outcomes-based framework, where regulatory activities may be less visible (such as our compliance activities). We think that this is important to build trust in our regulatory framework. We will do this by being more transparent about how feedback has informed our decisions (including via stakeholder forums) and providing clearer, more frequent updates on our work. We also want to be more transparent about supplier performance to help drive accountability and push suppliers to raise their standards.
- 3.17 Many of these changes can be implemented without rule changes, and we intend to progress them quickly. We will provide updates and seek feedback through existing stakeholder forums or workshops where necessary.

4. Implementing the billing outcome

This chapter outlines our thinking to rollout outcomes-based regulation by changing how we regulate billing for domestic and non-domestic customers.

Billing Outcome

4.1 Billing is a fundamental aspect of the market that can have a significant bearing on confidence and trust. Through extensive engagement with stakeholders, we have developed the billing outcome below which reflects the elements that are essential to positive billing experiences:

- **'Consumers receive accurate, timely, accessible and understandable energy bills'.**

4.2 More specifically, we want consumers to consistently experience the following, with further detail set out in Appendix 2:

- **Accurate bills** – Bills and statements should be correct and consistent with the latest available data (such as tariff and consumption data).
- **Timely bills** – Bills and statements should be issued in a timely manner, in a frequency which is useful to the customer, and any corrections are issued promptly.
- **Understandable bills** – Customers should be able to understand what they are being charged and why (such as through plain language and clear structure).
- **Accessible bills** – Customers with different needs, capabilities, and circumstances should be able to engage with their bill and statements (for example customers with a visual impairment).

Problem statement

4.3 Billing complaints remain persistently high in the energy sector despite an overall decline in complaints to suppliers. Our data shows that billing accounts for 29%¹ of all domestic complaints made to suppliers, making it the single largest complaint category. Billing issues are even more prevalent in escalation, representing almost 60% of all domestic complaints received by the Energy Ombudsman (EO). Billing complaints also make up 39%² of all non-domestic complaints made to suppliers and remain the largest category of complaint within the non-domestic sector.

4.4 To better understand these trends, we worked with stakeholders to examine the supplier-specific and sector-wide root causes of billing complaints in both the

¹ Twelve months average of domestic complaints to December 2025

² Q1 2025 whole non-domestic market complaints data

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domestic and non-domestic markets. This work was undertaken alongside the compliance team's domestic billing project and informed by [consumer research](#).

Domestic findings

4.5 Our analysis indicates three key billing issues account for around half of all domestic billing complaints. These issues are closely interlinked and frequently contribute to debt and affordability concerns:

- **Inaccurate bills.** 52% of Citizens Advice sample cases and 33% of Extra Help Unit (EHU)³ sample cases relate to inaccurate or inaccurately estimated bills. These issues are commonly associated with a lack of meter reads, prolonged use of estimates and meter faults.
- **Incorrect, disputed bills** often arise where consumers are billed for periods that they were not responsible for, such as following a switch or tenancy change. Around 22% of EHU sample cases relate to changes of tenancy or supply, with drivers including incomplete customer or industry data, meter issues and poor customer support, leading to delayed resolution.
- **Catch-up bills.** 38% of Money Advice Trust sample cases involve catch-up billing, typically linked to low direct debits, estimated bills and poor communication. These cases exacerbate debt and affordability issues.

4.6 In 2024, 11% of domestic bills were estimated rather than based on accurate meter readings. Almost 11 million bills were issued at least one month late, as well as around 350,000 issued more than a year late.

Non-domestic findings

4.7 Research shows that 18% of business customers had made a complaint to their supplier within the last 12 months in 2025, with billing issues being the top driver⁴. Our analysis of Energy Ombudsman evidence also suggests disputed energy usage by customers is the highest driver, followed by disputed account balance and billing delays.

4.8 We analysed a sample of Citizens Advice case notes on billing from 2024. Over 20% of cases involved an administrative or system issue (such as incorrect name or address on file), and where there was an issue with a disputed bill, 40% of those complaints highlighted meter issues as a possible driver. What this work highlighted is that whilst there were not necessarily the same issues evidenced across the market, there were different issues affecting different suppliers. This is something that we will look to address through our compliance work to improve outcomes for business consumers.

³ The Citizens Advice Extra Help Unit is a specialist service that supports vulnerable energy consumers by resolving complex complaints with energy suppliers and helping them access the support they are entitled to.

⁴ [Businesses and the energy sector: 2025 | Ofgem](#)

Approach to implementing the billing outcome

Question 4: How can we best manage dependencies between outcomes?

- 4.9 Our analysis has helped us identify key priority areas to improve billing for both domestic and non-domestic consumers. To support a successful transition to an outcomes-based approach we are taking a holistic, evidence-based approach. This means making changes to rules where appropriate. However, it also means changing how we monitor, engage and apply our billing rules.
- 4.10 We recognise that the domestic and non-domestic market are different. Our approach to implementing the billing outcome will reflect this. For example, the non-domestic market has fewer billing rules, and a much more diverse set of consumers and supplier business models. Our non-domestic work will therefore be more focused on introducing the billing outcome rule, and improving our monitoring, compliance and communication. For example, publishing more non-domestic data and clarifying our expectations about what ‘good’ billing is by sharing best practice.

Managing dependencies between outcomes

- 4.11 There are important links between all outcomes. In implementing the billing outcome, there are important dependencies with other outcomes that we need to manage. For example, a smooth switching process is dependent on final bills being issued accurately and promptly.
- 4.12 Whilst we are implementing outcomes individually, we expect suppliers to see these outcomes as one coherent framework to improve customer experience. In delivering good billing, suppliers should consider the full customer journey and how different outcomes interact. To support this, we may introduce an overarching licence requirement for suppliers to have regard to the overall customer impact when delivering each outcome. Alongside measuring each outcome separately, our monitoring and engagement will also take a holistic view to monitoring customer experience and overall customer satisfaction. This will enable us to identify and address issues early or where performance in one area may be driving poor outcomes in another.
- 4.13 We recognise that billing is closely linked to the informed choices outcome. Bills are often used to provide information to help customers make decisions, such as information about other tariffs to inform switching. As part of implementing the billing outcome, we have focused on rules that relate specifically to billing. Where rules are primarily about helping customers make informed choices, we will consider these separately as part of implementing the informed choices outcome.

Evaluation

- 4.14 The implementation of the billing outcome will be evaluated in line with [Ofgem's Evaluation Strategy](#), with findings being used to inform future policy development. As the most significant changes are likely to be for the domestic market we are planning to focus on this market. However, the non-domestic market would still be subject to continuous monitoring and we will work with the market to refine our approach to this, as we set out later in this chapter.
- 4.15 We plan to conduct an impact evaluation that would use one year of post-implementation data (in addition to pre-implementation data) to make its final conclusions. We will however start to analyse quantitative data as it becomes available (starting a few months after implementation), with any interim findings being used to inform ongoing policy development. This should allow us to identify evidence of initial impacts and any unintended consequences at the earliest opportunity
- 4.16 To evaluate whether the policy has improved billing outcomes for consumers, we plan to primarily use data on domestic “billing and meter reading” complaints received by suppliers and average satisfaction (on a five-point scale) from three separate survey measures looking at bill understanding, accuracy and timeliness (from the [Energy Consumer Satisfaction Survey](#)). This data is already regularly collected and we plan to use this to test if there has been a statistically significant change in the level and/or trend of these measures across the market.
- 4.17 Where possible, we plan to explore if impacts differ by customer characteristics (including meter type, payment method and vulnerability characteristics) and relevant secondary measures (such as overall satisfaction).
- 4.18 We also plan to conduct a process evaluation using evidence from interviews, surveys or existing engagements with domestic and non-domestic suppliers, other external stakeholders and Ofgem staff. The focus of this would be to determine if the policy been successful in improving consumer outcomes, delivering a clear, simple and low-burden regulatory framework and empowering suppliers to innovate. This would start within the first six months after implementation, with any findings being used to inform policy development as they emerge. We may also look at available data on billing costs and measures of innovation (for example, the number of domestic innovative or time of use tariffs on the market).

Rule Changes – Billing

Question 5: Do you agree with the range of rules we have identified relating to the billing outcome? Are there any other rules which you consider should be included?

Question 6: Of the suite of options presented, do you have a preference? What is the rationale behind your preference?

Question 7: If relevant, what is the impact of each option on supplier costs? Please provide any supporting evidence.

Identifying the billing rules in scope

4.19 Our billing rules are set out in several Standard Licence Conditions (SLCs) for domestic and non-domestic consumers, as well as the Guaranteed Standards of Performance (GSOP) for domestic consumers. These rules cover bill accuracy, timelines, accessibility and consumer understanding of bills. Below we identify the relevant rules and how they relate to billing. The rules below all apply to domestic suppliers:

- **SLC 21B** on billing based on meter readings (accuracy and timeliness)⁵
- **SLC 21BA** on backbilling (accuracy and timeliness)⁶
- **SLC 26.5(c)** on Priority Service Register meter reads (accuracy and timeliness)
- **SLC 27.17** and **27.18** on final bills (accuracy and timeliness)
- **SLC 31H** on relevant billing information (consumer understanding of bills)⁷
- **GSOPs for final bills and credit refunds**, promoting accuracy and timeliness of final bills and credit refunds

4.20 Some of our rules are different for non-domestic consumers. Of the list above, only SLC 21B on meter read requirements applies to all non-domestic consumers, with SLC 21BA on backbilling applying to microbusinesses.

How our guiding principles apply to billing

4.21 Billing rules are spread across the licence and are largely prescriptive (i.e. telling suppliers what to do, rather than focusing on good consumer outcomes). For example, requirements for bills to include pieces of information, rather than requirements to ensure that bills are understandable. While some prescription may remain necessary (including to protect consumers in vulnerable situations) other areas could benefit from moving to an outcomes-based rule to support innovation and improve billing outcomes. In line with the principles set out in

⁵ We consider that paragraphs SLC 21B.1-8 relate to the billing outcome (in scope). We consider paragraph 21B.9 relates more to the informed choices outcome (out of scope).

⁶ All paragraphs in scope.

⁷ SLC 31H.1-H.4(c) and 31H.6-14 relate to the billing outcome (in scope). We consider that paragraphs 31H.4(d), 31H.4(e) and 31H.5 relate to the informed choices outcome (out of scope).

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Chapter 2, we are exploring how to balance outcomes-based rules and prescriptive rules.

- 4.22 We propose to introduce a single, clear billing outcome as the foundation of the framework. This will ‘replace’ a proportion of detailed rules in options 2 and 3, and total replacement in option 1. In all options we would have robust monitoring, compliance and enforcement approaches, adapted as appropriate for the type(s) of rules in place. We would also have clear guidance and industry engagement to support good performance and consistent interpretation of expectations.
- 4.23 The options then vary in the extent to which they rely on prescriptive rules, reflecting different assessments of risk, market performance, and the need for consistency. These options are illustrative, and we may pursue approaches that sit between them. A table summarising the rule changes in each option is set out in Appendix 2. We welcome stakeholder views on the right balance between outcomes-based rules and supporting prescription for billing:
- **Option 1:** Outcomes-only delivery of billing standards; complete replacement of prescription, maximum reliance on billing outcome
 - **Option 2:** Outcomes-led framework with targeted protections for highest-risk harms; replacement of most prescription, retaining provisions offering key consumer protections
 - **Option 3:** Mixed application of billing outcome and prescriptive rules; replacing prescription for flexibility where current performance is good, retaining prescription for consumer protection and standardisation

Option 1 – Outcomes-only delivery of billing standards

- 4.24 **How would our rules deliver good outcomes:** Billing is regulated solely through a requirement to deliver a good billing outcome, replacing all prescriptive billing rules including the GSOPs identified above.
- 4.25 **Option:** Suppliers would be free to determine how they deliver bills and statements that are accurate, timely, understandable and accessible, without being constrained by prescriptive rules. Our role would focus on setting expectations through guidance and engagement, and assessing whether consumer outcomes are being achieved.
- 4.26 **Potential benefits:** This approach represents a radical shift towards an outcome-based approach. Moving fully to outcome-based regulation would give suppliers maximum flexibility to focus on delivering a good consumer billing experience, rather than complying with detailed rules. It would also give suppliers greater freedom to innovate and pursue specific business models or develop solutions that improve consumer billing experience. In addition, it would represent a significant reduction in regulatory burden.

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- 4.27 **Risks:** Purely outcomes-based regulation may not be suitable for all areas of billing, particularly where suppliers' interpretations of the outcome may vary; replacing prescriptive safeguards with an outcome-based rule may create risks for consumers. For example, suppliers backbilling consumers for historic energy use can lead to large, unexpected bills and cause consumer financial distress. Whilst an outcome-based approach would protect consumers by requiring suppliers to provide "timely" and "accurate" bills, the potential seriousness and reach of consumer harm may push us to consider minimum safeguards so consumers have the same rights irrespective of the supplier. Greater flexibility could also lead to inconsistent billing formats and information, which risks making bills harder to understand, trust or compare.
- 4.28 **Regulatory implications:** A purely outcomes-based approach would be a fundamental shift in how we regulate. Our oversight would move away from rule-checking towards assessing delivery of consumer outcomes. Good consumer experience would depend heavily on effective data gathering, monitoring and compliance.

Option 2 – Outcomes-led framework with targeted protections for highest-risk harms

- 4.29 **How our rules would deliver good outcomes:** The billing outcome is the primary requirement, supported by a small number of prescriptive safeguards where failure may create significant consumer harm (such as long-delayed bills, backbilling, accessibility for PSR customers). This would create more space for suppliers to innovate and meet consumers' needs.
- 4.30 **Option:** We would **replace** prescriptive rules with the billing outcome, where doing so could introduce flexibility for suppliers. For example, removing meter read requirements in SLC 21B because the delivery of the intended billing outcome for consumers would replace it and support the suppliers' commercial incentives to bill accurately and in a timely manner. Removing SLCs 27.17 and 27.18 on final bills due to overlap with expectations set out in the billing outcome and the existing final bills GSOP. Similarly, removing relevant billing information requirements in SLC 31H to give suppliers more flexibility in how they present information, increasing the focus on consumer access and understanding of bills.
- 4.31 We would keep minimal prescriptive rules where we consider they are most needed to protect consumers from harm. The only prescriptive billing rules that we would **retain** are:
- **SLC 21BA:** Restricting suppliers from charging for energy used more than 12 months ago (with limited exceptions). While we expect suppliers to issue timely and accurate bills, this rule protects consumers from unexpected, backdated charges which can cause stress and may push consumers into significant energy debt.

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- **SLC 26.5(c):** Requiring suppliers to provide enhanced meter read services for some PSR customers, recognising additional needs and helping to prevent harm associated with prolonged estimated bills (such as debt accumulation).
- **GSOP Final Bills and Credit Refunds:** Requiring suppliers to issue final bills within six weeks and refund credit balances within 10 working days of issuing a final bill. These set a clear minimum standard that ensures consumers receive the information they need when their account is closed and receive refunds due without unnecessary delays.

4.32 **Potential benefits:** This approach has the potential to significantly improve consumer experience. By relying heavily on the billing outcome, it significantly reduces regulatory burden and gives suppliers much more flexibility to innovate and meet consumers' need. Retaining only a small set of core protections ensures that the most serious risks of harm are mitigated.

4.33 **Risks:** Replacing most prescriptive rules could reduce standardisation, which could make it harder for consumers to compare services and offerings. There is also a risk that some suppliers deliver outcomes that they consider acceptable, but which do not meet consumer expectations.

4.34 **Regulatory implications:** This approach would require a significant shift in monitoring, compliance and engagement. Oversight would move away from rule-checking towards assessing consumer outcomes. This would demand greater supervisory judgement, stronger data capabilities and clearer escalation frameworks to address poor performance.

Option 3 – Mixed approach of billing outcome and prescriptive rules

4.35 **How our rules would deliver good outcomes:** The billing outcome sets expectations across all dimensions. Supplier flexibility is supplemented where performance is strong or innovation could improve outcomes, but prescriptive requirements are retained where the risk to consumers is high.

4.36 **Option:** This approach would **retain** the following rules:

- **SLC 21B.1-2:** If a customer provides an accurate meter reading, this requires suppliers to take all reasonable steps to reflect this in the customer's next bill. It also requires suppliers to contact the customer as soon as possible if they consider that the meter reading is inaccurate. This protects consumers from harm by ensuring bills are accurate and supports consistency.
- **SLC 21B.4:** This requires suppliers to take all reasonable steps to take a meter reading at least once a year. This protects consumers from harm by ensuring that bills are accurate and supports consistency.
- **SLC 21BA:** This licence condition limits suppliers' ability to bill for energy used more than 12 months ago (subject to certain exemptions). This ensures that customers receive timely and accurate bills, and limits consumers being exposed to shock energy bills that could create significant financial harm. To

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reflect poor current industry performance, we may consider reinforcing the prescriptive backbilling rule and reducing the backbilling period to 6 months for consumers with smart meters.

- **SLC 26.5(c):** Which requires suppliers to provide additional meter services to some PSR customers to reflect their additional needs and protect them from harm.
- **SLC 31H1-2 and H12-14:** These require suppliers to provide basic billing information to help consumers understand and manage their bills, and support minimum levels of consistency across suppliers.
- **GSOP Final Bills and Credit Refunds:** Requiring suppliers to issue final bills within six weeks and refund credit balances within 10 working days of issuing a final bill. These set clear minimum standards that ensure consumers receive the information they need when their account is closed and receive refunds due without unnecessary delays.

4.37 In this approach the billing outcome would **replace** all other prescriptive billing rules. This includes some 21B meter read rules where supplier performance is good and there is scope for innovation or efficiencies through greater flexibility. For example, removing 21B.5 and 21B.5A bill frequency requirements, 21B.6 requirement for suppliers to provide online account management, 21B.7 bill explanations on request, and 21B.8 free bills. We would also replace some in-scope 31H bill understanding rules, where a more flexible approach may better enable delivery of the accessibility and understandability elements of the billing outcome than prescribed content.

4.38 **Potential benefits:** This approach aims to reduce regulatory burden and increase flexibility by retaining standardisation and consumer protections, particularly where performance remains weak. For consumers, this provides more visible safeguards for areas such as accurate billing, timely final bills and protections for PSR customers. It also retains space for suppliers to innovate and improve the billing experience where performance is already strong. This option seeks to provide a focal point around whether bills are genuinely clear, accurate and supportive, rather than compliance with detailed rules.

4.39 **Risks:** There is a risk that replacing many prescriptive rules could lead to greater variation in billing practices, which may confuse consumers or weaken comparability between suppliers. Compared to a more outcomes-led model, this approach may also offer fewer opportunities for suppliers to innovate and improve the consumer billing experience. Without clear guidance, suppliers may be uncertain how the outcomes requirement interacts with retained rules, potentially leading to inconsistent interpretations or overly cautious behaviour that limits innovation and creates additional burden.

4.40 **Regulatory implications:** For monitoring and compliance, this approach requires a more blended model: continuing to check compliance with key retained rules, while also developing stronger capability to assess overall billing outcomes.

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Stakeholder engagement becomes more critical, with ongoing dialogue needed to explain how flexibility should be used, to build shared understanding of what a “good billing outcome” looks like.

Monitoring - Billing

Question 8: Do you agree that the data and evidence we are asking for to monitor the Billing Outcome will give us the evidence we need to hold suppliers accountable for delivering the right outcomes for consumers? If not, please explain your reasoning, including any alternative sources of data and evidence you think appropriate. For suppliers specifically, could you tell us how you already monitor your customers' experience of receiving accurate, timely, accessible and understandable bills?

Question 9: Do suppliers foresee any challenges with the data and evidence we propose below? Please provide detail and examples in your response to help us understand the feasibility of our proposal.

Question 10: How often should this data and/or evidence be collected?

- 4.41 We aim to build a high-quality, holistic and proportionate evidence base that effectively holds suppliers to account for delivering the Outcomes and which is effective for our compliance and enforcement activities. We outline our broader vision for monitoring the Consumer Outcomes above in Chapter 3.
- 4.42 Under any of the options outlined in the previous section, it is key that we monitor whether the Outcome itself is being delivered for consumers. This is because the aim of shifting our regulatory framework is to improve the customer outcome itself, no matter which option we pursue. While we already collect some data related to billing - such as billing complaints, Guaranteed Standards of Performance (GSOP), other supplier data, and consumer survey data - these are not currently enough to be able to assess whether the Outcome is or is not being met, although some of this data could be used to either monitor the Outcome or support any assessments.
- 4.43 So that we can effectively monitor the Billing Outcome, we break it down by its three constituent elements: Accuracy, Timeliness and Understandability/Accessibility.⁸ Our initial view is that suppliers are best placed to collect and report on these core information requirements. We would supplement this reporting with market-level data we already collect in our consumer surveys and where applicable, from other stakeholders to verify and triangulate the evidence that suppliers provide. For example, we are exploring where we could use data that domestic suppliers already provide to third parties on bill accuracy instead of adding further reporting requirements. Further, we will also explore the feasibility

⁸ Note that it is our view that “bill accessibility” would be tested under our monitoring proposals for Understandability as it is suppliers' responsibility to ensure that bills are accessible for their customer groups

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of using insight generated by our stakeholders where other issues related to accessibility, for example access to billing information by consumers' third-party representatives become apparent.

- 4.44 In Table 2 below, we outline our initial views on the types of evidence that we could seek to collect from suppliers under each of the three elements for both the domestic and non-domestic markets, and some of our own data we propose to use to supplement any supplier reporting. Once we have made decisions on our preferred option, we will need to ensure that any monitoring data or evidence we gather are connected to the changes in our rulebook. For example, if we decide to keep Standard Licence Condition 31H.12(b) on Relevant Billing Information, we may need to define the “Accuracy” element according to this rule.
- 4.45 We want to ensure the data and evidence provided is as standardised and comparable across different suppliers as possible. We want to understand the feasibility of comparing any tailored evidence suppliers provide alongside the data we collect so that we can achieve a market-level view of whether the Outcome is or is not being delivered for consumers.
- 4.46 Based on the feedback we receive to this consultation and further engagement we want to carry out with stakeholders this year, we aim to produce monitoring guidance which will provide clearer direction on the standardisation of data and evidence. We will also ensure that we closely consider how we implement the Billing monitoring requirements in both domestic and non-domestic markets given the differences in rules. We also recognise that broader monitoring of the non-domestic market is less mature compared to the domestic market and will consider the implications of this for any non-domestic billing outcome monitoring requirements.

4.47 **Table 2: Summary of evidence requirements from retail energy suppliers for each Billing Outcome element**

Outcome element	Brief description of evidence requirements to be provided by suppliers	How the data and/or evidence should be generated	Ofgem market-wide supplementary evidence
Accuracy	Testing regular energy bills to ensure actual meter readings ⁹ match real consumption, and charges and/or fees are applied correctly to bills. Used to produce a set of accuracy metrics. A statistical sampling approach may be possible.	Quantitative analytical exercise to produce key metrics on bill accuracy	Ofgem survey data on consumer satisfaction with bill accuracy, and receiving unexpectedly high bills. ¹⁰
Timeliness	Surveying customers with different bill frequencies/arrangements on whether they are satisfied with when their regular energy bills are delivered, and reasons for satisfaction/dissatisfaction. Used to produce a set of timeliness metrics.	Quantitative consumer survey with a supplier's customers to produce key metrics on bill timeliness	Ofgem survey data on consumer satisfaction with when bills are delivered. ¹¹
Understandability/Accessibility	Testing whether a supplier's customers understand their regular energy bills and that bills are accessible for them. Must be broken down by different customer sub-groups	Experiment-based consumer comprehension testing of bill content and accessibility	Ofgem survey data on consumer satisfaction with ease of understanding bills, and understanding of how energy usage relates to bill. ¹²

⁹ Estimated meter reads would not be classed as accurate if different to actual energy consumption.

¹⁰ We would use our existing domestic Energy Consumer Satisfaction Survey and Non-Domestic Research for these purposes and may add some additional questions in to monitor the Billing Outcome.

¹¹ Ibid

¹² Ibid

Compliance and Enforcement – Billing

Question 11: What aspects of the Compliance Operating Principles do you anticipate will need to be developed to ensure compliance activity is balanced, proportionate, and efficient when assessing consumer outcomes?

- 4.48 Regardless of the scale of change applied to our billing rules, our core compliance operating principles will remain consistent. However, as we move closer towards a more outcomes-based regulatory approach, there will be a greater need for collaborative engagement with suppliers to understand how consumer billing outcomes are being delivered in practice, and how suppliers intend to address issues where poor outcomes are identified.
- 4.49 In practice, we will rely on our monitoring data to assess supplier performance to identify outliers relative to their peers and explore areas of concern. The improved approach to monitoring should enable compliance to more quickly identify and intervene when poor billing outcomes may be materialising. We will engage proactively to understand the drivers of those outcomes and the remedial actions being taken to put things right. Where our monitoring data alone is insufficient, we may request additional information from suppliers and will work with them to understand what data they hold and how it can support our assessment of consumer outcomes. A greater level of outcomes-based regulation (such as through Option 1) may, in some cases, lead to lengthier compliance assessment. These assessments would, however, be focussed on the consumer outcomes as opposed to technical legal arguments, as can be the case with prescriptive licence conditions.
- 4.50 It remains that suppliers are required to self-report where they are non-compliant, and this would apply to consumer outcomes. In practice, it may be more likely that a supplier identifies that its activities have, or will, potentially not meet the consumer outcome. In such cases, we expect suppliers to proactively engage via their account manager to discuss. The account manager would likely engage with compliance and policy colleagues, ensuring the necessary skills and expertise is available to support.
- 4.51 Where consumers experience financial detriment because of poor billing practices, we will work with suppliers to understand the extent of harm and ensure that appropriate redress is provided to affected consumers.
- 4.52 Where supplier performance is inadequate, consumers are facing substantial harm or risks, and suppliers are not acting at pace to address issues, we are likely to escalate to enforcement action. Escalation would be reserved for the most serious cases.
- 4.53 In considering whether enforcement action is appropriate, we may make use of our statutory information gathering powers where additional evidence is required to establish whether a licence breach is occurring, or likely to have occurred.

Further information on how we use our enforcement powers and tools in situations relating to breaches is outlined in our [Enforcement Guidelines](#).

Stakeholder engagement and communication – Billing

Question 12: How can we improve engagement to ensure all stakeholders share a common understanding of our billing rules? Are you supportive of us developing a Billing Outcome guidance document? How can we improve informal engagement?

Question 13: How can we improve transparency of our billing activities and how stakeholders have shaped our work?

- 4.54 Improving to how we engage with stakeholders about billing is a key part of how we will implement the billing outcome.
- 4.55 It is important that stakeholders clearly understand our expectations for delivering good billing outcomes. Currently, our expectations are set out across multiple guidance documents and regulatory letters. We are proposing archiving historic materials and replacing them with a single billing guidance document, which we will update as the market evolves. We will work with consumer groups and charities to ensure the guidance also helps consumers understand their rights. The guidance aims to support understanding of our expectations, not to introduce new prescriptive rules indirectly. Appendix 2 outlines our initial thinking on the billing outcome that we would expect all consumers to receive.
- 4.56 We have identified the following guidance documents and regulatory letter expectation letters with content that would benefit from being consolidated into one billing guidance document:
- [Open letter – guidance on the application of decimal places to the unit rate and standing charge in the Tariff Information Label and consumer bills](#)
 - [Licence guide: Standards of Conduct](#)
 - [Licence guide: information for consumers](#)
 - [Licence guide: switching](#)
 - [Licence guide: metering, billing and payments](#)
 - [Open letter to energy suppliers and insolvency practitioners who undertake charge recovery action](#)
 - [Expectations for energy suppliers who are dealing with domestic and micro business consumers when undertaking charge recovery action](#)
 - [Non-domestic best practice guide on billing transparency](#)
- 4.57 Alongside updates to formal guidance, we also want to build stronger, more open relationships with stakeholders to support a shared understanding of our billing

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rules. For example, more open dialogue with suppliers through account management meetings will give them opportunities to test ideas to improve billing, while helping our teams provide clearer guidance and expectations about our rules at an earlier stage. For consumer groups and charities, we also want to use existing stakeholder forums to help build consistent interpretation of our rules across organisations.

- 4.58 We also want to be more transparent about supplier performance on billing, where appropriate to do so and in line with our statutory obligations. We are considering how and in what form we could publish outcomes performance data and evidence we collect as part of our monitoring proposals.
- 4.59 Across all outcomes, we also want to be more transparent about our activities, including compliance, so stakeholders can understand the actions we are taking to deliver good billing outcomes and how their input shapes our work. We will do this by being more open about sharing more regular updates on our billing work (such as compliance updates) and being clearer about how stakeholder feedback has informed our work.

5. Guaranteed Standards of Performance (GSOP)

As part of our Consumer Confidence project, we are also reviewing our use of the supplier Guaranteed Standards of Performance (GSOP). We have considered responses to our Call for Input. In this chapter we set out our updated positions and seek views on proposed changes to compensation payments.

Question 14: Do you agree with our proposals to introduce an automatic inflation based uplift mechanism for supplier GSOP payments?

Question 15: Do you agree with our proposal to repeat payments for the existing GSOPs related to consumers being off-supply?

Question 16: Do you agree with our suggested mitigations for the repeated payments, specifically the uniform time period for both GSOPs and capped payments?

Question 17: Do you have any evidence to inform our assessment of the impact of repeated payments, such as data on existing timescales to rectify these breaches?

Reviewing the supplier GSOPs

- 5.1 Alongside our work on consumer outcomes we also published a [Call for Input \(CFI\) on the supplier Guaranteed Standards of Performance \(GSOP\)](#). The supplier GSOP sets minimum standards of performance that all suppliers must meet for specific services or pay £40 automatic compensation to affected consumers if they fail to do so. These minimum standards are set out in regulations separate to our supply licences and have not been fully reviewed since 2015.
- 5.2 Our CFI sought views on our initial thinking on four main areas where change may be required to improve the effectiveness of the supplier GSOP as we develop and implement consumer outcomes:
- The role that GSOPs plays as part of our wider approach to supplier regulation and use of other regulatory tools, such as the supply licence.
 - The scope of supplier activities and groups of consumers that are covered by GSOP protections.
 - The design of the individual minimum standards that make up the GSOPs, including their payment levels, performance targets, and valid exemptions.
 - The operation of the GSOPs in practice, including consumer awareness, supplier compliance and Ofgem's monitoring.
- 5.3 In addition to our CFI, we commissioned qualitative research to explore consumer experience of supplier service failures and attitudes to compensation. This research has helped shaped our development of proposals in this consultation and we have [published the research report separately](#).
- 5.4 We are seeking to align our GSOP review and our overall work to implement our consumer outcomes, instead of making changes to the scope of the protections

in isolation. In this chapter we set out our updated positions and seek specific views on proposed changes to the compensation payment mechanism.

Role of GSOP in our hybrid approach to regulation

- 5.5 As part of GSOP review CFI we set out our initial thinking and sought views on the role that GSOPs should play as part of our wider approach to regulation and delivery of our Consumer Outcomes. We consider that GSOPs can provide important consumer protections when well-targeted and designed appropriately. This also reflects the continued support for the use of automatic compensation that DESNZ has recently reinforced in the [final report of its Ofgem review](#).
- 5.6 Following stakeholder feedback, we are further aligning the GSOP review with our phased implementation of consumer outcomes. As explored in Chapter 2, our rulemaking will aim to strike the right balance between outcomes-based rules and targeted prescription, which includes GSOPs. Through our phased implementation of outcomes we will need to consider which method of prescription is most suitable if it is deemed necessary. We want to avoid unnecessary and burdensome duplication of requirements. This means that as far as possible we will choose either a prescriptive rule or a GSOP. However, GSOPs and licence conditions can play distinct but complementary roles to protect consumers. There may be targeted circumstances where it is appropriate to use these tools alongside each other to reinforce the policy intent and help to ensure good outcomes are reflected both in defined customer service standards and in broader regulatory requirements.
- 5.7 Where we consider that prescription is required and a GSOP may be the best approach to successfully support a consumer outcome we will be guided by the following GSOP objectives to shape our policy development. GSOPs aim to:
- Help support a competitive market that delivers positive consumer outcomes, in particular by building consumer confidence, trust and engagement.
 - Ensure clear and consistent minimum levels of supplier performance that protect consumers from unacceptably poor service.
 - Minimise the frequency and severity of poor service experienced by consumers by incentivising suppliers to improve performance.
 - Provide quick, automatic compensation directly to consumers when they do experience poor service.
- 5.8 As we draft new GSOPs or assess those already in place as part of an outcome's implementation we will consider the specifics of the standards guided by our criteria. The finalised criteria below are intended to provide stakeholders a clearer understanding of how a GSOP should be designed:
- **Clear, customer-centric rationale:** There is a clear rationale for improving the outcomes experienced by consumers by setting the standard.

- **Ease of understanding and administration:** The standard should be understandable for consumers and administrable for suppliers.
- **Evidence-based and achievable:** The target level of performance should be achievable and based on reliable, accurate evidence.
- **Measurable and enforceable:** Standards should have clear and quantifiable metrics (such as a specified length of time to take an action).
- **Prevents detriment:** Non-compliance with the standard is likely to cause detriment to the specific consumer.
- **Identifiable customer:** The supplier should be able to identify the specific energy supply customer affected by a breach of the standard.
- **Ability to improve:** Suppliers are ultimately responsible for the service (even those contracted through third party contracts) and should have the ability to improve the service.
- **Compensation not already provided:** Automatic compensation for the failure is not already provided through another standard or similar obligation.
- **Mitigated risk of gaming:** Standards and exemptions should mitigate the risk of gaming to achieve unintended compensation payments.

Scope of the GSOP framework

- 5.9 Our CFI put forward our initial thinking on how the scope of the GSOP framework and standards could change to meet our objectives, including considerations for new areas of supplier services and greater inclusion of non-domestic consumers.
- 5.10 We received mixed stakeholder feedback on our initial thinking, ranging from strong support for the expansion of GSOPs to warnings that their additional use could undermine the successful delivery of consumer outcomes.
- 5.11 We agree that it will be important to align any changes to the scope of GSOPs with our development of our overall outcomes-based approach to regulation. As a result, we are not seeking to introduce new GSOPs across a range of different service areas in isolation. Instead, changes to the services in scope of a GSOP will be explored as part of our phased implementation of the consumer outcomes. This approach will allow us to consider the impacts of our regulation holistically, ensuring we strike the right balance of rules to deliver the outcomes we want to see for consumers.
- 5.12 We consider that non-domestic consumers can be in scope of GSOPs where appropriate, particularly microbusiness consumers. This is already the case for appointments and the smart metering GSOPs. Although we are not ruling out future GSOPs for small non-domestic consumers, we recognise that the diversity of these consumers may make a one-size-fits-all tool like GSOP unsuitable in many circumstances.

Design of GSOP

5.13 Our CFI explored design elements of the individual standards already in place, as well as the mechanism to provide compensation payments. We are not currently proposing any changes to the exemptions or target performance levels for any of the existing GSOPs. In line with our approach to any new GSOPs in the future, we will consider these elements of individual standards as part of phased implementation of our consumer outcomes.

5.14 Following feedback received to our CFI and consumer research, we are not proposing any immediate increase to the GSOP payment level or changes to the underlying rationale. However, we are consulting on two proposed changes to the GSOP payment mechanism:

- Introducing an automatic inflation uplift mechanism for the payment level.
- Repeating compensation payments for two GSOPs which relate to consumers being off-supply.

Retain rationale and current level of payments

5.15 Since its introduction, GSOP payments have provided a flat compensation amount for the inconvenience of a breach rather than any consideration of the actual financial or other harm suffered by a consumer. The £40 payment level has been in place since January 2025, when we uplifted the previous payment level of £30 to account for inflation.

5.16 We asked for views in our CFI whether we should change this rationale and introduce variable payments for different breaches based on potential for harm or consumer type. We received mixed views from stakeholders to this option.

5.17 We also received mixed responses on the value of GSOP payments. A range of views were expressed through our consumer research on the payments, with expectations for the amount varying based on what that payment is seen to represent for different participants. For example, those seeing the payment as an accountability or goodwill gesture were more likely to suggest a smaller amount than those who see it as direct compensation payment for harm suffered.

5.18 Overall, we agree with feedback received from some stakeholders that we should maintain simplicity within the GSOP mechanism to ensure that the automatic nature of the payments is not compromised. We recognise that any level we set for GSOP payments would not accurately compensate for actual harm suffered in individual cases and that existing complaints and ombudsman procedures remain the best routes for these to be considered. We are therefore not proposing any changes to the underlying rationale for GSOP payments.

5.19 We are also not proposing any immediate increase to the £40 payment level. There is insufficient evidence that an increase would lead to a proportionate improvement in supplier performance. As noted above, we are not intending to

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change the rationale for payments to include compensation for actual losses and, therefore, it is not appropriate to take these into account in a potentially higher payment level.

Introduce automatic inflation uplift mechanism

- 5.20 There is currently no mechanism to automatically increase supplier GSOP payments to reflect inflation. Many charities and consumer groups were supportive of payments being index-linked to ensure that they retain their value without the need for a further legislative change to update it. However, some suppliers raised concerns regarding the additional complexity this would create and warned of over-compensation in the future as the payment level increases.
- 5.21 Based on the responses received and higher than forecast levels of inflation in recent years, we are proposing to introduce an automatic inflation-based uplift for supplier GSOPs based on the existing approach included in the network GSOPs. This will ensure that the current level maintains its value for consumers without further intervention. While this process may add slight complexity these are procedural, occurring at the same time each year if the threshold is met.
- 5.22 The payment level would be updated each April based on the previous January's 12-month Consumer Prices Index including housing costs (CPIH) inflation rate published by the Office for National Statistics (ONS), rounding the payment level to the nearest £5 increment. This approach would use the current payment level of £40 in April 2026 as the basis for future adjustments. As illustrated in Table 3 below, using the Office for Budget Responsibility (OBR) Q1 CPIH forecasts published in March 2026, the payment level would rise to £45 from April 2029.

5.23 Table 3: Impact of forecast inflation on the supplier GSOP payment level:

Year	Inflation rate (%)	Actual Value	GSOP Payment Level
2026	N/A	£40	£40
2027	2.10	£40.84	£40
2028	1.94	£41.64	£40
2029	2.12	£42.52	£45
2030	2.11	£43.42	£45
2031	2.15	£44.35	£45

- 5.24 However, we recognise that inflation rates are subject to a range of external factors, such as the recent events in the Middle East, which may lead to higher inflation than forecast in March 2026. If this is the case, then the increased payment may take effect earlier than forecast.

Repeat payments for the two off-supply related GSOPs

- 5.25 Currently, suppliers' payment obligations are explicitly limited to one payment per breach, even if the breach is ongoing. Our CFI suggested that we could consider adding repeating payments to improve suppliers' response to a breach and improve consumers' experience where they are inconvenienced on an ongoing basis by a breach.
- 5.26 Charities and consumer groups were supportive of repeating payments where a breach is ongoing. Suppliers were generally opposed to repeated payments for ongoing breaches as it would complicate an otherwise straightforward process, overlap with existing routes for redress in cases of poor service, and could create gaming risks. If repeat payments were introduced, some suppliers suggested that the number of payments should be capped to mitigate these risks.
- 5.27 We consider that repeating payments would only be appropriate for the most serious breaches. We are proposing to introduce repeated payments for the two existing GSOPs that relate to restoring supply of gas or electricity to consumers. This approach aligns with network GSOPs whereby payments are repeated until consumers that are off-supply are reconnected where the network is responsible.
- 5.28 The two existing GSOPs under consideration are:
- Regulation 5: Where a faulty pre-payment meter causes the consumer to lose supply of electricity or gas the supplier has 3 or 4 hours (depending on whether it is a working day) to commence work to restore supply.
 - Regulation 6: Where a consumer has been disconnected due to non-payment of charges and has since paid the debt or agreed a repayment plan the supplier has 24 hours to restore the consumer's supply.
- 5.29 We want to minimise the additional complexity introduced by these repeating payments. There are multiple ways to do so and seek views on the best way of doing this. We are currently considering:
- Setting a uniform deadline for repeating payments. We are proposing that the payments for these two specific off-supply GSOPs will repeat for every 12-hour period following the original deadline until the required action is taken, unless an exemption can be applied. We consider that this would reduce the complexity of administering and help consumers' understanding.
 - Placing a cap on the number of repeated payments. To reduce the risk of disproportionate or unintended compensation we are proposing that payments for an ongoing breach are capped at 5 payments in total, excluding any additional payments due for suppliers' non-payment.
- 5.30 At this time, we cannot fully assess the potential impact of repeating the faulty pre-payment meter GSOP where the consumer is off-supply. The data we collect from suppliers on breaches of Regulation 5 does not differentiate between faults that have caused the consumer to lose supply and faults that have not. In 2025

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there were a total of 46,565 breaches of this GSOP. If we assume that 25% of these breaches are both related to an off-supply fault and ongoing for one extra payment period, this could lead to an additional £465,650 in payments if breaches remain at the current level. In comparison, there were a total of 43 breaches of Regulation 6. If we again assume that 25% of these breaches were ongoing for one extra payment period, this could lead to an additional £430 in payments.

- 5.31 We consider that this approach provides a balance between maintaining the simplicity inherent in the GSOP framework that minimises its administrative burden and keeps it clarity for consumers while better reflecting the inconvenience of the most serious breaches. This would also align with the network GSOPs where ongoing instances of consumers being off-supply are compensated with repeated payments.

Operation of GSOP

- 5.32 We sought input through our CFI on our approach to supplier compliance under the GSOP framework and whether this needs to change, including our monitoring and use of the data we collect from suppliers.

- 5.33 Based on the feedback we received we are progressing work on two areas of GSOP compliance data:

- **Collection:** We intend to work with suppliers to explore options to streamline the reporting requirements where possible (for example by combining the two current Requests for Information into a single response). Our aim is to minimise the administrative burden if we need to collect additional information for ongoing breaches and repeated payments.
- **Transparency:** We are considering publishing GSOP compliance data to improve transparency, similar to how we currently publish [customer service data on our Data Portal](#). We are currently considering options and will liaise with industry prior to making a decision.

- 5.34 We will not take forward any additional work requiring suppliers to raise consumer awareness or developing separate GSOP guidance for suppliers at this stage. However, we will publish consolidated consumer-facing information on our website about all supplier GSOPs, similar to the [existing information for switching GSOPs](#) to help improve consumer understanding of these minimum standards.

- 5.35 Monitoring and ensuring suppliers' ongoing compliance with GSOPs and their payment obligations will continue to be important and can even be used as an additional metric to assess delivery of relevant consumer outcomes once in place. This will be the case regardless of the change we may make to individual GSOPs through the phased implementation of outcomes.

6. How to get involved

This chapter outlines our next steps and how to get involved.

- 6.1 Transitioning to outcomes-based regulation is a substantial shift for our regulatory framework. We are keen to work with stakeholders to successfully implement our vision of more outcomes-based regulatory framework.
- 6.2 This is a policy consultation. If we decide to proceed with changes to our rules this policy consultation would be followed by a statutory consultation.

Consultation stages

Stage 1 Consultation open: 23 June 2026

Stage 2 Consultation closes (awaiting decision). Response deadline: 19 August 2026

Stage 3 Responses reviewed and published following consultation close.

Stage 4 Consultation outcome – Statutory Consultation

How to respond

- 6.3 We encourage stakeholders to share views on the questions that we pose in this consultation. Feedback from this consultation will directly inform our next steps on billing and shape how we roll out outcomes-based regulation more widely across the energy sector. Please provide responses to FutureConsumers@ofgem.gov.uk by 19 August 2026. We will publish non-confidential responses on our website.
- 6.4 Alongside formal feedback, we are keen to speak to you directly, either bilaterally or via one of our stakeholder forums. If you are not already part of these groups and would like to get involved, then please reach out to FutureConsumers@ofgem.gov.uk
- 6.5 We are consulting separately on our licence simplification proposals. We encourage stakeholders to provide feedback directly to that consultation.

Your response, data, and confidentiality

- 6.6 You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 6.7 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material

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in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

- 6.8 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 6.
- 6.9 If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

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

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

Stakeholder feedback

- 6.10 We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this decision. Please send any feedback on the following questions to stakeholders@ofgem.gov.uk.

- 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?

Appendix 1. Illustrative monitoring approaches for the remaining Consumer Outcomes

- A1.1 Below we outline our initial view on high-level approaches to monitor each of the six remaining Consumer Outcomes.
- A1.2 At this stage we aim to identify and agree what the core requirements to monitor each Outcome are before considering any further interdependencies and practicalities regarding parties best placed to provide this information. We are keen to engage further on this through stakeholder workshops and/or one to one engagement. We would value stakeholder feedback on the approaches.

Outcome 1: Consumers are charged energy prices that represents fair value

- A1.3 For this Outcome, we propose that we collect and analyse real fixed and non-fixed tariff/energy prices that customers have paid over a relevant period (such as every 3 months) with averages, medians, minimums and maximums for each period. We could then compare real tariff/energy prices against price cap unit rates and standing charges as that represents our current definition of fair value in the domestic market. For the non-domestic market, this analysis requires us to agree what fair value is with our stakeholders.
- A1.4 This approach can be supported with other data such as on complaints volumes and resolution related to pricing or overcharging.

Table A1.1: Fair value monitoring proposal

Outcome element	Brief description of evidence requirements	How the data and/or evidence should be generated
What energy prices consumers are charged	Evidence on energy consumption/prices paid/contract start and end dates, broken down by product and service types (such as tariff types) and customer groups where possible.	Random sample of full customer accounts database, and quantitative analysis to extract relevant variables for analysis.
Whether the energy prices consumers are charged represent fair value	Analysis to be carried out comparing real prices paid to relevant parameters in Default Tariff Cap in domestic market. Analysis of non-domestic market monitoring revenue and consumption data by contract type, sector and consumption band to help determine “fair value” in the non-domestic market in comparison with individual supplier contract prices.	Analysis of customer-level dataset.

Outcome 3: Consumers struggling to pay for their energy receive flexible payment options and proactive, tailored interventions

- A1.5 For this Outcome, we propose that qualitative and quantitative information should be collected on supplier flexible payment method offerings. This could be supplemented by survey data outlining consumer satisfaction with the other elements of this Outcome, and we could collect some other quantitative evidence from suppliers on proactive contact for customers struggling with their bills.
- A1.6 Further, we could utilise existing market-level data on debt and arrears, and data on customers on debt repayment plans to supplement the data and evidence on outcomes achievement.

Table A1.2: Debt monitoring proposal

Outcome element	Brief description of evidence requirements	How the data and/or evidence should be generated
How suppliers provide flexible payment options, and support customers in debt, those struggling with their bills, or those at risk of struggling with their bills or falling into debt	Qualitative description of how flexible payment options are embedded in supplier operations. Should also include any key robust quantitative evidence as appropriate. For example, should include metrics on the proportion of customers struggling who were offered flexible payment options to help manage their bills.	Qualitative description and relevant robust quantitative evidence.
Consumers struggling to pay for their energy receive flexible payment options	Consumer survey data on satisfaction with payment options offered to them, including for those that are struggling with their bills.	Consumer survey evidence.
Consumers struggling to pay for their energy receive proactive interventions	Consumer survey evidence on whether suppliers proactively contact customers immediately after falling into debt, or whether customers have initiated contact themselves. This could be supplemented with quantitative evidence showing how quickly suppliers contacted their customers once accounts fall into debt, or show signs of difficulty.	Combination of consumer survey evidence and quantitative analysis.
Consumers struggling to pay for their energy receive tailored interventions	Consumer survey data on satisfaction with support received when in debt or have fallen behind on their bills. Should include what support has been provided (such as tailored repayment plans or signposting to debt support services).	Consumer survey evidence.

Outcome 4: Consumer concerns and complaints are addressed fairly, effectively and promptly

A1.7 For this Outcome, we propose a combination of quantitative evidence on complaints volumes, repeat complaints and complaints resolution, and that this data should be expanded to encompass all the other Outcomes areas. This would be supported with survey data on customer contact for issues they face, satisfaction with various elements of the complaints process and data on redress mechanisms such as from the Energy Ombudsman.

Table A1.3: Complaints monitoring proposal

Outcome element	Brief description of evidence requirements	How the data and/or evidence should be generated
Volume of consumer concerns and complaints	Quantitative evidence on complaints volumes that cover breadth of all other Outcomes areas. Could also be supplemented with data on customer contact identifying issues that are not escalated to complaints.	Quantitative analysis, supported by relevant consumer survey data.
Consumer concerns and complaints are addressed fairly	Consumer survey data on satisfaction with complaints handling processes, perceived fairness of complaints handling processes and awareness of redress mechanisms. Should include data on complaints escalated to Energy Ombudsman.	Quantitative analysis, supported by relevant consumer survey data.
Consumer concerns and complaints are addressed effectively	Similar to section on consumer concerns and complaints being addressed fairly, and should also include quantitative data on repeat complaints	Quantitative analysis, supported by relevant consumer survey data.
Consumer concerns and complaints are addressed promptly	Combination of quantitative evidence on complaints resolution timelines and consumer survey data on satisfaction with time taken to reach end of the complaints process.	Quantitative analysis, supported by relevant consumer survey data.

Outcome 5: Consumers get clear, accurate and timely advice information to help them make informed choices

A1.8 For this Outcome, we propose either carrying out consumer comprehension testing similar to what we outline for bill understandability, or set up a system of mystery shopping to determine whether information received across areas of interest is accurate, accessible and timely.

Table A1.4: Informed choices monitoring proposal

Outcome element	Brief description of evidence requirements	How the data and/or evidence should be generated
Consumers get clear, accurate and timely information to help them make informed choices.	Consumer comprehension testing of wide range of areas where consumers need to make informed choices on. For example, this could be related to information on novel supplier products and services or being able to make choices on appropriate support with their energy bills. An alternative approach could be to adopt mystery shopper assessments to determine whether information given across different categories of products and services is accurate, clear and timely for consumers.	Experiment-based consumer comprehension testing. Alternative approach centred around mystery shopping.

Outcome 6: Consumers can switch providers and contracts without unnecessary barriers

A1.9 For this Outcome, we propose using quantitative evidence on blocked and/or objected internal and cross-supplier switches, and reasons for blocked or objected switches. This can be supported with further consumer survey questions on reasons they were provided for switches being denied. This could be supplemented with supplier and market level switching data.

Table A1.5: Switching monitoring proposal

Outcome element	Brief description of evidence requirements	How the data and/or evidence should be generated
Consumers can switch providers and contracts without unnecessary barriers.	Quantitative evidence on blocked switches and reasons for blocked switches. Should include internal switching (including contract changes). Consumer survey questions on reasons given for switches being denied for those that tried to switch and failed.	Quantitative analysis, supported by consumer survey data.

Outcome 7: All products and services should be reliable and perform as intended

A1.10 For this Outcome, we suggest evidence centres around supplier product and service design reports covering the product and service lifecycle. This could be supplemented by additions to consumer survey data on issues or harms faced by customers with product and service offerings from suppliers.

A1.11 Further, as this Outcome also covers reliability of supply, it would need to include quantitative analysis of customers off supply in each relevant period.

Table A1.6: Reliability monitoring proposal

Outcome element	Brief description of evidence requirements	How the data and/or evidence should be generated
How suppliers ensure their products and services are fit for purpose and reliable	Supplier product and service design reports covering life cycle (discovery, analysis, design, consumer user testing and quality assurance, release and post-release testing). Would need support of quantitative metrics as necessary to outline reliability. For example, metrics such as “satisfaction with bundled services” could be collected.	Qualitative description and relevant robust quantitative evidence.
All products and services should be reliable and perform as intended	Should include what is outlined in section on suppliers ensuring their products are fit for purpose and reliable. This could be supported by consumer survey data on issues and categories of issues faced with supplier products and services. Should also consider use of free-text boxes to identify new products and services that emerge in the market. Further, as this Outcome covers reliability of supply, it should be supplemented with quantitative analysis on customers off supply due to areas of supplier responsibility (such as meter faults).	As in section outlined on suppliers ensuring their products are fit for purpose and reliable, and to include quantitative analysis and quantitative consumer survey data.

Appendix 2. Billing Consumer Outcome

- A2.1 We want consumers to receive accurate, timely, accessible and understandable energy bills. In this appendix we provide more initial thinking about what good billing outcomes looks like.
- A2.2 Alongside introducing a new billing outcome, we are proposing to introduce new billing guidance so that all stakeholders share a common understanding of “good”. The exact guidance provided will depend on the billing rules that we have in place. We also note that what “good” looks like could be different for different markets and consumers (for example non-domestic consumers and domestic consumers).
- A2.3 **Accurate bills** - We want customer bills and statements to be correct and consistent with underlying data (such as tariff and consumption data). This means the correct tariff rates are applied at the right times, and that payments, credits and debits are accurately reflected in the bill. We would expect bills to arrive right first time, so customers rarely need corrections or rebilling. We would also not expect customers to receive bills that are clearly wrong.
- A2.4 **Timely bills** – We want bills and statements to be issued in a timely manner, and in a frequency that is most useful to the customer. We expect customers to be billed at a regular and predictable frequency, that considers individual customer preferences. We would expect bills to be issued close to when energy is used, to avoid large catch-up or shock bills. We would expect bills at the right times to support decision making (for example, when prices are changing or fixed contracts are ending). When customers leave a supplier, customers’ final bills should be sent promptly and any credit balances returned quickly. Where billing errors are identified, we would expect them to be swiftly resolved.
- A2.5 **Accessible bills** – We want customers with different needs, capabilities, and circumstances to be able to engage with their bill and statements. This means inclusive formats to meet consumer needs (including large print formats for consumers with visual impairments or language support services for consumers that do not speak English). It could also mean providing online, digital and app-based billing options to suit some customer preferences. Where customers are unable to manage their own bills, we would expect additional support to be available (such as the ability for a trusted person to manage billing on behalf of the customer).
- A2.6 **Understandable** - Consumers should be able to quickly and easily understand what they are being charged and why. We would expect customer bills to use clear language and structure. We would expect consumers to easily see how charges relate to their energy use, the tariff they are on, and any payment or credits. We would expect that key information (such as contract end dates) is clear and easy to find.

Appendix 3. Existing supplier billing standards

Element	Existing standards
Accuracy	Standards of Conduct for information provision (SLC 0 and 0A) Meter read requirements (SLC 21B.1-4) PSR meter read requirements for domestic customers (SLC 26.5(c))
Timeliness	Inaccurate reads are updated promptly (SLC 21B.2) Bill frequency requirements (SLC 21B.5 and 21B.5A) Backbilling prohibition for domestic and microbusiness customers (SLC 21BA) Final bill rules for domestic customers (SLC 27.17 and 27.18, GSOP for final bills and credit refunds)
Understandability	Standards of Conduct for information provision (SLC 0 and 0A) Bill explanations (SLC 21B.7) Information for domestic customers to understand energy costs and use (SLC 31H.1-2, 31H.4, 31H.6-7 and 31H.12) Making clear to domestic customers if using consumption estimates (31H.8)
Accessibility	Standards of Conduct for information provision (SLC 0 and 0A) and for domestic customers in vulnerable situations (SLC 0.3(d)) Bills in a format requested by the customer (SLC 21B.6) Free bills (SLC 21B.8) PSR requirements for domestic customers (SLC 26) Information for domestic customers to understand energy costs and use (SLC 31H.3)

A3.1 We also note that there are some licence rules that apply to all supplier activities and therefore do have relevance for supplier billing services (for example SLC 4A Operational Capability). However, for the purposes of this document, we are focusing specifically on the rules that directly relate to billing.

Appendix 4. Summary of options to clarify billing rules

Option	Rules to replace	Rules to retain	Rationale
1.Full reliance on billing outcome; no prescription	SLC 21B ¹³ SLC 21BA ¹⁴ SLC 26.5(c) SLC 27.17 and 27.18 SLC 31H ¹⁵ GSOP for final bills	SLC 0 and 0A	Maximum flexibility for suppliers to determine how best to deliver good outcomes for customers
2. Heavy reliance on billing outcome; prescription limited to high-risk areas	SLC 21B SLC 27.17 and 27.18 SLC 31H	SLC 0 and 0A SLC 21BA SLC 26.5(c) GSOP for final bills and credit refunds	Greater flexibility for suppliers while retaining core provisions for consumer protection
3.Mixed application of billing outcome and prescriptive rules	SLC 21B.5-8 SLC 27.17 and 27.18 SLC 31H.3-4(c) and .6-11	SLC 0 and 0A SLC 21B.1-2 and .4 SLC 21BA SLC 26.5(c) SLC 31H.1-2 and .12-14 GSOP for final bills and credit refunds	Focused flexibility for suppliers where performance is good, retaining provisions for consumer protection and standardisation

¹³ We consider that paragraphs SLC 21B.1-8 relate to the billing outcome (in scope). We consider paragraph 21B.9 relates more to the informed choices outcome (out of scope).

¹⁴ All paragraphs in scope.

¹⁵ SLC 31H.1-H4(c) and 31H.6-14 relate to the billing outcome (in scope). We consider paragraphs 31H.4(d), 31H.4(e) and 31H.5 relate more to the informed choices outcome (out of scope).

Appendix 5. Summary of consultation questions

Question 1: Do you agree with our initial monitoring approaches for the other Consumer Outcomes outlined in Appendix 1, and the data and evidence we need for each of them? If not, please provide more detail on this, including alternative metrics.

Question 2: To help minimise the burden of data collection, do you have any views on data collections we can streamline or retire?

Question 3: How can we best ensure that all stakeholders have a consistent understanding of the Consumer Outcomes we expect suppliers to deliver? Do you have any views on initial proposals to do this?

Question 4: How can we best manage dependencies between outcomes?

Question 5: Do you agree with the range of rules we have identified relating to the billing outcome? Are there any other rules which you consider should be included?

Question 6: Of the suite of options presented, do you have a preference? What is the rationale behind your preference?

Question 7: If relevant, what is the impact of each option on supplier costs? Please provide any supporting evidence.

Question 8: Do you agree that the data and evidence we are asking for to monitor the Billing Outcome will give us the evidence we need to hold suppliers accountable for delivering the right outcomes for consumers? If not, please explain your reasoning, including any alternative sources of data and evidence you think appropriate. For suppliers specifically, could you tell us how you already monitor your customers' experience of receiving accurate, timely, accessible and understandable bills?

Question 9: Do suppliers foresee any challenges with the data and evidence we propose below? Please provide detail and examples in your response to help us understand the feasibility of our proposal.

Question 10: How often should this data and/or evidence be collected?

Question 11: What aspects of the Compliance Operating Principles do you anticipate will need to be developed to ensure compliance activity is balanced, proportionate, and efficient when assessing consumer outcomes?

Question 12: How can we improve engagement to ensure all stakeholders share a common understanding of our billing rules? Are you supportive of us developing a Billing Outcome guidance document? How can we improve informal engagement?

Question 13: How can we improve transparency of our billing activities and how stakeholders have shaped our work?

Question 14: Do you agree with our proposals to introduce an automatic inflation based uplift mechanism for supplier GSOP payments?

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Question 15: Do you agree with our proposal to repeat payments for the existing GSOPs related to consumers being off-supply?

Question 16: Do you agree with our suggested mitigations for the repeated payments, specifically the uniform time period for both GSOPs and capped payments?

Question 17: Do you have any evidence to inform our assessment of the impact of repeated payments, such as data on existing timescales to rectify these breaches?

Appendix 6. Privacy policy

Personal data

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

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

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

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

2. Why we are collecting your personal data

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

3. Our legal basis for processing your personal data

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

4. With whom we will be sharing your personal data

Unless you indicate otherwise, we may make your response, as provided, available online. If you indicated to us that your response is confidential, we will not publish it online and nor will we share your personal data with any other organisations.

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

Your personal data will be held for as long as an audit trail on decision-making relating to the questions discussed in this document should reasonably be available.

6. Your rights

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

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

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

7. Your personal data will not be sent overseas

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

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

10. More information For more information on how Ofgem processes your data, view our [Ofgem privacy policy](#).