



Department for
Energy Security
& Net Zero

Consumer-led Flexibility

Proposals seeking views on the best approach to consumer engagement.

Consultation

Closing date: 19 September 2025



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Executive summary

Clean flexibility is the cornerstone of the government's plan to reach clean power by 2030 and net zero by 2050. The country needs a more flexible electricity system to meet the needs of homes and businesses as we harness renewable energy and electrify energy demand sectors. We need sources of electricity flexibility, like consumer-led flexibility (CLF), batteries, interconnectors, and long-duration electricity storage (LDES), to keep supply and demand balanced cleanly and cost-effectively. The step change in ambition of the Clean Energy Superpower Mission must be matched by a step change in our flexibility ambition, as set out in the Clean Flexibility Roadmap¹, published alongside this consultation.

This consultation is positioned in that wider context and is focused on CLF, which relates to consumers choosing to voluntarily shift their electricity demand to take advantage of low prices when energy is abundant, and avoid the periods when prices are highest. The Clean Power 2030 Action Plan has highlighted a need for a four to five-fold increase in CLF capacity, from 2023 levels, by 2030.

CLF provides benefits for all consumers, including through the reduction of energy system costs by minimising the amount of peaking generation and network infrastructure that would otherwise need to be built, compared to a system with lower flexible capacity². Consumers who directly participate in CLF have the potential to save significantly more, for example, smart charging of electric vehicles can already save typical EV drivers around £330 per year³. Participation in flexibility will be voluntary and attractive, empowering consumers with greater control over their energy use and unlocking tangible savings without disrupting their everyday lives.

CLF, as a key element in a more flexible electricity system, will also contribute significantly to economic growth, security of supply and help insulate Great Britain from international energy volatility, and will also help to reduce our carbon emissions.

Alongside a range of work to ensure that the right infrastructure is in place for CLF, set out in the Clean Flexibility Roadmap, an effective approach to consumer engagement is essential, as CLF is a voluntary activity and ultimately relies on consumers being informed and willing to participate. The need for appropriate levels of consumer understanding, awareness and consent will remain necessary even as more people take up automated forms of flexibility.

No firm assumptions have been made on the viability of continuing with current arrangements, where information and awareness on CLF is available organically via multiple actors, including

¹ <https://www.gov.uk/government/publications/clean-flexibility-roadmap>

² CLF, with batteries and interconnectors, could help reduce system costs between £30-70bn from 2020 to 2050: <https://assets.publishing.service.gov.uk/media/60f57aade90e0764cd98a0a3/smart-systems-appendix-i-electricity-system-flexibility-modelling.pdf>

³ [Default energy tariffs for households: call for evidence - GOV.UK](https://www.gov.uk/government/consultations/default-energy-tariffs-for-households)

energy suppliers, third party intermediaries, trade associations and consumer advocacy groups.

However, as CLF matures, the continuation of this organic approach to consumer engagement may carry risks of increasing fragmentation, with increasing complexity, incoherence or confusion for consumers. This could in turn risk lower uptake of CLF.

Findings from stakeholder engagement summarised in this document support the case to consider a more joined up and holistic approach to consumer engagement to help to offset these risks and more effectively promote and sustain participation in CLF. The Clean Power 2030 Action Plan recognised the need to do this - committing us to publish this consultation to explore how to better coordinate and amplify accurate information and messaging on CLF.

This consultation seeks feedback on the best approach to engage consumers in CLF to help optimise and sustain uptake over the short, medium and long term. It seeks to determine the appropriate role for government and other organisations as a part of that.

It explores what should be in scope for core activities of a potential CLF consumer engagement framework. There are four potential scope components set out for feedback, split into industry-facing and consumer-facing categories, and with options for low, medium and high degrees of intervention for each scope component for illustration.

On the industry-facing side:

- Coordination is focused on the provision of a holistic source of information and explanation on CLF and on developments across the CLF landscape.
- Standards is concerned with ensuring minimum expectations for the way that industry parties engage with consumers on CLF.

On the consumer-facing side:

- Advice relates to the provision of clear and trusted information and guidance for consumers to engage in CLF.
- Communications is about increasing consumer awareness on the opportunity and benefits of CLF, to achieve optimal uptake.

It is not government's intention to create a new, specific organisation for this purpose. The CLF consumer engagement framework that this consultation would inform could involve the designation of an existing organisation, or partnership between existing organisations, and involve collaboration with government and Ofgem via governance arrangements.

This consultation does not assume that intervention must take place but asks a number of open questions to explore the case for intervention relative to the status quo. Feedback to this consultation will inform the case for further work, to be tested against current arrangements, and will help to identify the components to be considered for detailed proposals.

Any such proposals would be subject to a further consultation, which would be expected to set out organisations that could be involved in such a framework, alongside governance arrangements.

General information

Why we are consulting

Optimising and sustaining uptake of consumer-led flexibility (CLF) will benefit consumers, businesses and our energy infrastructure. However, it requires that consumers of all types have the opportunity to understand whether and how to participate in CLF and the rewards it can bring. Government recognises the importance of effective consumer engagement to maximise uptake of CLF.

This consultation seeks views on the best approach to consumer engagement for CLF and is seeking to determine the appropriate role for government and other organisations as a part of that.

We have identified a range of scope components that could inform the remit of a potential consumer engagement framework. The feedback from this consultation will inform which scope components could be considered for detailed proposals, which would be assessed against the continuation of current arrangements. Any subsequent proposals would be subject to further consultation and would be expected to include consideration of existing organisations that could be involved in such a framework, alongside governance arrangements.

We welcome views and evidence on the proposals set out in this document.

Consultation details

Issued: 23/7/2025

Respond by: 19/9/2025

Enquiries to:

Consumer-led Flexibility policy team
Electricity System Flexibility
Department for Energy Security and Net Zero
7th Floor
3-8 Whitehall Place
London
SW1A 2EG

Email: CLFteam@energysecurity.gov.uk

Consultation reference: Consumer Engagement for Consumer-led Flexibility

Audiences: We are seeking views from the following groups, including but not limited to, all consumers, providers of demand side response or flexibility services, aggregators, energy suppliers, consumer bodies, industry bodies such as trade associations, communication

specialists, academics and think tanks, to ensure we capture feedback from a wide range of stakeholders.

Territorial extent: Consumer engagement is envisaged to promote and support the uptake of CLF measures within the energy system in Great Britain. However, the territorial scope of any engagement measures, in particular the application to Scotland, is to be considered following this consultation and depending on the nature of engagement and of the organisation or organisations that may be proposed following this consultation.

How to respond

Respond online at: <https://energygovuk.citizenspace.com/clean-electricity/engagement-for-consumer-led-flexibility>

or

Email to: CLFteam@energysecurity.gov.uk

Write to:

Consumer-led Flexibility policy team
Electricity System Flexibility
Department for Energy Security and Net Zero
7th Floor
3-8 Whitehall Place
London
SW1A 2EG

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the [government's consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

Purpose of this document

As part of the Clean Power 2030 Action Plan⁴, Government announced that a consultation would be undertaken in summer 2025 on consumer engagement for consumer-led flexibility (CLF). This consultation is the committed follow up.

The government is seeking views on the most appropriate approach to optimise and sustain the engagement and participation of consumers in CLF over the short, medium and long term. The approach seeks to maximise the contribution CLF can make to the government's mission to achieve a clean power system by 2030, and on the pathway to net zero, while ensuring that consumer needs are well recognised and understood. This includes a proposed scope for what may be considered as appropriate for consumer engagement in relation to CLF.

This consultation does not presume any form of intervention at this stage; the proposed scope for a consumer engagement framework is presented here for feedback.

CLF can also be referred to as demand side response (DSR). Going forward - including in this consultation - we will refer to consumer-led flexibility (CLF). For the purpose of this consultation, where appropriate, we will also adopt a "catch all" term for all organisations that may engage consumers on CLF as "consumer-led flexibility organisations" (CLFOs), this includes, but is not limited to, energy suppliers, Flexibility Service Providers, aggregators, and installers of low carbon technology.

⁴ <https://www.gov.uk/government/publications/clean-power-2030-action-plan>

Context

Consumer-led flexibility (CLF) refers to voluntary action consumers may take to reduce or increase the amount of electricity they use at a particular time, in response to a signal (e.g. a price signal). As the name makes clear, consumers are in control. CLF can help consumers save money⁵ and improve system efficiency, by using electricity at times that are beneficial to the system and being rewarded for doing so. It supports the integration of intermittent renewables and bolsters our energy security, in the context of increasing electrification.

CLF provides benefits for all consumers, including the reduction of energy system costs by minimising the amount of peaking generation and network infrastructure that would otherwise need to be built, compared to a system with lower flexible capacity. Along with grid-scale batteries and interconnectors, CLF could help reduce system costs between £30-70bn from 2020 to 2050⁶.

As set out in our Clean Power 2030 Action Plan, CLF has an important role to play in delivering clean power by 2030 and achieving net zero by 2050. We will continue to collaborate with Ofgem⁷ and the National Energy System Operator (NESO)⁸ and have set out further measures to support the development of CLF in a Clean Flexibility Roadmap, published in tandem with this consultation⁹.

The development of CLF requires the identification and removal of a wide range of barriers. Government is supporting the deployment of technologies in homes and businesses that can help consumers to be flexible with their electricity usage, including smart meters, heat pumps, batteries and EV chargepoints. We are working with Ofgem and NESO on measures that can help to increase the understanding of where such “energy assets” are located on the grid¹⁰. The government is working with Ofgem to reform markets so that the value of flexibility can be fully realised. For example, Ofgem is facilitating the implementation of Market Wide Half Hourly Settlement (MHHS) from October 2025, which will incentivise energy suppliers to reward consumers for being flexible¹¹.

The government’s Smart Secure Electricity Systems (SSES) Programme is bringing forward technical and regulatory frameworks to ensure that there is an appropriate and proportionate

⁵ For example, smart charging of electric vehicles can already save typical EV drivers around £330 per year: [Default energy tariffs for households: call for evidence - GOV.UK](#)

⁶ <https://assets.publishing.service.gov.uk/media/60f57aade90e0764cd98a0a3/smart-systems-appendix-i-electricity-system-flexibility-modelling.pdf>

⁷ Office of Gas and Electricity Markets (Ofgem) is the energy regulator for Great Britain.

⁸ National Energy System Operator (NESO) is the independent, public corporation responsible for planning Britain’s electricity and gas networks and operating the electricity system.

⁹ <https://www.gov.uk/government/publications/clean-flexibility-roadmap>

¹⁰ <https://www.gov.uk/government/calls-for-evidence/improving-the-visibility-of-distributed-energy-assets>

¹¹ Electricity suppliers are required to buy enough energy from generators to meet their consumers’ needs in each half-hour period, and ‘settlement’ is the process for determining whether what they bought matched what their customers used. The rollout of smart meters, which record the amount of energy consumed in each half-hour period, means information about customers’ actual half-hourly consumption, can be used in settlement instead of estimates, where the consumer has given their consent. This will incentivise suppliers to offer smarter solutions to consumers, such as time-of-use tariffs.

regulatory regime in place for domestic and small non-domestic CLF. The government will identify options for developing an energy smart data scheme to empower consumers to use their own data to access innovative products and services¹². The necessary technical infrastructure is already in place to enable CLF from large non-domestic consumers but participation is limited and the government wants to support the growth of CLF amongst industrial, commercial and public sector consumers also.

Alongside this range of measures to ensure that the right infrastructure is in place for CLF, an effective approach to consumer engagement for CLF is essential, as it is a voluntary activity and ultimately relies on consumers being informed and willing to participate in CLF over the long term. The need for appropriate levels of consumer awareness and consent will remain necessary in the transition from manual to increasingly automated forms of CLF, e.g. at a minimum to support appropriate levels of consumer understanding in the uptake, initial set up, and operation of automated services. Effective consumer engagement for CLF is about empowering consumers and enhancing consumer protection, with knowledge, awareness and understanding, so that they are enabled to take advantage of CLF opportunities and better informed on the generalised benefits for all consumers that flow from CLF.

Until recently, engagement with CLF has primarily been from consumers who are more proactive in seeking out and understanding the opportunity. The potential for more widespread appetite for CLF has been illustrated by the Demand Flexibility Service (DFS)¹³, launched by the NESO in 2022 as an additional tool to help them manage our electricity system. The DFS gives NESO the option to pay consumers - through their energy supplier or an approved third-party intermediary - to turn down their demand during particularly high demand periods. For example, during the winter of 2023-24, the DFS scheme incentivised 2.6 million consumers across households and businesses to lower their electricity demand when requested, saving over 3,700MWh of electricity. An increasing number of energy suppliers are offering flexible tariffs to encourage consumers to shift their usage away from times of peak demand.

The DFS has been successful in engaging large numbers of consumers in the concept of CLF, and CLF is recognised as a market with significant potential which will likely increase as Market Wide Half Hourly Settlement is implemented. Based on NESO and DESNZ scenarios for 2030, excluding electric storage heaters, we expect 10-12 GW of CLF capacity is possible by 2030 to support clean power. Government expects EV charging in particular to be a key driver of CLF capacity growth, supported by other technologies such as heat pumps and home batteries.

This consultation makes no firm assumptions on the viability of continuing with current arrangements, where information and awareness on CLF is available organically via multiple actors. Energy suppliers and third-party intermediaries like Flexibility Service Providers¹⁴

¹² <https://www.gov.uk/government/calls-for-evidence/developing-an-energy-smart-data-scheme>

¹³ [Demand Flexibility Service \(DFS\) | National Energy System Operator](#)

¹⁴ DESNZ is introducing licensing of load controllers and flexibility service providers through a single load control licence. "Load control" is the activity of adjusting the immediate or future flow of electricity into or out of an energy smart appliance (ESA). A "load controller" is an organisation controlling load on an ESA through load control signals. A "flexibility service provider" is an organisation entering into arrangements with consumers for their load

currently lead their own engagement strategies with their consumer base and can target their information provision, communications and interactions to their specific audiences. This is supplemented by the activities of other parties, including trade associations, consumer advocacy groups, and via campaigns to support the deployment of specific forms of technology that enable CLF, e.g. smart meters¹⁵. Feedback to this consultation will inform the case for any form of intervention, which would be robustly assessed against current arrangements.

The consultation is underpinned by the need to assess the extent to which the following potential risk could materialise, and, if so, what the appropriate approach to mitigation would be. As CLF matures, there could be a risk that the continuation of this organic approach to consumer engagement may carry risks of increasingly siloed approaches to consumer engagement, with the potential for fragmentation, which could contribute in turn to increasing complexity for consumers as CLF develops over the coming years. For example, a wide range of different terminology is already being used to describe similar activities and offers. In this scenario, there could be heightened risks of confusion or even misinformation. Moreover, fragmentation, complexity and confusion could exacerbate consumer protection risks, such as if consumers end up on unsuitable tariffs due to lack of information, and there may also be increased risks of exclusion for certain types of consumers that may be harder to reach. Overall, this could lead to lower uptake of CLF and prevent it from providing the expected benefits for consumers. This would be a missed opportunity for customers who *could* participate and will increase system costs for all consumers through the need to build additional infrastructure.

The government would like to test an assumption that a degree of coordination and common direction may be desirable to offset these potential risks and, in doing so, help to optimise and ensure sustained participation in CLF over the long term. Given the importance of CLF in the emerging and future energy system, we are exploring options to support a joined up and holistic framework for CLF consumer engagement via this consultation.

The overarching aims for this proposed consumer engagement framework would be that the potential risks associated with increasing fragmentation detailed above can be avoided and that a positive vision for CLF can be effectively promoted, which would support optimal and sustained participation in CLF and enhance consumer protection.

to be controlled. The load controller and flexibility service provider could be the same entity or separate entities with regards to the provision of load control services to consumers.

¹⁵ [Smart meters for homes and businesses | Smart Energy GB](#)

The role for consumer engagement in consumer-led flexibility

Definition of consumers

Government believes there is a role for - and benefit to - consumers of all sizes and types to engage in CLF. This consultation diverges slightly from the domestic and small non-domestic focus of some key government work in this space, i.e. the Smart Meter Implementation Programme (SMIP) and the Smart Secure Electricity Systems Programme (SSES), in including large non-domestic consumers in scope. Although CLF is established and viable for large non-domestic consumers, participation rates are currently low and, alongside measures set out in the Clean Flexibility Roadmap, an effective approach to consumer engagement will be important for these consumers, as well as for the developing market for CLF from domestic and small non-domestic consumers. Therefore this consultation considers engagement to cover all electricity consumers across the domestic and non-domestic spectrum.

Government recognises that no consumer groups should be excluded in the transition to net zero. There could be a risk that lower income, digitally excluded, or otherwise vulnerable customers, may be left behind if specific support - for example advice, or minimum standards on the simplicity of CLF offerings - is not in place. This consultation will seek views as to whether a different approach for consumer engagement may be required for certain consumer segments.

Summary of barriers to engagement

Government undertook engagement with members of industry and consumer bodies in summer 2024 to identify the key challenges and barriers relevant to consumer engagement for CLF. CLF is a voluntary activity, and it is crucial that consumers are well-informed of the opportunity available, what it involves and how to participate. Evidence from this engagement shows that this is not currently the case.

The table below records the views of participating stakeholders¹⁶ on barriers and issues related to consumer engagement for CLF. (All sections in the table relate to consumer engagement but it should also be noted that these barriers are wide-ranging and some sections touch on other areas of policy so may not be addressed fully via a consumer engagement framework.)

Table 1

¹⁶ External stakeholder input included a workshop in July 2024, attended by a wide range of interested parties, including energy suppliers, third party intermediaries, trade associations, consumer advocacy bodies, think tanks, academics, NESO and Ofgem.

Cultural & behavioural norms take time and effort to change	<p>There are a number of combined factors which are linked to a perceived inertia which, without proactive engagement, will mean that consumers do not seek to engage in new offerings. There is a misplaced perception for some consumers that engaging in CLF must mean loss of control of their energy usage or energy bill, and associated loss of comfort.</p> <p>Consumers may currently believe that engagement with CLF could result in negative financial or personal impacts for them. Consumers need to be able to engage with CLF knowing that it benefits them, as well as the energy system.</p>
High complexity of the market	<p>The terminology around low carbon technology and CLF is both technical and jargon-heavy, coming across as inaccessible to a typical domestic and micro/SME non-domestic consumer. For example, a wide range of terminology is already being used to describe similar activities and offerings. There needs to be clear and consistent messaging, including terminology on product types. If unaddressed, this could limit overall uptake and engagement of CLF. Consumer engagement should also be considered to be dynamic and adaptive to how CLF evolves.</p>
Limited consumer awareness	<p>Particularly for domestic and non-domestic micro/SME consumers - it is currently not clear how CLF relates to topics such as net zero, energy efficiency and decarbonisation. A joined up and holistic approach to communications and awareness activity could help to bridge this gap to how flexibility supports overall demand reduction, reducing costs across the electricity system. For larger industrial and commercial consumers, particularly those considered energy-intensive, there could be greater capability to understand the commercial implications of demand reduction.</p>
Limited market access and participation	<p>Linked to terminology, the range of services which are available under the banner of CLF is wide - from signing up to a time-of-use tariff to bundled, automated energy management services which require uptake of multiple low carbon technologies. Consumers therefore are not clear on what is meant by flexibility services, and there is limited standardisation in how the offerings are explained. This makes it challenging for consumers to compare service providers to find the most appropriate service for them. This is preventing them from engaging with the market as well as feeling both comfortable and sufficiently informed to be able to participate.</p>
Unpredictability of financial returns	<p>Expectations are not clearly and consistently set out upfront with consumers over the types of returns they can receive, and the investments that may be required in order to enable these. If rewards are inconsistent or misaligned with expectations, then consumers may not consistently engage.</p>

High upfront capital investment required for low carbon technology	Consumers often face high upfront costs of accessing low carbon technology, which if they have limited access to capital, becomes a barrier to higher returns from automated CLF. Additionally, consumers may have limited awareness of financing mechanisms available in order to spread out this upfront cost over a longer period.
Consumers can benefit from technologies that enable participation	The continued rollout of smart meters and introduction of market-wide half hourly settlement will empower consumers to take up new products and services that encourage demand shifting. Energy suppliers and third parties can only access half-hourly data from smart meters where consumers have given their consent. However, suitable information and guidance to reassure consumers of the strong standards and consumer protections in place is recognised as important.

The scope of consumer engagement is open for decision, and there will be a connection between engagement-focused barriers and wider barriers related to technical, regulatory, market and commercial considerations for successful adoption of CLF at scale. CLFOs currently lead their own engagement strategies with their consumer base and can target their communications to their specific audiences. There was broad agreement that there is a risk that, without some form of coordination, this approach could lead to increasing fragmentation, contributing to increasing complexity and confusion for consumers as the CLF market matures over the coming years. In turn, this could lead to lower uptake of CLF and lower than hoped for benefits for consumers.

Potential consumer engagement functions

An appropriate approach to consumer engagement is essential, as CLF ultimately relies on consumers being informed - both in term of what CLF is and on routes to participation - and being willing and motivated to participate. Government wants to test whether a degree of coordination and consistency may be desirable to help to address the barriers outlined in the previous section.

Counterfactual option - do nothing

This consultation does not pre-empt a conclusion that intervention is required, and there is a clear option to continue with the existing market-led approach. In this case, consumer engagement would remain something for individual CLFOs to take forward, without any necessary connection to other CLFOs or interested parties. Existing mechanisms such as industry forums, trade associations, and conferences would continue to provide space to share market activity and learnings but there may be no more formal approach to coordinate and to forge consistency across CLFO consumer engagement.

Extant regulation will remain in place and new regulatory measures will come forward, e.g. licensing for load controllers¹⁷, but gaps in regulatory coverage may be present or occur, including in relation to standards on how consumers *should* be engaged on CLF. Consumer protection and redress support should provide measures that help to guard against mis-selling and poor services, but CLFOs may not be held to minimum standards on how engagement is done as CLF matures and evolves, risking mistrust in an important market.

Without a neutral, trusted source of advice for consumers from an extant organisation designated for the role, which would not promote particular tariffs and services, the burden remains on current and future CLFOs, alongside industry and third sector bodies, to support consumers in relation to information provision about CLF. As a result, there may be less assurance in place to ensure that consumers get the support they need to understand and compare the variety of offerings available.

With no extant organisation specifically designated to join up wider campaigns or awareness, there is a risk that individual service provider messaging focuses more on the individual consumer benefits, missing the wider messaging on benefits for clean power, net zero and energy security. There is also potential that public awareness of CLF remains low, with CLFO engagement focusing on specific consumer groups, particularly those who are already engaged and more affluent - risking low income and vulnerable consumers being left out of the market.

As noted, this consultation makes no firm assumptions on the viability of continuing with current arrangements, where information and awareness on CLF is available organically via

¹⁷ See footnote 14.

multiple actors. Energy suppliers and third-party intermediaries could continue with individual engagement strategies for their respective customer bases, and this would continue to be supplemented by the activities of other parties, including trade associations, consumer advocacy groups and ad hoc campaigns to support the deployment of technology relevant to CLF, e.g. smart meters. Feedback to this consultation will inform the case for any form of intervention, which would be robustly assessed against current arrangements.

The continuation of the current market-led approach would rely heavily on a patchwork of individual CLFO strategies holding together organically as CLF matures and new players potentially enter the market over time. There may be logical concerns as to whether this form of organic market activity will be enough on its own to realise the full set of benefits that wider CLF uptake enables. Without sustained coordination of industry, there could be increasing fragmentation, especially as new players enter the market. Without a function to help monitor standards for CLF consumer engagement, there could be gaps in coverage, including as CLF evolves. Without a consolidated, trusted and neutral source of information, there could be risks around increasing confusion and misinformation creating negative impacts for consumers. Without a trusted, neutral actor amplifying industry communications and ensuring that CLF is clearly understood to be connected to wider benefits, uptake and participation rates may be lower than could otherwise be achieved. Together this could result in reduced benefits for consumers, the energy system and the country.

Therefore, the working assumption underpinning this consultation is that some form of intervention to help offset these potential risks, and to be able to promote a positive vision for CLF in a joined up and holistic manner, should be considered and tested robustly against the continuation of current market-led arrangements.

Scope components underpinning CLF consumer engagement

Government has identified the potential option for a consumer engagement “framework” to be established, whose primary goal would be to support optimal and sustained participation in CLF over the medium to long term.

This section of the consultation will explore the proposed scope for a potential consumer engagement “framework”, and sets out low, medium and high degrees of intervention to deliver the proposed scope components. It is not our intention to create a new, specific organisation, therefore “framework” is used as a placeholder term in this document to represent the role that could be carried out by an existing entity, or a partnership formed of multiple extant entities.

Competition and innovation in the market are important elements underpinning effective consumer engagement, so the role, and any associated measures introduced by the “framework”, should be compatible with that culture of competition and innovation.

There are four potential scope components set out - described as Coordination, Standards, Advice and Communications - and these are split into industry-facing and consumer-facing categories. These scope components are presented for feedback, and we welcome views on any alternative scope components that could be considered.

In scope: industry-facing potential scope

1. Coordination - Providing a trusted source of information and explanation on CLF and on developments across the CLF landscape.

Government believes that there may be a role for a degree of coordination of CLF consumer engagement, given the importance of the CLF market reaching its full potential to support delivery of our Clean Power 2030 mission and the pathway to Net Zero by 2050. Without coordination, there is a risk that the current market-led model, with siloed market actors, acts inconsistently and without coherence, with the risk of increasing complexity leading to increasing confusion and lower CLF participation rates over the medium to long term. It is recognised that approaches to engagement will vary by service provider, but it is proposed that overarching consistency in engagement around product and service types could help to offset these risks. The extant organisation designated within the framework for this scope component would support with coordination to achieve consistency and coherence for consumers.

The designated organisation should be responsible for understanding, mapping and maintaining a summary view of the overall CLF market status and offers. This should include engaging and coordinating across CLFOs to gather and share this insight. They should understand and translate market trends such as which types of organisations are active in the market, across what types of service offerings, for which consumer types. This should be an ongoing role recognising the CLF market will continue to evolve, as the types of services and offerings to consumers adapt and with increasing focus on the automated management of consumer demand. The designated organisation would also be aware of existing policy, regulatory and innovation measures relevant to CLF.

The designated organisation should consolidate this, providing a trusted source of information designed to be relevant and accessible to all CLF market actors current and future, plus the range of other interested stakeholders, e.g. consumer bodies, trade associations, and academia. This should not be limited to issues directly related to consumer engagement. It should be a general information source on CLF, both its current status and on developments, whose aim is to support more joined up and holistic awareness across industry and stakeholders.

The CLF landscape is complex and will only become more so. The designated organisation should aim to understand, translate and explain the CLF market and developments in plain English, to support consistency in terms of the collective knowledge base and on the approach to explanation. This scope element is deemed especially important given that the number and type of market participants is expected to increase as CLF matures.

The designated organisation should be neutral in terms of not being aligned to any particular segment of industry or society in this role, and government and Ofgem should be involved via proportionate governance arrangements.

For illustration, the table below sets out how the Coordination component could be implemented, categorised into low, medium and high degrees of intervention. In all scenarios,

the minimal approach to this scope component would be the creation of a dedicated website. The designated organisation could also provide an additional new forum, which *would* be focused on issues directly relevant to consumer engagement. This could enable feedback mechanisms to ensure collective issues, opportunities and concerns impacting consumer engagement, alongside best practice, are able to be shared and discussed.

Table 2: Degrees of intervention

<i>Low intervention</i>	<i>Medium intervention</i>	<i>High intervention</i>
<p><i>Information provision via website.</i></p> <p><i>The designated organisation is aware of product and service offerings, tracks market activity but has limited involvement or intervention.</i></p> <p><i>Limited bilateral engagement with industry parties.</i></p>	<p><i>Information provision via website.</i></p> <p><i>The designated organisation tracks and understands the market, with occasional proactive engagement. They actively coordinate industry parties via an occasional (e.g. biannual) industry forum in order to discuss and coordinate issues directly related to consumer engagement.</i></p>	<p><i>Information provision via website.</i></p> <p><i>The designated organisation is embedded in the market and regularly engages industry parties. They actively coordinate industry parties via a regular (e.g. quarterly) industry forum to discuss and coordinate issues directly related to consumer engagement.</i></p>

2. Standards – Ensuring minimum expectations for the way that industry parties engage with consumers on CLF.

Regulation, codes and standards relevant to CLF (referred to as “standards” here as a catch-all description) is an important element in enabling consistency of experience, trust and a positive consumer experience to build confidence in CLF as a new and emerging market. This is especially important where consumers may be engaging with new or unfamiliar organisations for the first time for these services. Without appropriate measures in place, and a large number of new service providers with potential to enter the market, there could be a risk that consumers will be engaged, offered and sold CLF services that are inconsistent in terms of value, which could include offers that are misleading or misunderstood, with a dampening effect on CLF in the medium to long term.

The CLF market will keep developing and there may be gaps in standards that emerge, which the extant organisation designated within the framework for this scope component could help to identify and address, alongside supporting CLFOs in understanding - and ultimately complying - with current and future standards.

Supplementary to the Coordination component, the designated organisation for the Standards component should be aware of current, incoming¹⁸ and future standards relevant to CLF, and be able to provide information and explanation on them in plain English, designed to be relevant and accessible to all CLF market actors current and future, plus the range of other interested stakeholders.

In addition, adopting a holistic perspective, the designated organisation should also be able to identify any gaps in the regulatory landscape - that exist currently but also as CLF matures - to support consistency across consumer experience in relation to CLF.

Where a potential gap relates to an issue that does not directly relate to consumer engagement, e.g. technical standards for “energy smart” appliances, the designated organisation should notify government and Ofgem via its governance arrangements.

Where a gap *does* relate to consumer engagement, the designated organisation should notify as above but may also highlight such gaps at the new forum proposed under the Coordination component and support the development of appropriate solutions via that forum. By way of illustration, such gaps could currently relate to:

- CLFOs that may not be adequately covered by current or incoming regulation, codes, or standards, e.g. installers of low carbon technology;
- consumer segments that may become more exposed to potential poor consumer engagement practice, e.g. if large non-domestic CLF grows and voluntary codes of conduct like Flex Assure¹⁹ are not adopted market-wide;
- specific consumer engagement standards, e.g. considering whether elements of NESO’s Demand Flexibility Service communication principles²⁰ should be generally applicable to CLF;
- the case for standardisation of CLF language and terminology.

This is not envisaged as a new regulatory role. This scope component is primarily about information provision but also entails an ability to identify any gaps in Standards for CLF, to notify relevant stakeholders of those gaps, and to support the development of solutions where appropriate, via government, Ofgem, industry or other stakeholders. Any new measures would need to be developed appropriately so that they do not limit competition or innovation, or create additional barriers to entry in the CLF market.

For illustration, the table below sets out how the Standards component could be implemented, categorised into low, medium and high degrees of intervention.

¹⁸ See footnote 14.

¹⁹ [Flex Assure](#)

²⁰ <https://www.neso.energy/document/322186/download>

Table 3: Degrees of intervention

Low intervention	Medium intervention	High intervention
<p><i>Information provision via website.</i></p> <p><i>The designated organisation notifies HMG and Ofgem of any gaps in the Standards landscape for CLF that become apparent on an ad hoc basis.</i></p>	<p><i>Information provision via website.</i></p> <p><i>The designated organisation notifies HMG and Ofgem of any gaps in the Standards landscape for CLF that become apparent on an ad hoc basis, and highlights gaps relevant to consumer engagement at the occasional (e.g. biannual) industry forum.</i></p>	<p><i>Information provision via website.</i></p> <p><i>The designated organisation notifies HMG and Ofgem of any gaps in the Standards landscape for CLF that become apparent on an ad hoc basis, and highlights gaps relevant to consumer engagement at the regular (e.g. quarterly) industry forum, with an expectation that the designated organisation will support relevant stakeholders to bring forward appropriate solutions.</i></p>

In scope: consumer-facing potential scope

3. Advice - Providing clear information and guidance for consumers to engage in CLF.

The extant organisation designated within the framework for this scope component should provide a trusted source of information and explanation for consumers on the CLF landscape, including what CLF is, current CLF offerings, routes to access, and potential benefits (e.g. savings). This should be designed to be relevant and accessible to all consumer size and type that could consider direct participation. It should also provide information on the system-wide benefits from CLF for all consumers.

This is not limited to issues directly related to consumer engagement. It should be a general information source whose aim is to understand, translate and explain CLF in plain English, to support consistency and reduce complexity and confusion for consumers.

The designated organisation for this role should be neutral in its advice, meaning it provides insight into market offers and opportunities without prioritising any individual service provider or their offerings. By providing simple, clear and neutral advice on what CLF is and the steps to take to engage with it, the designated organisation can help to address barriers around complexity of information, terminology and market access. There could be a risk that without intervention these barriers may not be consistently addressed by the market but the burden

remains with them to do so. There is no organisation currently providing such advice to the broad range of consumer types on CLF.

Government is also considering an appropriate approach to consumer advocacy and advice services for complaints associated with the operation of the incoming load control licence²¹, as part of the wider Smart Secure Electricity Systems (SSES) licensing programme. In the April 2025 response²² to an April 2024 consultation, government recognised the link between consumer advocacy and advisory services and the wider information provision proposed for feedback here. Given the potential for overlap between the two areas, government is pausing the development of a preferred approach on advocacy and advisory services specific to the incoming load control licence, until the role for consumer engagement is further progressed through this consultation.

It is not expected that the designated organisation for the advice component in this potential framework would provide redress support but instead would signpost to the relevant bodies for accessing such support. There are a variety of different approaches that the designated organisation could take to its advisory component. A minimum intervention approach would include a website containing details of the categories of CLF offerings, routes to access these and answers to frequently asked questions on what CLF is. Additional higher-intervention approaches could also be considered, such as providing an advisory service phone line providing walk-through guidance on where to look, how to engage and where to go for support for questions, issues or concerns during use.

While we do not think that it is likely that the designated organisation would provide an individual case-handling service to support general CLF consumer engagement, such as support in relation to installation of low carbon technology or operational support on questions around adhering to CLF contractual terms, the SSES Programme will be considering whether individual case-handling will be required to support complaints associated with the incoming load control licence. Considering the need for alignment across policy measures related CLF, we want to remain open to the possibility that the designated organisation could take on this specific role, subject to further assessment.

Different consumer types will also demonstrate different levels of understanding and engagement with CLF, for example, large industrial or commercial businesses with specialist energy managers may benefit from more tailored advice.

For illustration, the table below sets out how the Advice component could be implemented, categorised into low, medium and high degrees of intervention. Information provision via a dedicated website is the minimum viable product in all scenarios but this could scale to a support line with individual advice or a full customer service centre.

²¹ See footnote 14.

²² [Delivering a smart and secure electricity system: implementation - GOV.UK](#)

Table 4: Degrees of intervention

<i>Low intervention</i>	<i>Medium intervention</i>	<i>High intervention</i>
<p><i>The designated organisation is a neutral, trusted source of advice on types of offerings and how to access. It addresses consumer FAQs and signposts routes to access redress. It does not provide financial or legal advice.</i></p> <p><i>Single channel mechanism: website.</i></p>	<p><i>The designated organisation is a neutral, trusted source of advice on types of offerings and how to access. It addresses consumer FAQs and signposts routes to access redress. The advice caters to different levels of context and understanding across different consumer groups. It does not provide financial or legal advice.</i></p> <p><i>Support is offered via multiple channels including phone-based support. May involve partnerships with relevant consumer bodies & charities.</i></p> <p><i>Multi-channel mechanism: website, limited customer support line.</i></p>	<p><i>The designated organisation is a neutral, trusted source of advice on types of offerings and how to access. It addresses consumer FAQs, and provides tailored recommendations of appropriate CLF products and services for that consumer's needs (agnostic of provider). It also signposts routes to access redress. It does not provide financial or legal advice.</i></p> <p><i>Support is offered via multiple channels including phone-based support. May involve partnerships with relevant consumer bodies & charities.</i></p> <p><i>Multi-channel mechanism: website, and full customer service and support line offering individual customer journey advice.</i></p>

4. Communications – Increasing consumer awareness on the opportunity and benefits of CLF, to achieve optimal uptake.

Adjacent to the Advice function, the extant organisation designated within the framework for the potential Communications scope component would need to be aware of the range of CLF offers on the market, key benefits and which consumer groups are being targeted. The designated organisation should amplify the CLF market and its messaging in order to increase consumer engagement, uptake and sustained participation. Any amplification via communications by the designated organisation would be a proactive role to complement the trusted information provision available “on demand” under the Advice function. The extent to which any such communications by the designated organisation should be universal or more targeted in relation to consumer size and type is to be determined - feedback is welcome on the appropriate balance between a broad and more targeted approach.

The designated organisation would not be a constraint on CLFO communications with consumers, and its role would be complementary and neutral in terms of not prioritising particular CLF offers. The designated organisation should identify and address any gaps in CLF communications, currently and as CLF matures, for example, to ensure CLF communications include messaging about the opportunity to support wider aims around clean

power, net zero and energy security. Any communications undertaken by the designated organisation ought to be compatible with the government's net zero public participation strategy, due to be published in 2025, and wider government campaigns, including related to the deployment of low carbon technology and energy efficiency. The scope of communications goes beyond awareness into uptake, as the role of the designated organisation should be to provide information which can prompt consumer decisions, including to potentially invest in low carbon technology or sign up to managed services via a service provider.

Communications could play a key role in amplifying the importance of CLF, for *all* consumers through lower system costs, including those without the capacity to flex their own demand. Without this cross-cutting organisation, there is a risk that individual service provider messaging focuses more on the individual consumer benefits, missing the wider messaging on benefits for energy security, clean power and net zero. There is also a risk that low income and vulnerable consumers are not considered in CLFO marketing.

For illustration, the table below sets out how the Communications component could be implemented, categorised into low, medium and high degrees of intervention. Communications could be delivered through a range of channel options, including television and radio adverts, online advertising, and could include elements like interactive savings calculator tools.

Table 5: Degrees of intervention

<i>Low intervention</i>	<i>Medium intervention</i>	<i>High intervention</i>
<p><i>The designated organisation does not develop and run CLF independent communications. It works with government and industry to incorporate CLF messaging into wider, existing campaigns (e.g. net zero).</i></p> <p><i>Seeks monitoring and engagement statistics from the entities running the campaigns.</i></p>	<p><i>The designated organisation creates and owns CLF-specific communications on behalf of industry to increase awareness. The communications may be segmented to target different consumer types and are compatible with wider government-linked campaigns.</i></p> <p><i>The designated organisation uses existing industry and consumer insight - including insights derived from behavioural science - to develop content, whilst also tracking and monitoring the effectiveness of communications.</i></p>	<p><i>The designated organisation has a dedicated communications and engagement function. It conducts market and consumer research to both increase awareness and maximise uptake. The communications may be segmented to target different consumer types and are compatible with wider government-linked campaigns.</i></p> <p><i>The designated organisation conducts its own market and consumer research - utilising behavioural science - to develop communications content, whilst also tracking and monitoring the effectiveness of communications.</i></p>

As noted, it is not the government's intention to create a new, specific organisation. The potential for partnership between existing organisations is particularly important in the case of a framework that could include both industry and consumer facing components, and in relation to the four components taken individually, with the potential for different skill sets.

If consideration of feedback to this consultation, and assessment against current arrangements, leads to a conclusion to proceed with detailed proposals, the government would seek to identify and propose existing entities for this framework and undertake a further detailed consultation.

Proposed out of scope of consumer engagement

Consumer protection & redress support - Robust consumer protection measures - and consumer confidence in those measures - are central elements of a well-functioning market. The government has always stressed the importance of protecting energy consumers, particularly the most vulnerable. Redress support, or alternative dispute resolution, relates to support for consumers following breaches of licence or regulatory obligations by a service provider.

In this context, the inclusion of Standards in the scope of the consumer engagement framework can be viewed as a form of lighter touch consumer protection, as it seeks to ensure minimum expectations for service providers engaging consumers on CLF now and in the future. More broadly, the aim of the other scope components, to support consistency across industry, to improve information provision on CLF for consumers, and to raise awareness of CLF, all help to improve the protection of consumers, with the view of empowering consumers via great understanding, awareness and assurance. Consumer protection in its more complete form would cover service expectations throughout the full lifecycle of engaging in CLF, supported by a comprehensive regulatory framework, with fair treatment of consumers when things go wrong. It is not envisaged that the organisation or organisations involved in the framework would be involved in the development of this wider consumer protection policy. DESNZ is introducing licensing of flexibility service providers and load controllers²³, and Ofgem has a role to ensure that sufficient consumer protection is in place for this growing market, so this will be an area for ongoing work.

Individual case working – Through its advisory services, the designated organisation will not be expected to provide individual support to consumers specifically regarding topics which are more appropriate to be managed directly via service providers. Examples of these include installation of low carbon technology or operational support on questions around adhering to CLF contractual terms. As noted, to ensure alignment across policy measures related CLF, we remain open to the possibility that the organisation or organisations involved in the framework could take on a specific role related to complaint handling associated with the incoming load control licence.

²³ See footnote 14.

Illustrative organisational landscape

The consumer engagement organisation or organisations involved in the potential framework will need to interact with a large range of parties. The designated organisation or organisations could sit at the heart of industry and consumers, whilst keeping links to Government and Ofgem through governance arrangements. Consideration of a specific model for governance and collaboration would be subject to feedback and further consultation.

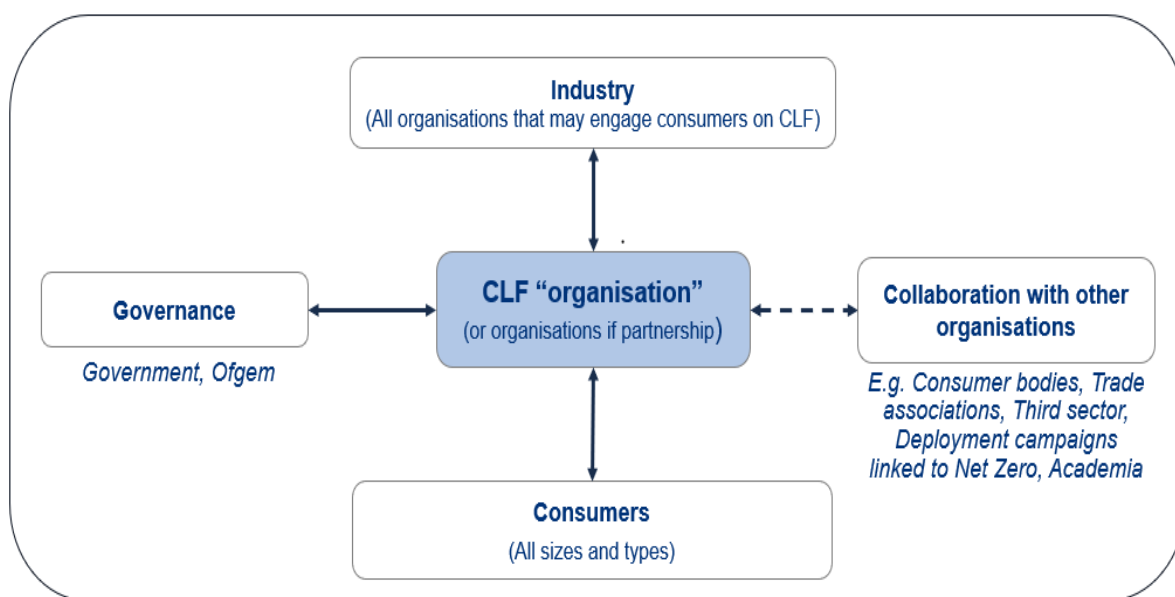


Figure 1: Potential CLF consumer engagement framework

Funding: Funding arrangements are not covered at this stage of thinking. Dependent on feedback from this consultation, and robust assessment against current arrangements, government would review the options for the funding of a potential framework as part of detailed proposals, which would be subject to further consultation.

Governance: The designated organisation or organisations involved in the framework would primarily interact with industry parties and with consumers, however there will be a role for engagement with government, and potentially Ofgem, via proportionate governance arrangements. It is proposed that, to be effective, the framework would need a clear vision for CLF and it is further proposed that it could operate broadly in line with the priorities set out in the Clean Flexibility Roadmap (and any future strategic statement that may supersede the Roadmap). The extent and nature of governance arrangements, including ongoing monitoring and stewardship of the framework against its objectives, is to be determined and will require development once a delivery model has been established. This element would also be subject to further consultation.

Consultation questions

Introductory question:

1. **Do you agree that government should be exploring how to achieve a more joined up and holistic approach to consumer engagement on CLF? Please provide supporting commentary.**

Scope of consumer engagement:

2. **The following functions are presented as desirable for an effective consumer engagement framework to have in scope. Do you agree that some or all of these functions should feature in such a framework? Please provide supporting commentary.**
 - **Coordination**
 - **Standards**
 - **Advice**
 - **Communications**
3. **Would you propose additional or alternative functions? If so, please state your reasoning.**
4. **Would you propose a particular combination of functions and degrees of intervention for those functions? Please provide supporting commentary.**
5. **To what extent do you believe that the functions presented at Q2, and any other functions as per Q3, can be provided via current arrangements? Please state your reasoning.**

Industry-facing engagement:

6. **How important is a role for coordination of industry for consumer engagement on CLF? Please state your views on how such coordination could be best achieved.**
7. **What would be the appropriate approach for a framework to ensure appropriate standards on consumer engagement for CLF are in place?**

(Note that “standards” here covers a range of mechanisms, e.g. regulation, licencing and codes of practice.)

Consumer-facing engagement:

8.
 - a) To what extent should the Advice function focus on being a trusted, neutral source of information to engage consumers on CLF?
 - b) To what extent should it go to in providing support to individual consumers as a service?
9.
 - a) To what extent should the framework focus on proactive, targeted communication activity directly to consumers on CLF, to supplement the approach to Advice, which would be available “on demand”?
 - b) To what extent should the framework focus on national or more targeted communications? If the latter, what consumer segments should be targeted and why?

Wider scope questions:

10.
 - a) What considerations should there be for assessing the cost of establishing and running a framework?
 - b) Do you have views on potential funding mechanisms that may be considered for such a framework?
11.
 - a) Do you agree that core governance arrangements should include an expectation that the framework operates broadly in line with government objectives for CLF?
 - b) To what extent (very involved, somewhat involved, not involved) should government be in ongoing monitoring and stewardship of the consumer engagement framework?
12.
 - a) Do you agree with an aim to establish the framework before the end of 2028?
 - b) If you do not agree, please indicate your preferred timeframe, including rationale for how this would be achieved?
13. Considering different consumer groups across the range of domestic and non-domestic consumers, does there need to be a different approach considered for some or all of these? Please explain for which consumer groups and why.
14. Please provide any additional feedback here.

Next steps

This consultation will run from 23 July to 19 September. As set out, it is expected that a second consultation would be required in order to seek feedback on more detailed proposals, including on existing entities that could take on the functions of the framework.

We look forward to receiving responses and are committed to continuing engagement to ensure that a balanced set of feedback from a variety of respondents can be incorporated into the next stage of development.

The government will aim to publish a response to this consultation by early 2026.

This publication is available from: www.gov.uk/government/consultations/consumer-led-flexibility-consumer-engagement

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