



UK Government

Fairer, Faster Redress in the Energy Market

Consultation on the Role and Powers of the Energy Ombudsman

Closing date: 4th December 2025

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Foreword

Families have been let down in the energy market for too long.

The rapid rise of energy prices following Russia's invasion of Ukraine brought hardship to working people across the country, exacerbated at times by poor service from suppliers at a time where their help was needed most.

Calls to Citizens Advice on energy-related issues have increased by almost ten times in the last five years.

But, at present, frustrated customers have nowhere else to go.

When complaints are raised with suppliers, they can take weeks to respond and, in some instances, may take no action at all.

This doesn't just affect customers directly. It affects all of us.

This Government is on a mission to bring clean power to the British people. This will bring down bills, end the rollercoaster price rises of recent years, and protect our way of life for future generations from the costs of unmitigated climate change.

But it relies on households having the confidence to upgrade their homes and save energy. That confidence has been shaken by their often poor experience of the market.

That's why we are acting now.

This consultation is about raising standards of performance from suppliers, and improving customers' access to quicker, easier and fairer compensation when things do go wrong.

To achieve this, we are strengthening the powers of the Energy Ombudsman, the free, impartial service that mediates between customers and their suppliers.

Based on our proposals, it will be quicker, easier and more effective for customers to contact the Ombudsman when their supplier lets them down, and the Ombudsman will have stronger statutory powers to force action from suppliers.

We are reforming our energy system so that it works for working people again. We will rebuild trust and confidence, and, in doing so, ensure everyone can feel the full benefits of clean power.

Introduction

The government has a mission to make Britain a clean energy superpower. This goal is about much more than tackling the climate crisis: it also means ensuring energy security for the future, driving job creation in the green energy sector and protecting consumers from the volatility seen in the energy market in recent years. The transition to cleaner energies can therefore be seen as a significant opportunity to reshape our energy market to meet current issues and future problems with flexibility and fairness. Building a consumer-centric market – which consumers have confidence in – is vital in supporting this goal. This means putting in place the right regulatory framework to protect consumers, engaging consumers with the transition to clean energy, and ensuring successful uptake of new technologies.

The energy retail market will play a crucial role in this transition as the entry point for consumers to engage with a changing energy system. Encouraging active engagement from consumers is vital to maximise the impact of innovative offerings, from new technologies to smart tariffs. To achieve widespread market engagement, we must ensure that consumers have confidence in the energy system to meet their needs in a rapidly evolving marketplace. Given the recent difficulties in the sector for both consumers and suppliers due to the energy crisis, positive consumer outcomes must be prioritised to build this trust in the energy system.

At the heart of building and maintaining that trust is ensuring that consumers have confidence that they will get a good service and fair treatment from their energy supplier, and that they will have access to timely redress and compensation when this is not the case. The importance of this is reflected in the government's manifesto commitment to require higher standards of performance and ensure that consumers receive automatic compensation for failure.

The government wants to improve outcomes for consumers across the energy sector, including fairer, faster redress through the service of the Energy Ombudsman (EO). The EO provides a valuable service for both domestic and non-domestic consumers, giving them access to free, impartial dispute resolution if they have a complaint that has not been resolved by their supplier. This offers a cheaper and easier alternative to litigation in such cases.

However, responses to the recent 'Review of Ofgem: call for evidence'¹ highlighted several barriers that consumers currently face when trying to access this service, including low awareness, inconvenience and long waiting times. By strengthening the powers and position of the EO and improving access to their services, we hope to remove these barriers and enable consumers to access the right support at the right time. Alongside stakeholder responses to this consultation, the 'Access for All' trial run by the EO and developed with industry will provide key insights on how to overcome these barriers.

Through this consultation we will explore areas of improvement for the EO, focusing on issues such as the enforceability of their decisions, waiting times, accessibility, the nature of their relationship with Ofgem, governance and the basis of their powers in legislation. Our goal is to ensure that consumers have fairer, quicker and easier access to redress from an Ombudsman that is accessible, transparent in their processes, and able to effectively hold suppliers to account. Any changes to the functioning of the EO will take place in the context of a broader landscape, ensuring that any changes do not have unintended consequences for other bodies

¹ [Review of Ofgem: call for evidence - GOV.UK](#)

such as Citizens Advice, the Extra Help Unit or other consumer advocacy organisations. These bodies are a key part of the support and redress landscape, offering valuable support to consumers alongside the impartial dispute resolution offered by the EO.

This consultation aims to gather feedback from stakeholders to ensure that our proposed solutions sufficiently address consumer issues, are appropriate for the role of an ombudsman and are not likely to cause unintended consequences and risks for the wider sector. We are also looking to gather insights on policy issues on which we do not currently have a preferred option, such as methods of automatic referral of consumers to the EO. We additionally welcome suggestions for alternative methods to achieve our stated consumer outcomes and enhance the consumer experience for all users of the retail energy market.

General information

Why we are consulting

This consultation focuses on complaints against domestic energy suppliers, complaints by small enterprises against non-domestic energy suppliers and complaints against heat networks. It will not focus on electricity and gas distribution networks, where there is not currently evidence of consumer detriment to justify an intervention, nor on Third Party Intermediaries (TPIs), on which government has recently consulted separately. Where responses are related to heat networks, please only answer in the specific heat networks section. Where your responses are specific to only domestic or non-domestic complaints, please make this clear in your responses.

Consultation details

Issued: 23/10/2025

Respond by: 4/12/2025

Enquiries to:

Retail Energy Markets & Consumers
Department for Energy Security and Net Zero
5th Floor, 3-8 Whitehall Place
London
SW1A 2EG
Email: redressconsultation@energysecurity.gov.uk

Consultation reference: Fairer, Faster Redress in the Energy Market

Audiences: This consultation will be of particular interest to members of the public, consumer groups, industry and trade bodies, thinktanks, and energy suppliers.

The consultation will also be of particular interest to the heat network industry and those with a broader interest in the decarbonisation of heat, including consumer advocacy groups, industry trade associations, local authorities, housing associations, managing agents, property management companies, and developers, landlords, building owners, and heat network consumers.

Territorial extent: This consultation applies to Great Britain. Responsibility for the gas and electricity supply market in Northern Ireland lies with the Northern Ireland Executive's Department for the Economy.

How to respond

We encourage respondents to make use of the online e-consultation wherever possible when submitting responses, as this is the government's preferred method of receiving responses. However, responses in writing or via email will also be accepted. Should you wish to submit your main response via the e-consultation platform and provide supporting information via hard copy or email, please be clear that this is part of the same consultation response.

Respond online at: <https://energygovuk.citizenspace.com/energy-security/fairer-faster-redress-in-the-energy-market>

or

Email to: redressconsultation@energysecurity.gov.uk

Write to:

Retail Energy Markets & Consumers
Department for Energy Security and Net Zero
5th 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](https://www.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.

The Context

Background

The government wants to create an energy system which works better for consumers. This includes robust consumer protections, access to innovative products and services, and fair treatment. It also includes ensuring that consumers have access to faster and easier redress when things have gone wrong. This reflects the government's manifesto commitments to hold energy companies to account for wrongdoing, to require higher standards of performance, and ensure there is automatic customer compensation for failure. Making it easier for consumers to access a strengthened Energy Ombudsman will be crucial in delivering these commitments.

The Role of the Energy Ombudsman

The Energy Ombudsman (EO) is an independent, not-for-profit company approved by Ofgem as a redress scheme for retail energy complaints about suppliers. As the provider of a redress scheme, the EO resolves complaints impartially, rather than seeking to advocate on behalf of either party and provides a cheaper, faster alternative to the courts as a way of settling disputes.

Ombudsman schemes are one way for consumers to achieve redress. All ombudsman schemes belong to the Ombudsman Association (OA) which sets out criteria which must be met to qualify as an ombudsman: independence; fairness; effectiveness; openness and transparency; and accountability.

The role of the EO as a redress provider is underpinned by several pieces of legislation. Ofgem has approved the EO as the provider of a redress scheme in the retail energy market under the Consumers, Estate Agents and Redress Act (CEARA) 2007. Energy suppliers are required by statutory order to be members of a redress scheme, as per CEARA 2007. Ofgem then approved the EO as the provider of an Alternative Dispute Resolution scheme under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

Ofgem is responsible for assessing every two years whether the EO still meets the approval criteria under which they were appointed as a recognised redress scheme. The most recent review was published in 2024 and highlighted several areas for improvement that are considered within this consultation, including consumer awareness of rights and processes, accessibility for consumers, and reporting of systemic issues to Ofgem.²

Before accessing the EO, consumers must first lodge a complaint with their supplier. They can then escalate their complaint only when they receive a deadlock letter, in which a supplier states that they are unable to offer any further assistance, or after 8 weeks. An EO decision is

² [Biennial assessment of the Ombudsman Services under the Alternative Dispute Resolution \(ADR\) Regulations 2021-2023 | Ofgem](#)

typically reached within 6 weeks from the EO receiving evidence from both parties. Once a decision has been made and accepted by the consumer, it is binding on the supplier, who has 4 weeks to implement this decision.

The role of the EO has already expanded in recent years so that they can be accessed by more consumers. From December 2024, small businesses are now able to seek redress through the EO. Small businesses were defined as:

- with an annual consumption of electricity of not more than 200,000 kWh or
- with gas of not more than 500,000 kWh, or
- with fewer than 50 employees (or their full time equivalent), and an annual turnover not exceeding £6.5 million or a balance sheet total not exceeding £5 million.

These changes mean that 99% of businesses are now able to seek redress from the EO.³ Given that this decision was made only recently, we do not believe that there is a case to revisit the eligibility thresholds for which non-domestic consumers can access the EO.

From 1 April 2025, the remit of the EO has been further expanded to include complaints against heat networks. Ofgem's regulation of the heat networks sector will begin to phase in from January 2026.

The EO also has a role in the Third-Party Intermediaries (TPIs) market. TPIs in the energy sector are organisations or individuals that help consumers - especially businesses - buy energy and manage their energy needs by providing advice on energy tariffs and services. TPIs can include energy brokers, switching websites and energy efficiency advice providers. The EO is not the only redress scheme provider in the TPI space and the nature of regulations in the TPI market has already been consulted on separately. The role of the EO in relation to TPIs will therefore not be covered by this consultation.

While the EO also provides redress for complaints against gas and electricity distribution networks, this includes only a small number of complaints (roughly 100 per year) and we have not seen evidence of consumer harm to justify an intervention. Therefore, we are not including the EO's role in considering complaints against gas and electricity networks within this consultation.

The Issue

Respondents to the recent '[Review of Ofgem: call for evidence](https://www.gov.uk/government/consultations/new-threshold-for-businesses-accessing-the-energy-ombudsman)' identified that low levels of awareness about the EO and the length of the process may be deterring consumers who would benefit from accessing the EO's service. Suppliers are currently required to signpost consumers to the EO when a complaint has been unresolved for 8 weeks. However, consumers are still often unaware of the support the EO provides or how to escalate their

³ <https://www.gov.uk/government/consultations/new-threshold-for-businesses-accessing-the-energy-ombudsman>

claim, with evidence of correct signposting found in only 45.1% of cases where a consumer had contacted the EO in Q2 of 2025.⁴

Respondents also expressed a concern that the EO lacked effective powers to enforce its own decisions. While the EO's decisions are contractually binding on suppliers via a framework agreement, the EO has no direct power of enforcement where a supplier either does not implement decisions on time or at all. In these situations, if a consumer wants to pursue an unresolved complaint, then their only option is to take their case to court. This risks creating a perception that the EO is unable to compel suppliers to act and therefore unable to deliver effective redress for consumers.

While the EO can notify Ofgem where suppliers have not implemented remedies, Ofgem must then make independent decisions about how to prioritise their enforcement resources based on consumer detriment. Ofgem's role in compliance and enforcement focuses on addressing systemic issues within the energy market rather than isolated individual complaints. Ofgem is not expected to act on every case the EO highlights for non-compliance. To do so would be highly resource-intensive, increasing system costs, and would require a different enforcement model to the one they currently operate. However, when widespread or repeated failures are identified, Ofgem may take action.

Consumer Complaints

During the energy crisis, the number of complaints by consumers against energy suppliers increased significantly, reaching a peak for domestic consumers of 1,958 complaints per 100,000 consumers on average in Q1 2023⁵. The most common subjects of complaints in 2023 according to the EO were billing issues, smart meters and customer service.⁶ Where there are high volumes of complaints, this can reflect a gap between consumer expectations and industry performance and a potential problem of trust in the market.

Suppliers have been making progress in tackling the source of complaints, with domestic complaints falling to an average of 1,052 per 100,000 consumers in Q2 of 2025, down by just over 46% from their peak in Q1 of 2023.⁷ Complaints going to the EO have also fallen by 25% in the first half of 2025 compared to the same period in 2024, suggesting improvements in suppliers' management of complaints.⁸ Levels of consumer trust have also been gradually improving. While trust in energy suppliers dipped during the energy crisis from just below 40% in March 2022 to a low of around 35% in July 2023, this has improved to 41% in January/February 2025.⁹ At the same time, Ofgem's latest Energy Consumer Satisfaction Survey indicates that average overall domestic consumer satisfaction is the highest on record, with consistent improvements across a range of customer service metrics.¹⁰ This highlights the

⁴ [Energy-Ombudsman-Q2-2025.pdf](#)

⁵ [Customer service data | Ofgem](#)

⁶ [Energy Ombudsman Reports 24% Drop in Complaints | Energy Ombudsman](#)

⁷ [Customer service data | Ofgem](#)

⁸ [Energy Ombudsman sees consumer complaints fall by... | Energy Ombudsman](#)

⁹ [Consumer impacts of market conditions survey: wave 6 \(January to February 2025\)](#)

¹⁰ [Energy Consumer Satisfaction Survey: July to August 2025 summary | Ofgem](#)

good work that is being done by suppliers, offering a foundation for further improvements. However, we also believe that consumers are still being let down too often.

The best outcome for consumers is where they do not need to raise complaints and receive high quality service from their energy supplier. Where complaints do happen, they should be dealt with quickly and effectively by suppliers. Where this is not possible, consumers should receive the right support for them at the right time, whether this is from their supplier, the EO or from consumer services such as Citizens Advice, the Extra Help Unit (a service managed by Citizens Advice Scotland to provide more intensive support for vulnerable consumers), Advice Direct Scotland or charities such as the Money Advice Trust. We believe that each of these organisations have an important role to play in supporting consumers.

Review of Ofgem

In December 2024, government launched a comprehensive review of Ofgem with the aim of creating a regulator fit for the future which puts consumers first and attracts investment to make Britain a clean energy superpower. This helps to deliver the government's election manifesto commitment to strengthen the regulator to ensure they can hold companies to account for wrongdoing and require higher standards of performance.

The review of Ofgem has considered how the regulator can best support an energy market where innovation and high standards help drive better products and services for consumers, giving them more options to make choices more suitable for their circumstances. It also includes the role of the regulator in promoting healthy, sustainable competition, with effective regulation supporting economic growth and delivering better outcomes for consumers. Restoring trust in the energy market is a critical part of this, because without consumer trust we cannot deliver the transition to clean power.

One key element of consumer trust is the confidence that issues will be resolved efficiently when things do go wrong. As part of the review of Ofgem, we recognised the important role of the EO in resolving disputes. We noted that we would consider the 8 weeks that consumers must wait before escalating a complaint, the EO's enforcement powers, and the role of Ofgem in ensuring that consumer complaints are investigated fully with any remedies implemented promptly and in full. Following stakeholder feedback on these topics, this consultation brings forward specific proposals for reform.

Government will publish a report of findings and final recommendations from the review of Ofgem later this year. This follows a Call for Evidence which closed in February 2025, through which stakeholders provided a wide range of views, and after which government has been working to refine options and develop a set of proposals which support the intended outcomes of the review.

Other Policy Initiatives

Beyond strengthening the EO and undertaking the Ofgem Review, government and Ofgem are taking forward a range of actions to improve outcomes for energy consumers. Collectively, these will ensure consistent, high standards for consumers irrespective of how they engage with the energy market, whether through a supplier, a heat network provider, or an energy broker. These actions include:

Ofgem's Consumer Confidence Programme

In September 2024, Ofgem launched their Consumer Confidence programme, setting out their ambition for the energy sector to match the highest-performing industries in customer service excellence. The programme acknowledges the evolving nature of the supply market and the need for a future-proof regulatory framework—one that protects consumers while enabling competition, innovation, and growth. Central to the programme is the identification of the outcomes that energy suppliers should deliver for consumers, alongside a reassessment of how Ofgem's regulatory tools can be used to achieve these goals. To support this, Ofgem will soon publish a Call for Input seeking stakeholder views on a proposed set of Consumer Outcomes and how these could be embedded within the regulatory framework.

As part of this broader initiative, Ofgem will also be issuing a separate Call for Input focused on the Guaranteed Standards of Performance (GSOPs) for suppliers. These standards serve as a key regulatory mechanism, setting minimum expectations for service delivery across critical areas. Where suppliers fail to meet these standards, consumers are entitled to automatic compensation. Notably, the standards have not been reviewed since 2015. Ofgem will be seeking early views on their role, scope, design, and operation to ensure that the GSOPs continue to work effectively and help to deliver good outcomes for consumers. This review will be closely aligned with Ofgem's wider work under the Consumer Confidence programme, ensuring that any changes to the standards reflect the ambition to deliver better outcomes for all energy consumers.

Third-Party Intermediaries

The role of TPIs, such as energy brokers and price comparison websites, is to help consumers navigate the energy market and secure energy contracts that meet their needs. However, not all TPIs are living up to this ideal, particularly for small business consumers. The government has a bold vision for the future of the TPI market and its role in promoting market engagement, enabling consumers to benefit from system transformation, and driving competition to deliver better outcomes for energy consumers.

The EO currently operates the largest redress scheme for energy brokers with around 1,800 registered brokers in 2024.

The government launched a consultation last year to gather additional evidence on risk and harms, as well as to seek views on proposals to regulate the TPI market. The government's response to the consultation on regulating TPIs has been published alongside this document.

Clean Flexibility Roadmap

The Clean Flexibility Roadmap was published in July 2025. Developed by the government, Ofgem and NESO, alongside energy industry stakeholders and consumer groups, the Roadmap commits named organisations to specific, timebound actions to unlock flexible electricity capacity. It establishes an enduring governance framework to facilitate implementation, through tracking progress, holding action owners to account, and enabling further measures to be taken where required. It also announced the appointment of a Flexibility Commissioner to drive progress and unblock barriers.

In the Roadmap, the government set out its vision for clean electricity flexibility. Great Britain will be powered by a smart, secure, and decarbonised electricity system with clean flexibility at its core. This vision is of a future where flexibility is not just a technical solution – it is a foundational principle shaping a resilient, low-cost, and consumer-driven energy system. Flexibility will be embedded throughout the system – from households choosing rooftop solar, home batteries and smart tariffs, to businesses earning revenue from small fluctuations in their power use, to large-scale storage and low carbon dispatchable generation responding to system needs in real time. 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. Businesses and households alike will benefit from a more predictable and affordable energy landscape.

Heat Networks

Heat networks are to be fully regulated for the first time, following passage of the Energy Act 2023. The aim of regulation is to provide heat network consumers with similar protections to those in the retail gas and electricity sector.

Statutory advice and advocacy, through Citizens Advice and Consumer Scotland, and redress, through the EO were introduced for heat networks consumers on 1 April 2025. Heat network suppliers now have a statutory duty to register with the EO, to allow fair and impartial arbitration of disputes between consumers and their supplier.

In January 2026, Ofgem will become the market regulator for heat networks. Heat networks will be required to register and comply with Authorisation Conditions. Ofgem will have powers to investigate unfair pricing, introduce consumer protection standards and ensure that consumers' heat supply is maintained if their supplier goes out of business.

Mandatory technical standards will also be introduced, building on existing industry-led initiatives to ensure that new and existing heat networks are designed, built, and operated at a good standard. The approach to technical standards is currently being piloted, and we are planning to consult on the Heat Network Technical Assurance Scheme later this year. Mandatory technical standards are due to be phased in over time once policy proposals have been finalised.

Retrofit / Energy Efficiency

In January 2025, following the discovery of poor-quality solid wall insulation installations under the ECO4 and Great British Insulation schemes, Ministers initiated an ambitious, sector-wide transformation of standards, oversight, and consumer protections for energy efficiency and low carbon heating retrofit work.

To address that and to create a clear, more comprehensive system of consumer protection, the government is taking forward reforms in the home upgrade and low carbon heat consumer protections landscape. Further detail will be provided in the upcoming Warm Homes Plan. These initiatives are separate from the reforms detailed in this consultation and will be subject to a separate consultation.

Consumer Energy Debt Advice (CEDA) Service

Government recognises the need for effective debt advice and has worked with Citizens Advice to establish a new Consumer Energy Debt Advice service (CEDA). This will be a telephone-based service targeted at households and small businesses with energy debt, to consider their budget holistically and help them to pay for their ongoing energy consumption. This service will be operated by Citizens Advice, Money Advice Trust and StepChange.

The Proposals

Escalating complaints to the EO

Barriers to accessing support

The best outcome for consumers and suppliers is where high-quality and efficient customer service prevents complaints arising. Then, when complaints do arise, they should be easy to raise and quickly resolved. Consumers should receive clear guidance about the process, how long they will need to wait for a response, and how their complaint will be handled.

Communication should be sensitive to consumers' circumstances, including where a consumer is vulnerable or requires additional assistance, and should recognise the stress they may be experiencing. This is particularly the case around billing issues, where consumers may have received an unexpectedly high bill, or where a consumer is at risk of going off energy supply. A supplier should then work to resolve complaints quickly and efficiently, providing appropriate updates and reaching a resolution which is satisfactory for consumers.

An effective supplier complaint process should be able to handle the vast majority of customer complaints without escalation to another organisation. However, some complaints will require escalation where they are complex, where consumers need additional support, or where suppliers have not taken the necessary steps to resolve a complaint. In these instances, effective referral of consumers to the right support services at the right time is crucial to a functional complaints process. Whether this is referring consumers to the EO, Citizens Advice, EHU, or other support services, clear pathways and mechanisms should be available to ensure that consumers receive the support they need.

The EO is a key part of this landscape of organisations, and we believe that more consumers could benefit by accessing the redress service provided by the EO. We currently see several barriers to greater access to the EO, including:

- Low awareness of the services available for support
- Inconvenience in having to pursue multiple complaint avenues
- Long waiting times for resolutions

Low awareness:

The first barrier to consumers accessing redress through the EO is low awareness, with consumers often unaware of the service which the EO provides and how it works. Low awareness of the available support network is a significant barrier that must be overcome for the complaint journey to function effectively. Under existing supplier licence conditions, suppliers are required to signpost consumers to additional services when a complaint has been unresolved for 8 weeks or when a deadlock letter has been sent because the supplier and consumer cannot agree a way forward.

Currently, only 45.1%¹¹ (overall sector signposting rate) of cases that went to the EO were correctly signposted, highlighting the significant work that remains to be done by suppliers to ensure consumers are being correctly advised about where to receive further support. This leaves many consumers unaware of their right to assistance from additional support services, creating a barrier to effective complaint resolution.

Effective signposting will allow consumers to identify the right service for their needs. The EO, which offers impartial dispute resolution, is not necessarily the correct point of escalation for all consumers, with other services such as Citizens Advice and EHU providing consumer advice and support. Signposting therefore must reflect the needs of the consumer and ensure that people are informed of the variety of services they have available to them.

Inconvenience:

A second barrier to consumers accessing redress through the EO is the inconvenience of escalating their complaint to the EO. If a consumer's complaint remains unresolved by their supplier, then the onus is placed on the consumer to identify and contact another organisation. They will need to learn about the complaint process for the new organisation and explain the details of their case again, including supplying evidence. This comes on top of the inconvenience they experienced while their supplier had been unable to resolve the complaint to their satisfaction. This may deter a consumer from pursuing their complaint, leaving them frustrated by the process and unsatisfied with the outcome.

Our proposals for the first and second barriers are to look at options for 'automatic referral.' These include:

- **Advanced signposting:** This could entail improving signposting by suppliers through a range of mechanisms such as a URL or QR code that automates referral to the EO.
- **Auto-onboarding of consumer details:** This could entail key details of a consumer's complaint being automatically passed on by their supplier to the EO where the consumer has consented, taking some of the burden away from the consumer in the complaint process.
- **Pro-active outreach:** This could entail the EO proactively reaching out to consumers to determine if they wish to escalate their complaint, building awareness and providing clear, easily digestible information about how the process would work.

We would expect advanced signposting or proactive contact to take place only once the waiting time for referral to the EO had been reached (currently eight weeks). These measures would seek to address key areas of friction such as repeating case details, not knowing who to contact or how to do so, and reservations over starting another claim process. They would help to increase awareness of the EO's service or to reduce the burden on consumers to understand and navigate existing processes for complaint escalation.

¹¹ [Energy-Ombudsman-Q2-2025.pdf](#)

Some of the proposals regarding automatic referral will be tested in an 'Access for All' trial currently being run by the EO. This voluntary trial, developed following engagement with suppliers and consumer groups, will test some of the options described above. This trial should generate valuable evidence about how best to remove the barriers for those consumers who would benefit from accessing the EO, including real-world data about consumer satisfaction and outcomes.

Any increase in the volume of cases going to the EO will result in some additional costs for suppliers as the EO charges suppliers a fee for each case. However, clearer, easier pathways for consumers to access the EO will ensure that more consumers can access redress when they have been let down, building consumer trust and confidence. We also believe that these proposals could incentivise suppliers to resolve complaints more quickly and completely, further improving consumer outcomes. As well as providing evidence about the experience of consumers, the 'Access for All' trial may also generate insights into the cost implications of these options for suppliers. We will consider the evidence generated by this trial alongside stakeholder feedback to this consultation as we make decisions on future arrangements.

Questions:

- 1. Which of the options for tackling barriers to accessing the EO's services do you support? Please evaluate the advantages and disadvantages, particularly in relation to consumer benefit. Where possible, provide evidence or examples.**
- 2. What potential unintended consequences do you anticipate from implementing the above options? Please substantiate your response with evidence or examples.**
- 3. Can you identify other ways to overcome barriers to accessing the EO's support not listed above? Please explain the relative merits of these options.**
- 4. Are there any other barriers to consumers accessing the EO that we should seek to remove? How should those barriers be removed?**

Long waiting times:

The third barrier to consumers accessing the EO is long waiting times. The existing consumer complaint journey can be lengthy, especially where a supplier is unable to satisfactorily resolve a complaint and a consumer must seek redress from the EO. The consumer first raises a complaint to their supplier who has 8 weeks to resolve the issue before a consumer can be referred to the EO, unless they are provided with a deadlock letter.

The consumer must then take their complaint to the EO themselves. Once the EO has received evidence from both the consumer and supplier, most consumers then receive a decision from the EO within 6 weeks. The EO's existing targets aim for 95% of initial decisions to be made within 6 weeks and 99% to be made within 8 weeks of receiving evidence from both parties. Suppliers then have 4 weeks to implement the EO's decisions. Based on the most recent full year of data (2024), over 7% of decisions are implemented late with just under 1% of cases still to be implemented. Where decisions are implemented late without an agreed

exception from the EO, it typically takes over 2 additional weeks for consumers to receive redress. This goes up to over 9 additional weeks where an exception was agreed.

If a consumer waits 8 weeks before referring their complaint to the EO, then 6 weeks before an EO decision, and a further 4 weeks before the decision was implemented, their complaint journey would still take as long as 18 weeks to be concluded.

Such long waiting times may lead to consumers becoming jaded or abandoning their complaint due to the protracted process, leaving problems unresolved and consumers worse off.

Our proposals for tackling this barrier are:

- **Reducing the time consumers must wait for referral to the EO to 4 weeks**
- **Reducing the amount of time the EO has to make a decision to 4 weeks**

Digital communication has significantly increased the speed of consumer interactions, and we believe that the standards set for industry should keep pace. We therefore believe that – in most cases – 4 weeks should be sufficient time for a supplier to resolve most complaints before a consumer should need to take their case to the EO. Such a reduction in waiting times would help ensure that consumers are receiving resolutions to their problems more quickly, reducing consumer detriment and building confidence in the market. In Q2 of 2025, the majority of suppliers in the domestic market were resolving over 90% of complaints within 8 weeks. Some suppliers were able to resolve 100% of complaints within this time, with the lowest performers at 79%.¹² This suggests that it is possible for suppliers to resolve almost all complaints within 8 weeks and we believe that shortening the period before consumers can escalate their complaints to the EO could successfully incentivise suppliers to resolve more complaints more quickly. We would welcome feedback from stakeholders on whether this is also the case throughout the non-domestic market, where greater complexity in contracting practices and operations may make complaint resolution slower.

We also believe there may be opportunities to accelerate the process once a complaint has been received by the EO. The EO has confirmed they can reduce their own time taken to reach a decision to 4 weeks. We welcome the views of stakeholders on whether the EO should reduce their own target to reach decisions to 4 weeks.

Such reductions would encourage more consumers to seek redress and follow through with their complaints, where previously they may have been discouraged by the time that they would need to wait. Further, incentivising suppliers to resolve more complaints more quickly would also serve to improve the relationship between consumers and suppliers, building trust in the market.

In some instances, especially in complex cases, it may not be possible for suppliers to adequately resolve a complaint within the proposed 4-week timescale due to factors outside of the supplier's control. Where this is the case, we do not believe that it is in consumers' interests for complaints to be escalated before a supplier has had appropriate time to resolve

¹² [Customer service data | Ofgem](#)

them. This could see complaints taking longer to resolve or add confusion because of the start of a new process involving the EO. This would undermine our objective of ensuring that the EO is playing the right role for the right consumers at the right time. Nor should suppliers bear additional costs, which would then be passed on to consumers, when they cannot be held responsible for resolving a complaint within these shortened timescales.

We are therefore keen to identify where there may be potential exceptions to the shortened timescales, such as where consumer complaint resolution relies on the involvement of industry bodies that have fixed response times. We welcome the views of stakeholders about whether consumers would find it easy to understand and navigate a complaints journey in which there were certain circumstances in which they had to wait longer to refer a complaint to the EO. One alternative would be to limit complexity by reducing the period of time that consumers must wait to 6 weeks for all cases, rather than applying a system of exceptions. We also welcome views on the approach taken in other sectors, which may reflect the circumstances of those markets, including the nature of complaints.

For example, Ofcom recently reduced the time before domestic and small non-domestic consumers could escalate a complaint against a communications provider to a redress provider from 8 weeks to 6 weeks.¹³ Ofcom found that only a relatively small proportion of consumers whose complaint was unresolved after 6 weeks had their complaint addressed in the subsequent 2 weeks. Ofcom judged therefore that the window before complaints could be taken to redress providers should be shortened.

Another alternative approach is seen with the Financial Ombudsman Service (FOS) where they permit a consumer to escalate a complaint which is about payment services such as bank transfers, direct debits, or about electronic money after only 3 weeks (15 business days). In exceptional circumstances, companies have up to 7 weeks (35 business days) before these complaints can be escalated to the FOS, but the company must still respond to a consumer within 3 weeks explaining when they will reply in full. We welcome suggestions for such alternative approaches that may benefit energy consumers.

We believe that shortening the period of time that consumers must wait before escalating a complaint to the EO to 4 weeks, including exceptions for certain kinds of complex case, reflects the added speed of digital communications and will allow consumers to access faster redress.

Questions:

- 5. Do you agree with shortening the waiting time before a consumer can refer their complaint to the EO to 4 weeks with exceptions? Please describe any advantages and/or disadvantages for consumers and suggest alternative approaches you think may be more effective, providing evidence or examples. Evidence about the proportion of complaints resolved after 4 and 6 weeks may be of particular use.**
- 6. What are some examples of valid exceptions to these shortened timescales? Please explain how any proposed exceptions would avoid disadvantaging consumers.**

¹³ <https://www.ofcom.org.uk/phones-and-broadband/service-quality/review-of-adr-in-the-telecoms-sector2>

7. **Do you agree that the EO should reduce their target to reach a decision to 4 weeks? What are the advantages and/or disadvantages for consumers.**
8. **Are there any other interventions we should consider to secure faster redress for consumers through the EO process?**

Remedies

Enforcement powers

The Ofgem Review Call for Evidence noted a perception amongst some stakeholders that the EO lacks effective powers with which to enforce their decisions. Around 92% of the EO's roughly 93,000 decisions in 2024 were implemented on time with over 7% implemented outside the accepted 28-day window and just under 1% of cases not fully implemented.¹⁴ This is an average across the market and the degree to which remedies are implemented on time and in full does vary significantly between suppliers. Such a large proportion of EO decisions being implemented on time indicates a significant effort from most suppliers to act in good faith, with the majority of consumers receiving the redress or remedies required by the EO.

While roughly 1% of decisions not being implemented may appear small, this means that there are almost a thousand cases each year where a consumer has not received redress after the EO has decided in their favour. With the addition of the over 7% of decisions that are implemented late, this equates to around 7,500 consumers receiving their remedies late or not at all. This suggests that additional measures are required to ensure the timely delivery of EO decisions and full compliance. Without a robust process for ensuring complete and prompt implementation of consumer remedies, there is a risk of consumers losing faith in the energy market's ability to effectively handle consumer complaints and issues, negatively impacting the reputation of both suppliers and the EO.

All consumers should be confident that, where the EO has made a ruling in their favour, it will be acted upon. At present, EO decisions are contractually binding on suppliers via a framework agreement, yet the EO has no direct power of enforcement where a supplier does not comply. While the EO provides consumers with an alternative to litigation, the role of an ombudsman is not to replace judicial processes, and, rightly, it is not within the remit of an ombudsman to take a supplier to court on behalf of a consumer. Consumers would therefore have to consider whether to take their own case to court if suppliers fail to implement a decision. We do not believe that this is an acceptable outcome for consumers, who should not have to endure the stress and inconvenience of going to court at the end of an already lengthy process. Further, this risks creating a perception that the EO cannot compel suppliers to act.

While Ofgem has acted in the past against specific suppliers for failure to implement EO decisions correctly, it would not be appropriate for Ofgem to involve itself on a case-by-case basis to ensure the decisions of the EO are implemented. Given the finite resources available to Ofgem, the average remedy of £145 and the complexity of remedies (which may include

¹⁴ Information provided by the Energy Ombudsman

additional non-financial measures required to put the situation right), pursuing individual cases does not represent value for money as it would drive up costs without significant benefit for consumers. Instead, we believe that the EO may be a more appropriate candidate for such action.

Penalty Powers for Redress Schemes

We therefore propose the introduction of financial penalties for non-implementation of decisions made by the EO in their role as provider of a redress scheme, administered by the EO. Our preferred approach is a system of escalating penalties for late implementation of individual remedies to be levied against suppliers by the EO and paid to the consumer. A remedy would be late if it had not been implemented within 28 days, unless an extension had been agreed by the EO. Any extensions would be provided on a case-by-case basis, according to agreed principles. Non-payment of financial penalties would represent a serious breach that could then be enforced by Ofgem against the supplier in the event of systemic or widespread non-payment.

To deliver this, the EO would be designated in statute as a provider of a redress scheme for the retail energy market and designated redress schemes within energy would be given specific powers to penalise suppliers who had not implemented remedies on time or in full.

We are considering the primary powers necessary to deliver this policy. To the extent that new primary powers are required, we will seek to identify an appropriate legislative vehicle which will be dependent on parliamentary time.

One example from another sector of how penalties for late fees may be applied is seen with the FOS, which can charge suppliers interest on late remedies. While previously set at 8%, this rate has recently been revised to track the Bank of England's base (average) rate +1%.¹⁵ However, given that one of our aims is to make redress easier and more accessible for consumers, a fluctuating interest payment may add unnecessary complexity for consumers.

Another example is the flat rate that the EO currently charges suppliers for late implementation to recoup its administrative costs. This payment starts at £50 per overdue remedy each month where suppliers have some remedies outstanding, increasing to £100 for more widespread infringements. These payments currently go to the EO rather than the consumer. A similar regime where consumers would receive, for example, a payment of £50 a month from suppliers where a remedy has not been implemented, escalating to £100 after a period of 3 months would provide a clear incentive for suppliers to implement remedies on time, while keeping redress provisions clear and accessible for consumers.

Other ombudsman schemes incentivise market participants to implement rulings in other ways, which reflect the nature of the sectors in which they operate. For example, The Property

¹⁵ [Financial Ombudsman Service announces change to compensation interest levels – Financial Ombudsman service](#)

Ombudsman, which considers complaints by consumers against registered estate agents, letting agents, and property management agents, uses the threat of expulsion from their scheme to incentivise compliance. The option of expulsion is currently not available within retail energy under Section 49(3)(a) of the Consumer, Estate Agents and Redress Act 2007, and we do not consider that introducing this lever would be appropriate here. As the EO is currently the only available redress scheme, expelling a company from the scheme could prevent millions of other consumers, who may have live complaints and who would benefit from the service of an EO, from accessing redress. Further, given the obligation on suppliers to be participants in a scheme, expulsion would threaten suppliers' continued participation in the market. This may only be a proportionate response in instances of serious non-compliance, where Ofgem's intervention, following compliance and enforcement guidelines, may instead be more appropriate.

Other ombudsman schemes also include the opportunity for a greater role for the courts in ensuring the implementation of rulings. For example, the establishment of the Housing Ombudsman Service (HOS) and the proposed establishment of a Private Rented Sector Landlord Ombudsman include provision for the Secretary of State to authorise the Ombudsman to apply to a court so that the Ombudsman's determination may be enforced as if it were an order of a court. This would follow only after an escalating series of interventions, and the HOS has never applied to the Secretary of State to have a determination enforced by a court in this way. This consultation already includes a proposal to increase the weight of the EO's decisions so that market participants have a legal obligation to implement rulings. At present, we do not believe that a power for the EO to apply to a court for the implementation of a ruling is necessary within this sector. Redress schemes, including ombudsman schemes, seek to provide a quicker, easier alternative to court, and where possible seek to resolve issues without recourse to the court system.

The social rented housing sector has a regulator, the Regulator of Social Housing (RSH), which sets consumer standards that social housing providers must meet and the HOS and RSH work together towards the resolution of issues.¹⁶ While certain types of social landlords must register with the RSH, it does not licence and oversee market participants in the same way as Ofgem. We believe that we should pursue opportunities for more formalised working with Ofgem, alongside the other measures in this consultation, before considering the introduction of a greater role for the courts within this sector. However, if it were the case that the rate of non-implementation of rulings remained higher than expected following the introduction of other proposals, we would consider revisiting this question.

Guaranteed Standards of Performance

An alternative approach to achieve a similar outcome is through existing automatic compensation mechanisms. Ofgem is currently reviewing the Guaranteed Standards of Performance (GSOP) framework to ensure that redress is set at the right level and that GSOPs

¹⁶ <https://www.gov.uk/government/publications/memorandum-of-understanding-between-regulator-of-social-housing-and-the-housing-ombudsman>

are covering the right issues. This includes considering whether the non-implementation of rulings by the EO should be included within Standards of Conduct and therefore requiring automatic compensation to be paid by the supplier to the consumer.

The EO levying penalties on suppliers for non-implementation of rulings and the expansion of the GSOP automatic compensation framework are alternative ways of achieving a similar outcome. Each involves compensating consumers for inconvenience and incentivising suppliers to deliver the best outcomes. Therefore, introducing both measures would be duplicative, and we will work with Ofgem to ensure that the appropriate mechanism is introduced, avoiding any risk of 'double punishment'.

Each of these options have merits. GSOP payments are a clear and established mechanism for ensuring that consumers are fairly compensated for failings in a timely manner. However, there may be a need for discretion about when a supplier should be granted an extension. It may therefore be preferable for the EO to apply individual judgement when administering penalties rather than relying on a compensation framework which requires clear rules implemented automatically. There may also be greater scope for flexibility in penalties being administered through the EO scheme, especially where the detail is set out in the scheme rules following consultation with stakeholders. The EO administering penalties also clarifies their role for consumers as a body which is responsible for ensuring that decisions are implemented and redress delivered. In their responses to this consultation, stakeholders may wish to note the relative merits of these approaches, but decisions on GSOPs are a decision for Ofgem, to be considered as part of their review of the GSOP framework.

Design and Implementation

While Ofgem does not enforce on a case-by-case basis, they have taken action where suppliers have systemically failed to implement EO rulings, alongside other infringements. As such, there could be a risk of a supplier receiving penalties from the EO and then subsequent enforcement action from Ofgem for the same failure to implement remedies. This would be considered as part of Ofgem's Statement of Policy with respect to Financial Penalties and Consumer Redress, and within any future penalties framework for the EO, to prevent duplicative action being taken.

The EO already receives payment through their existing framework for the additional work imposed by late implementation of remedies. The consumer, however, currently receives no additional compensation for the inconvenience caused by a delay in remedy implementation. We therefore expect that any additional penalties would be paid directly to the consumer and would be calculated to reflect the inconvenience experienced by the consumer. We also expect that a penalties framework would be sensitive to the circumstances and include opportunities for the EO to provide exemptions where appropriate. Penalties could either be set at a flat rate, or as a percentage of the award where the EO has made a financial award. The EO would work with Ofgem, suppliers and other key stakeholders before setting the level of any

penalties, and we expect that these penalties would be set proportionately and in a way which avoided risks of double punishment.

These proposals aim to solve several issues. They aim to establish the EO more firmly as an empowered provider of redress services with explicit powers to enforce their own decisions on a case-by-case basis. They also increase the incentives on suppliers to cooperate fully with the EO's decisions. The intended impact of such measures is to ensure that consumers are confident in the ability of the EO to resolve their complaints and to remove the need for consumers to engage in litigation against suppliers to implement their remedies.

While some stakeholders have raised concerns about the potential creation of a dual-regulatory system if both Ofgem and the EO have similar powers, we do not believe this will be an issue if the powers of the EO are clearly outlined and are aligned with Ofgem. The EO would be empowered to enforce their own decisions on a case-by-case basis, without the need for consumers to take their case to court. Ofgem would retain their role with regards to systemic or widespread supplier issues. The EO and Ofgem will agree a Memorandum of Understanding (MoU) on how this process would work, setting out each organisation's roles and responsibilities in a transparent and accessible manner. One example of such an arrangement is the MoU that Ofgem has with the Competition and Markets Authority. The two bodies are concurrent regulators regarding competition and consumer law in the energy sector, with the MoU providing a clear framework for how they work together in practice when exercising their concurrent competition law powers and undertaking other related activities.

We understand that in some circumstances, suppliers may rely on other organisations to implement EO decisions fully, and in such instances, there should be a mechanism for this to be communicated to the EO. We expect that where suppliers have contractual arrangements with service providers, these will be structured to enable the supplier to implement an EO decision on time. However, we also expect that suppliers should not pay penalties due to factors beyond their control. Where there are factors beyond a supplier's control, including reliance on industry bodies, we expect that these will be proactively communicated to ensure that a consumer understands why a decision has not been implemented on time. This encourages positive engagement with the process from the supplier and provides greater transparency for the consumer. The EO has an existing process to provide extensions to suppliers which offers a foundation to build upon. For reference, the top 5 complaint types for overdue remedies in the last year are:

1. Disputed gas or electricity usage (23%)
2. Billed to the incorrect meter (18%)
3. Loss of smart meter communication (13%)
4. Billing delays (11%)
5. Disputed account balances (7%)¹⁷

¹⁷ Information provided by the Energy Ombudsman

There are other levers the EO could use to encourage improved supplier performance at a high level. The EO already publishes a range of complaint data and has recently revised how they publish data to make comparisons between different suppliers easier. However, there may be opportunities for this to be improved. A more formal and accessible approach to publication of supplier performance, citing key customer service metrics such as remedy implementation data, located in a more visible place for consumers, could increase consumer awareness of supplier performance while incentivizing improvements from suppliers. Decisions on these changes would be within the existing remit of the EO.

Questions:

9. **What are the existing barriers to the implementation of EO decisions? From a consumer perspective, which barriers cause the greatest detriment?**
10. **Do you agree that the EO should be able to levy penalties against suppliers for late or incomplete implementation of their decisions? Please describe any advantages and/or disadvantages for consumers.**
11. **What considerations should be included when setting any penalty regime? For example, how should the level of penalties be set, what exceptions should be included.**
12. **Are there any other interventions we should consider to ensure that EO decisions are implemented on time and in full?**

Redress Levels

One key driver of positive consumer outcomes is that consumers receive appropriate redress when things go wrong. EO decisions often involve a range of remedies, including fixing the original problem and making an apology, alongside a financial award, the level of which is set based on the EO's internal awards policy. Average redress for consumers from the EO was £145 per claim in 2023, with the maximum penalty for domestic complaints at £10,000 and £20,000 for non-domestic consumers.¹⁸

In responses to the Ofgem Review call for evidence, many stakeholders argued that redress levels are currently too low to adequately compensate consumers for their hardship or deter poor supplier behaviour. The EO is currently reviewing their internal awards policy to ensure it is fit for purpose and providing consumers with the level of redress that they deserve. This includes ensuring that redress levels are proportionate and appropriate to the circumstances, that they seek to repair consumer detriment, and that they reflect inconvenience without unfairly burdening suppliers with excessive costs. Further, suppliers should only be held responsible for what they can reasonably control, and redress amounts and awards should reflect this. As these decisions fall within the existing purview of the EO and are already being reviewed by the EO, we are not seeking specific feedback on this topic in this consultation.

¹⁸ [TAG-A4-Annual-Report-Final-For-Web.pdf](#)

Organisational factors

Systemic issues

Systemic supplier issues are those issues which are broader than an individual consumer complaint and can often be indicative of underlying trends in the energy market. These may include issues such as supplier response times being longer than expected because customer service is not being appropriately resourced or software issues causing repeated billing issues for multiple customers. Such issues are currently reported to Ofgem by the EO and reviewed by those bodies and Citizens Advice (including the Extra Help Unit) through a tripartite arrangement. The tripartite meets to share data and insights, whether regarding specific energy suppliers or general systemic issues. This approach aims to use data to best effect and to ensure that appropriate action is taken, whether that is via Citizens Advice, the Extra Help Unit, the EO, Ofgem or a combination of organisations, acting preventatively to reduce consumer detriment. Ofgem is ultimately responsible for considering whether supplier behaviour should be investigated for systemic issues.

Evidence from other sectors suggests that the relationship between an ombudsman and a regulator is crucial in ensuring clarity and consistency for consumers and for market participants. The recent publications by the Financial Conduct Authority and the Financial Ombudsman Service on modernising redress,¹⁹ and by HM Treasury on the Financial Ombudsman Service,²⁰ reflect the importance of effective referrals, formalised roles, and clear guidance in delivering consistent outcomes for market participants and the best outcomes for consumers. This consultation considers similar topics, including ensuring that Ofgem and the EO are cooperating and that relative roles and responsibilities are clearly articulated. As the role of Ofgem changes through the Ofgem review, we will remain alert to similar issues.

Given their position in the consumer complaints journey, the EO has an important role in escalating more serious issues to Ofgem; Ofgem will then take action as appropriate as part of their broader responsibilities in the sector. At present, there is no existing formal mechanism for the EO to raise potential regulatory concerns about a supplier or broader systemic issues to Ofgem. Instead, this relationship relies on more informal information sharing, which may not be transparent to stakeholders. We believe there is scope to clarify and formalise the triggers and processes between Ofgem and the EO for dealing with these issues. This would provide clarity of the expectations on suppliers and ensure that issues are identified and dealt with appropriately and in a timely way. Any changes to this relationship between the EO and Ofgem would be for those organisations to decide upon.

We are encouraged by the work being undertaken by the EO and Ofgem on how issues identified through complaints should be identified to the regulator and then acted on. Ofgem and the EO will continue to work together to enhance their working relationship, particularly focusing on:

¹⁹ <https://www.fca.org.uk/publications/consultation-papers/cp25-22-modernising-redress-system>

²⁰ <https://www.gov.uk/government/consultations/fs-sector-strategy-review-of-the-financial-ombudsman-service>

- How data and insights are shared between the two organisations and acted upon
- Establishing a formal escalation process between the two organisations on key issues with suppliers or general systemic issues
- Considering how the results of working together are made more transparent, such as making the outcomes of any action taken publicly available

We expect these processes to be clarified for industry and, where necessary, put on a more formal regulatory footing.

Consumer Support Landscape

While the EO provides impartial arbitration for complaints, they are only one part of a wider consumer support landscape. This includes consumer advice bodies such as the EHU, which provides more intensive support for vulnerable consumers, and Citizens Advice. The support landscape can be complex for consumers, with different organisations with varying powers and specialisations. This also includes differences between nations, with Consumer Scotland and Advice Direct Scotland providing support to consumers in Scotland. Our goal is to enable a landscape that is accessible and transparent for consumers, with clear pathways for consumers to access the right support at the right time.

Changes to the role of the EO may impact other organisations in the landscape and we are keen to ensure that there are no unintended negative consequences. As such, we welcome feedback on how best to refer consumers to the various organisations that are active within the space. The EO has made it clear they will work closely with the other bodies within the landscape to ensure that consumers are being sent to the correct services for their needs. We expect organisations to work together to find the best ways of identifying and communicating whether consumers need additional support and explaining to consumers how to navigate the consumer support journey. Such effective referral pathways between organisations and a clear consumer journey will help ensure that consumers are receiving the right support at the right time.

Questions:

- 13. How can we improve cooperation between different organisations in the consumer support journey?**
- 14. Would any of the changes proposed in this consultation negatively impact other organisations in the consumer support landscape? Please refer to specific proposals in your response.**

Legal Standing and Governance

The power of an ombudsman should be proportionate to the risk and impact of consumer detriment in the sector in which they operate. Energy suppliers provide an essential service, which consumers increasingly rely upon for transport as well as for their household needs. Energy also makes up a greater proportion of consumers' outgoings than comparable utilities

such as telecoms or water, and so billing issues, which remain the greatest driver of consumer complaints, can place consumers at risk of financial stress.

We have also seen the energy sector face particular challenges in recent years, with record prices and volatility driven by the Russian invasion of Ukraine and mistakes over the forced installation of pre-payment meters. Further, the government wants to create a smarter, more flexible clean energy system, bringing down energy bills, unlocking jobs, and ensuring reliable power for all. This requires households and businesses to be empowered to participate in consumer-led flexibility if they choose and be rewarded for doing so. In turn, this relies upon consumers having trust and confidence that they will be protected when things go wrong. Therefore, it is crucial that redress schemes within energy have appropriate standing and their decisions appropriate legal weight.

There are a range of legal structures which underpin ombudsman schemes. Ofgem has approved the EO as the provider of a redress scheme in the retail energy market under the Consumers, Estate Agents and Redress Act (CEARA) 2007. Energy suppliers are required by statutory order to be members of a redress scheme, as per CEARA 2007. Ofgem then approved the EO as the provider of an Alternative Dispute Resolution scheme under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

By contrast, other ombudsmen services are directly appointed through statute with specific powers set out in legislation. Examples include:

- Financial Ombudsman Service, established by the Financial Services and Markets Act 2000
- Legal Ombudsman, established by the Legal Services Act 2007 and
- The Pensions Ombudsman, established by the Pension Schemes Act 1993.

Some stakeholders argue that the EO should be given a 'statutory footing' which establishes an organisation with detailed, explicit powers and processes set out in statute. However, merely being established in this way does not necessarily confer additional powers on an organisation or improve outcomes for consumers. Careful consideration needs to be given to the actual outcomes we are trying to achieve for consumers and what statutory powers an organisation should have to achieve these.

In the case of heat networks, the EO was designated directly in statute as a redress scheme provider as Ofgem had not yet assumed their role as regulator and therefore could not appoint the EO in the same manner they do in the wider retail market. Identifying the EO in statute in this way provided consumers with a clear pathway for redress in the event of complaints and provided an interim point of contact prior to Ofgem assuming their regulatory role. However, the EO's actual powers remained materially the same as in other sectors of retail supply. If we are to place the EO on a statutory footing in the broader retail market, it would be with the intention of driving specific consumer outcomes.

We propose to:

- Designate the EO directly through legislation as a redress provider in the retail energy market
- Define its decisions as legally binding

We are proposing to take these steps to clarify the role of the EO within the retail energy market. Further, by placing its decisions on a legal, rather than contractual basis, we are seeking to further incentivise supplier compliance by placing a clearer obligation on them to adhere to Ombudsman rulings. This may also help consumers in litigating their cases if necessary, providing a clear signal to a court and to suppliers about the weight of the EO's decisions.

We are considering the primary powers necessary to deliver this policy. To the extent that new primary powers are required, we will seek to identify an appropriate legislative vehicle which will be dependent on parliamentary time.

We are not currently proposing to make further changes, for example, to the status of the organisation as a private organisation or how it is funded. We do not believe that such changes are necessary at the current time. However, we will continue to keep these considerations under review as we consider how the EO can deliver the best outcomes for consumers in a changing market.

With regards to governance and accountability, the EO has been approved by Ofgem as the provider of a redress scheme in the retail energy market under the CEARA 2007. Our proposals would change this arrangement, explicitly designating the EO through legislation as a redress provider. However, we believe that Ofgem remains the appropriate body to provide oversight to ensure that the EO continues to deliver an efficient and effective service.

It is important that accountability mechanisms are tailored to the powers and responsibilities of an organisation. Therefore, alongside the expansion of the EO's powers as a redress scheme to levy penalties as well as the increased status of its decisions as legally binding, we propose to strengthen the mechanisms for holding the EO to account for its performance.

These changes will take place alongside the repeal of the existing Alternative Dispute Resolution regulations through the Digital Markets, Competition and Consumers Act (DMCCA) 2024. Qualifying redress schemes for the gas and electricity sector will then be exempt from the subsequent regulations which are introduced, though regulations under the CEARA will remain. There may be an opportunity for qualifying redress schemes to be included in the new framework if suitable. Alternatively, the additional flexibility provided by the DMCCA could be used to develop requirements which are specific to the needs of the sector. One area in which this flexibility could be used is in updating the evaluation criteria to ensure that the EO provides a service which delivers faster and easier redress for consumers. We propose to work with Ofgem to update the criteria against which the EO is evaluated, reflecting the EO's strengthened position in the market. These updated criteria will continue to align with the core ombudsman principles of independence, fairness, effectiveness, openness and transparency, and accountability.

We may also consider introducing additional mechanisms of accountability for the EO to ensure that the EO is delivering timely, cost-effective, and efficient outcomes for consumers. We welcome the views of stakeholders on the most effective mechanisms to achieve this.

Questions:

- 15. Do you agree that the EO should be designated directly through statute as a redress scheme? Please describe any risks or unintended consequences you foresee from appointment in this manner.**
- 16. Do you agree that the weight of EO decisions should be increased so that suppliers have an explicit legal obligation to implement EO rulings? Please describe any advantages and/or disadvantages for consumers.**
- 17. What are the best mechanisms to continue to improve the performance of the EO in delivering easier and faster redress for consumers?**
- 18. Does Ofgem remain the appropriate organisation to review the performance of the EO? Please describe the advantages and/or disadvantages of Ofgem retaining this role. What criteria should be applied in evaluating the EO's performance?**

Heat Networks

The EO's role in heat networks is relatively recent. In 2022, legislation passed using the Energy Prices Act 2022 allowed for the EO to hear complaints relating to the winter energy support provided through support schemes (the Energy Bill Relief Scheme and Energy Bill Discount Scheme, respectively) where this was not being reasonably passed through to consumers.

More recently, the EO's scheme was extended to heat network consumers more broadly, through Regulation 56 of the Heat Networks (Market Framework) (Great Britain) Regulations 2025.

The scheme's application to this market is still new, with market regulation being introduced from 2026. This means that the data available in other markets on challenges in the scheme's working is not yet available to inform decisions in this sector. Regulation is also new to the sector and will begin phasing in from 2026 onwards.

However, as Regulation 56 extends the scheme by applying Part 2 of the Consumers, Estate Agents and Redress Act (2007), it would follow that the heat networks scheme will experience similar challenges as set out for other sectors. Initial reports from the scheme have indicated this is likely to be the case, indicating:

- Low awareness of the scheme
- Poor engagement from consumers
- Challenges in receiving redress in the first instance.

Further, a design proposal for heat network regulation has been to seek to align as much as possible with gas and electricity retail regulation, adjusting as needed to reflect the unique nature of the heat network market.

We intend to continue that principle into development in the future, as the market matures, to ensure that all energy consumers can have similar outcomes. We therefore suggest that proposed reforms to the EO's role and powers should also be applied to heat network consumers.

This would mean that heat network consumers are given the same right to redress and provide alignment and consistency across regulatory markets, reducing complexity for the EO and bodies working across these areas. However, there may be some measures that are applied through the segmentation approach we have separately outlined, to ensure these are proportionate and appropriate to the market where reforms are applied through heat network GSOPs.

We acknowledge that for some heat networks, an alternative redress route is available where heat network charges are recovered through social housing rent or leasehold service charges. We are continuing to work on a cross-government basis with the Ministry of Housing, Communities and Local Government to explore these interactions. In our response to our consultation 'Heat Networks: Implementing consumer protections', we committed to exploring separating heat network activities from service charges, including potential separation of these activities from housing legislation, to ensure parity of outcome across the sector. We will be publishing a separate consultation on this in due course.

Questions:

- 19. Do you agree with our proposal that proposed reforms to the EO should also be applied to heat network markets? Please provide evidence to support your answer.**

Consultation questions

1. Which of the options to tackle barriers to accessing the EO's services do you support? Please evaluate the advantages and disadvantages, particularly in relation to consumer benefit. Where possible, provide evidence or examples.
2. What potential unintended consequences do you anticipate from implementing the above options? Please substantiate your response with evidence or examples.
3. Can you identify other ways to overcome barriers to accessing the EO's support not listed above? Please explain the relative merits of these options.
4. Are there any other barriers to consumers accessing the Energy Ombudsman that we should seek to remove? How should those barriers be removed?
5. Do you agree with shortening the waiting time before a consumer can refer their complaint to the EO to 4 weeks with exceptions? Please describe any advantages and/or disadvantages for consumers and suggest alternative approaches you think may be more effective providing evidence or examples. Evidence about the proportion of complaints resolved after 4 and 6 weeks may be of particular use.
6. What are some examples of valid exceptions to these shortened timescales? Please explain how any proposed exceptions would avoid disadvantaging consumers.
7. Do you agree that the EO should reduce their target to reach a decision to 4 weeks? What are the advantages and/or disadvantages for consumers?
8. Are there any other interventions we should consider to secure faster redress for consumers through the EO process?
9. What are the existing barriers to the implementation of EO decisions? From a consumer perspective, which barriers cause the greatest detriment?
10. Do you agree that the EO should be able to levy penalties against suppliers for late or incomplete implementation of their decisions? Please describe any advantages and/or disadvantages for consumers.
11. What considerations should be included when setting any penalty regime? For example, how should the level of penalties be set, what exceptions should be included.
12. Are there any other interventions we should consider to ensure that EO decisions are implemented on time and in full?
13. How can we improve cooperation between different organisations in the consumer support journey?

14. Would any of the changes proposed in this consultation negatively impact other organisations in the consumer support landscape? Please refer to specific proposals in your response.
15. Do you agree that the EO should be appointed directly through statute? Please describe any risks or unintended consequences you foresee from appointment in this manner.
16. Do you agree that the weight of EO decisions should be increased so that suppliers have an explicit legal obligation to implement EO rulings? Please describe any advantages and/or disadvantages for consumers.
17. What are the best mechanisms to continue to improve the performance of the EO in delivering easier and faster redress for consumers?
18. Does Ofgem remain the appropriate organisation to review the performance of the EO? Please describe the advantages and/or disadvantages of Ofgem retaining this role. What criteria should be applied in evaluating the EO's performance?
19. Do you agree with our proposal that proposed reforms to the EO should also be applied to heat network markets? Please provide evidence to support your answer.

Next steps

This consultation seeks to gather views on how to deliver fairer, faster redress, including an EO with stronger powers which is easier for consumers to access. This consultation will close on 4th December 2025 and having received and considered stakeholder feedback, we expect to publish a government response in the first half of 2026.

Where we do conclude that changes are required, there are a range of different available delivery routes. Some changes will required primary powers, and we would seek to identify an appropriate legislative vehicle which will be dependent on parliamentary time. Other changes can be delivered through changes to the EO's own scheme, or through agreements between the EO and Ofgem. Where this is the case, the EO may decide to consult industry regarding potential changes to the terms of its scheme. We will support the EO and Ofgem with ongoing work in this area.

This publication is available from: www.gov.uk/government/consultations/fairer-faster-redress-in-the-energy-market

Any enquiries regarding this publication should be sent to us at:
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