StepChange response to Ofgem consultation on Consumer Outcomes

July 2026

Summary

StepChange Debt Charity is a specialist not – for– profit provider of debt advice and debt solutions supporting people across the UK. In 2025, over 160,000 people completed a full debt advice through our online and telephone service.

We welcome the opportunity to feed into this consultation on the implementation of the Consumer Outcomes framework. As we reflected in our response to the earlier call for input on this topic in January 2026, Ofgem's regulatory framework has not worked well enough from a consumer protection perspective.[1] We noted that there are several interacting drivers of the challenges Ofgem has faced, such as the reduced financial resilience of UK consumers as a result of longstanding cost of living pressures – and in particular the enduringly high energy bills seen in the last few years.

But Ofgem's approach to consumer protection regulation has also not been sufficiently effective in this context; for example, in the watering down of proposals to improve energy debt collection standards which would have seen steps to standardise ability to pay assessments and require suppliers to accept offers of repayment from Financial Conduct Authority (FCA) authorised debt advice providers, and the prolonged wait to see the Debt Relief Scheme come into effect.

StepChange regularly shares insights drawn from its advice service on the support experiences of clients and we agree there has consistently been a gap between Ofgem's rules and the reality of the outcomes customers are experiencing. We would highlight two factors in particular:

- Inadequate prescription in some rules that allows suppliers deliberately or otherwise to arbitrage regulation and not deliver Ofgem's expectations; and
- Limitations in Ofgem's approach to monitoring and enforcement that mean even where Ofgem is aware of the outcomes gap, it does not take early and effective action to close the gap.

While we see some potential in the introduction of a more outcomes-based regulatory framework, this should not come at the expense of valuable prescriptive rules. We do not see regulatory principles/outcomes as a substitute for prescription. Instead, they are often both important and mutually reinforcing:

- Prescription is often essential to give substance and intention to high level principles, particularly where risks of harm and poor outcomes, and levels of consumer vulnerability, are higher.

[1] StepChange Debt Charity (January 2026), Response to Ofgem call for input on consumer outcomes

- Prescriptive rules are the basis for customers to challenge supplier practices, and consumer advice depends on this transparency and clarity.
- Similarly, as an advice provider, clear expectations for suppliers in some areas like support with arrears are essential to be able to advise clients and achieve good debt advice and solution outcomes.
- There is a history of firms arbitrating gaps or ambiguities in high level rules where prescription has been crucial to stop harm to customers, most recently in regard to mandatory PPMs.
- Prescription can alleviate burdens on suppliers that are otherwise uncertain as to Ofgem's expectations.
- Monitoring outcomes requires reasonably specific expectations, and without those expectations outcomes-based regulation risks becoming an absence of effective regulation.

Notably, the Consumer Duty has not ended the need for the FCA's more detailed handbook and, while the FCA identified some areas to simplify the handbook post Consumer Duty, in practice the Duty has complemented rather than replaced most rules. We believe that is the right approach.

In contrast to the Consumer Duty, Ofgem has not yet proposed a high-level principle to guide firms. Higher level principles are important because they shape supplier culture, values and norms and guide interpretation of more specific outcomes. This was key to the design of the FCA Consumer Duty where the high-level consumer principle is arguably the most important element of the Duty, but is complemented by mid-level cross-cutting themes and more detailed outcomes.

With all this in mind, key factors Ofgem should consider in look to update its regulatory framework are:

- The importance of clear high-level duties and principles to shape supplier culture with which specific outcomes, license conditions and guidance are aligned. Here we are concerned that the proposed seven outcomes will not operate coherently without a higher level principle, and recommend Ofgem goes further than its proposal for 'an overarching licence requirement for suppliers to have regard to the overall customer impact' and implements a consumer principle in the energy market.
- The importance of an effective approach to consumer vulnerability. While we recognise the rationale for simplifying the initial 24 outcomes, removing a vulnerability outcome and instead relying on treating vulnerability as a cross-cutting issue risks being ineffective and downgrading an issue that is central to the need for a more effective regulatory framework. We would like to see Ofgem embed the extra care needed for consumers in vulnerable circumstances as a central tenet of the outcomes framework.

- Setting clear expectations of suppliers in both monitoring outcomes and acting to address problems and improve outcomes: here, we have recommended Ofgem introduce a requirement on suppliers to produce an annual report setting out findings from outcomes monitoring and an action plan.
- That regulation is necessary because the interests of suppliers and consumers are not always aligned: that means a degree of prescription and effective monitoring and enforcement will always be essential aspects of energy regulation.
- That when regulation is effective, principles-based and prescriptive rules are not alternatives but complement one another.
- The operational resources and capacity building required to enable effective monitoring, supervision and enforcement in an outcomes-focused setup.

Crucially, a change in regulatory approach to a greater focus on outcomes should not create loopholes or ambiguity which create the conditions for poor practice based on suppliers' differing interpretations of outcomes-based regulation.

Here we note that Ofgem intends to introduce the outcomes sequentially. While we understand the rationale for Ofgem's approach, the regulator should be conscious to mitigate the risk of a fragmented and disjointed approach as new outcomes and guidance are introduced. In implementing the outcomes and developing guidance, Ofgem should do so with one consistent set of expectations and build a single source of guidance that is coherent and mutually reinforcing across the outcomes.

Finally, a fundamental barrier to good outcomes is widespread energy unaffordability. We support Ofgem's consumer protection focus, which can help prevent and mitigate harm and improve outcomes in the current context, but a long-term solution to deliver affordability for customers at risk of fuel poverty is essential alongside this work. Ofgem must continue to work closely with Government on this pressing challenge.

Responses to individual questions

Question 1: Do you agree with our initial monitoring approaches for the other Consumer Outcomes outlined in Appendix 1, and the data and evidence we need for each of them?

If not, please provide more detail on this, including alternative metrics.

Given the risk of ambiguities inherent in an outcomes-focused regulatory framework, it is critical that Ofgem dedicates sufficient resource to its monitoring, supervision and enforcement functions. This is particularly important given the context that there have been high-profile energy market issues in recent years which have called the regulator's ability to effectively monitor, supervise and enforce into question. These challenges relate to both early identification of issues and the speed of subsequent regulatory action in the event of non-compliance. Ofgem failed to respond soon enough to evidence of poor conduct by firms in regard to involuntary PPMs and enforce its rules in a timely manner, allowing vulnerable consumers to experience harm. Ofgem did take regulatory action with the temporary ban and new PPM rules, though the fact it took the regulator over three years to conduct its investigation into British Gas' treatment of customers who had a prepayment meter installed without their permission and arrange redress reflects the need to speed up enforcement.[2]

We would welcome more clarity from the regulator on its plans for these functions in relation to the full set of Consumer Outcomes, and reassurances around its intentions for capacity-building given its own acknowledgement that outcomes-focused regulation requires greater supervisory oversight than a more prescriptive framework.

For now, we have provided some bullet points in relation to the top-level monitoring approaches proposed by Ofgem, where we have relevant comments to add. We would preface this commentary with a reiteration of our position that outcomes-based regulation is not a straightforward substitute or alternative to prescriptive regulation, and that prescriptive rules should remain in place as part of Ofgem's regulatory framework (across all formalised Consumer Outcomes). The below comments should be considered with this in mind, and specifically, the assumption that Ofgem will retain and monitor compliance with prescriptive rules alongside the Consumer Outcomes.

As a general point, Ofgem should continuously test and develop its outcomes monitoring. Where gaps in regulatory oversight become clear, these should be quickly rectified.

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[2] Ofgem (May 2026). British Gas agrees settlement in relation to Ofgem's investigation of unfair treatment of prepayment meter customers

As part of its monitoring strategy, Ofgem should consider requiring suppliers to prepare an annual outcomes monitoring report. The FCA's approach to implementing the Consumer Duty provides an example: under the Consumer Duty, a firm must prepare an annual report for its governing body setting out the results of its monitoring of the Consumer Outcomes and any actions required as a result of the monitoring. This is an important means of ensuring effective monitoring of outcomes, that monitoring is linked to action to improve outcomes, and that governance and accountability is clear. The FCA has published good practice in preparing board reports to guide firms, updating good and poor practice examples periodically.[3]

1. **Outcome 1: Consumers are charged energy prices that represent fair value.**

- Certain customers groups can face heightened barriers to participating in the energy market due to factors including low literacy, numeracy or digital skills – meaning they are less able to easily access information about, or interact with, essential services including different tariffs.[4] As Ofgem is currently proposing that vulnerability is a core consideration across all outcomes, we would expect the regulator to monitor 'fair value' outcomes for customers in vulnerable situations specifically and gather evidence from suppliers around their efforts/initiatives to minimise barriers to access to innovative or cheaper tariff offerings for vulnerable customer groups (including through eligibility criteria).
- 'Fair value' should also be considered in the context of household affordability challenges and provisions for lower income energy customers. We would encourage Ofgem to continue working closely with Government as it considers the design of future energy affordability interventions. StepChange's policy report 'Plugging the gap' makes the case for a national social tariff which would protect financially vulnerable consumers from unaffordable energy costs.[5]

2. **Outcome 2: Consumers receive accurate, timely, accessible and understandable energy bills**.

- N/A as this outcome is explored elsewhere throughout the response.

[3] FCA (December 2024), Consumer Duty board reports: good practice and areas for improvement
[4] Citizens Advice (November 2022), Access Denied: Digital disadvantage and exclusion in the energy market and Financial Conduct Authority (July 2023), Financial Lives 2022: Key findings from the FCA's Financial Lives May 2022 survey
[5] StepChange Debt Charity (April 2026), Plugging the gap: The case for national social tariffs in energy and water

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

- We firmly believe that regulatory oversight of support for energy customers in, or at risk of, arrears is an area where there is a clear need for prescription to be retained, to ensure clear expectations of suppliers' behaviour. In late 2024, Ofgem reviewed debt management in the domestic retail market and set out a coherent analysis of why, despite fair treatment of customers in payment difficulty being a long-standing area of focus, more progress had not been made in addressing problems like failures to identify and understand customers' circumstances, ineffective referrals to advice and an inadequate approach to ability to pay. Ofgem set out measures to address those problems through a series of refreshed prescriptive rules, which we welcomed at the time.[6]
- However, that direction of travel subsequently faltered: several of the proposed actions have not been taken forward, with Ofgem instead pursuing a voluntary code of practice which itself also ultimately did not come to fruition. This was in part due to reluctance from certain suppliers to sign up; we believe this is testament to the need for better defined, prescriptive rules and guidance to ensure consistently responsible energy debt collection practices even as Ofgem pushes forward with outcomes-focused regulation.
- Indeed, to be effective, it is crucial that a debt outcome is both clear and part of a coherent package which sets out: detailed expectations of how the outcome should be interpreted (in tandem with prescriptive rules); effective outcome monitoring metrics, supervision, and enforcement; and an embedded test and learn approach.
- We agree that suppliers should provide quantitative evidence on the proportion of customers struggling who were supported with flexible payment options to help manage their bills, but crucially, this should be accompanied by supplier data on the proportion of repayment agreements that are *sustained*. Ofgem must then respond quickly and effectively where low/er sustainment rates are identified, as an indicator that the supplier is not consistently offering its customers affordable repayment plans (noting once again that complementary prescriptive rules are critical here). It would be important to contextualise the data with the failure rate for customers who completed an affordability assessment with the supplier or an advice provider versus those who didn't, and whether customers have an identified vulnerability.
- The suitability of repayment agreements will not necessarily be revealed only by whether a customer sustains repayments, but by impacts on a customer beyond the agreement itself. For example, customers should not be forced to self-ration to keep up with energy payments. We would particularly highlight the interaction between meeting repayment agreements and ongoing energy usage.

[6] StepChange Debt Charity (February 2025), Response to Ofgem consultation on improving debt standards in the domestic retail market

- Monitoring measures can be extended to better capture different elements of the proposed outcome such as engagement between customers in difficulty or arrears and their suppliers. As it stands, the monitoring approaches outlined seem to focus heavily on consumer survey evidence. While a potentially useful source of first-hand evidence, it will not be sufficient on its own and is not necessarily a good method of capturing the experience of the most vulnerable customers (who are also among those most likely to experience poor outcomes). These surveys should be expected to capture outcomes, not subjective indicators (for example, evidence of customer satisfaction tends to be more positive than more objective indicators of customer outcomes for the above reason and because customers don't necessarily know their rights and what they should expect from suppliers).
- Suppliers should be expected to:
    - Clearly report to Ofgem on how they monitor the sustainability/effectiveness of debt repayment plans agreed with customers, whether arranged with or without third-party involvement;
    - Outline the steps they take to offer a tailored approach in the length of debt repayment plans that they will accept;
    - Describe their strategy and arrangements for identifying and making appropriate referrals to relevant third-party support, including free debt advice agencies;
    - Summarise how they ensure their approach to supporting households struggling with energy bills is based on an informed and up-to-date understanding, including in the identification and presence of vulnerability;
    - Share data on the number of PPMs installed in any particular period (this should include the number of forced PPM installations for the same period);
    - Share data on the number of cases referred to debt collection agencies for recovery or sold on to debt purchase firms for collection; and
    - Share data on county court judgments that they have obtained in the relevant period, and the methods of enforcement used.
- We would like to see Ofgem require suppliers to show evidence of how they are informing service design through a test and learn approach drawing on a data-driven evidence strategy including the sustainability of repayment agreements, complemented by consumer surveys.
- To successfully monitor this outcome, it is also vital that Ofgem captures a wide range of data from different sources beyond suppliers themselves. As a free debt advice provider, we can share evidence on emerging and persistent debt issues and the subsequent harm caused in a timely manner – for example, evidence of suppliers pushing for unaffordable repayment plans, rejecting reasonable repayment offers, or not accommodating vulnerability. There should be an easy mechanism for sharing case studies with Ofgem that will be considered as a source of data as well as data from energy complaints and Citizens Advice as the statutory consumer body.

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

- Ofgem must be able to respond quickly and effectively where a disproportionately high number of complaints surface relative to the volume of a supplier's customer cohort, as an indicator of widespread poor practice.
- We would also like to see a focus as part of this outcome on ensuring complaints processes are accessible in the first instance, including a "no wrong door" route for energy customers to raise concerns about their supplier's conduct, whether formally escalated or not. We are aware of barriers consumers face in complaining to their creditors, including:
  - people not being clear how to complain;
  - being deterred by the pressure of debt collection practices;
  - a lack of faith in the complaints process; and
  - a feeling that the complaints process doesn't work well.

  Ofgem's monitoring approach must take these barriers into account.

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

- Rather than consider the two monitoring approaches in relation to this outcome as alternatives to each other, we would argue that both would be valuable and complementary monitoring routes.
- As it stands under the current proposals there is no onus on suppliers to evidence what steps they have taken to ensure consumers get clear, accurate, and timely information to help them make informed choices. Suppliers should be expected to:
  - Detail how often they gather feedback from customers on the ease of understanding of billing communications, ensuring it is up-to-date and implementing improvement measures based on these findings as necessary;
  - Outline the steps they take to tailor their communications approach in the in the identification and presence of vulnerability; and
  - Outline which forms of communication, in addition to physical letters, are available to their customers.

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

- Switching is an important avenue that consumers can consider pursuing to cut energy costs. Encouragingly, StepChange research from April 2026 found that one in five (20%) adults who had cut back on energy costs in the previous 3 months had managed to switch to a cheaper fixed energy tariff in the last three months.

- Importantly, though, switching is not open to everyone equally. You can't switch, for example, if you have arrears of more than £500 per fuel on a prepayment meter, or any arrears which have been outstanding for over 28 days on a standard meter. We welcome the requirement for quantitative evidence on the reason for blocked switches and would be interested in how frequently outstanding debt is given as the reason. The move towards more outcomes-focused regulation offers Ofgem an opportunity to reflect on existing social and regulatory barriers to switching and, regarding the latter, whether or not they are fit for purpose in the current market.

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

- Firstly, we believe the current wording of this outcome is too vague and Ofgem should revisit and refine the language so that the good outcomes the regulator expects to emerge are more explicit. For example, as drafted, a service could be operating 'as intended' by the supplier but could still cause harm to the consumer; this should be amended to prevent potential regulatory loopholes.
- More generally, Ofgem can learn from the way the FCA's Consumer Duty centres concepts of consumer vulnerability and a continuing test and learn approach to product and service design. The Duty is important because it sets a cross-cutting expectation than consumer vulnerability will inform the approach of firms in applying the wider Consumer Duty expectations; it is a crucial prism through which firms must consider whether their products and services are fit for purpose.

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

We do not have relevant sight of suppliers' data collection and so cannot comment in full. However, we would hope that any decisions on what data streams are no longer required will be considered very carefully by Ofgem. We are conscious there is potential that some suppliers might, for example, put forward arguments as to why data is no longer required based on cost, where this data might be providing useful insight in consumers' best interests. Ofgem should be conscious of this possibility.

Question 3: How can we best ensure that all stakeholders have a consistent understanding of the Consumer Outcomes we expect suppliers to deliver?

Do you have any views on initial proposals to do this?

Here, we would emphasise some of the challenges inherent in outcomes-based regulation: namely, that it can, if not comprehensively and clearly articulated, lead to diverging interpretations by regulated providers, and in doing so create complications for both their customers and third-party providers (such as those operating in free debt advice sector) in being able to clearly understand and communicate rights and expectations to their clients.

We strongly believe that energy customers should be considered key stakeholders alongside policy, industry and third sector stakeholders with regards to building an understanding of Consumer Outcomes expectations. Ofgem should develop specific guidance for consumers on its outcomes. This should set out what consumers can expect from their supplier, how Ofgem ensures those expectations are met, and what customers can do if their supplier is falling short. This guidance will be particularly important if outcomes become a more significant part of the regulatory framework and consumers (and consumer organisations) become more reliant on understanding those outcomes and related guidance as a source of consumer rights and protections.

We would also welcome clarity from Ofgem on how it intends to work with the Energy Ombudsman to ensure that the formal dispute resolution process is not compromised or overly complicated by a move towards outcomes-focused regulation. Ofgem should learn from implementation of the Consumer Duty, where the regulator did not work effectively enough with the Financial Services Ombudsman (or vice versa) at an early stage to establish a mutual understanding of the implications of the Duty for financial services complaints. This created a situation of uncertainty that is only now being resolved several years after implementation of the Duty. Ofgem should work with the Energy Ombudsman to ensure that consumers, consumer organisations and suppliers are all clear about the expectations the outcomes set and how they are likely to be considered in complaints. One way of doing this is to produce joint thematic reports with the Ombudsman based on common complaints issues setting out how the outcomes relate to expectations going forward.

We welcome that Ofgem has recognised the need for standardised and prescriptive requirements where consistency across the market is important for effective operation and positive consumer outcomes, and also to ensure that severity and scale of harm is factored into regulatory decision-making around rule design (2.8). This is particularly important in areas such as affordability support, debt collection and support for consumers in vulnerable situations, where our insights show experiences currently vary considerably between suppliers.

While the proposed approach to the Billing Outcome provides a helpful foundation, alongside the intention to introduce new billing guidance, these should go beyond setting broad expectations. They should include clear descriptions of what constitutes good practice, practical case studies and examples of both compliant and non-compliant approaches, particularly in areas where firms are required to exercise judgement. Concepts such as “tailored”, “proactive” or “appropriate” support should be underpinned by clear expectations so that suppliers have shared interpretations and consumers receive a consistent minimum standard regardless of their supplier.

We support Ofgem's proposal to use a range of evidence to assess the effective delivery of good billing outcomes. Supplier reporting should be complemented by consumer research, complaints data, Ombudsman decisions and evidence from trusted third-party organisations, including free debt advice providers and consumer groups. Triangulating multiple sources of evidence will provide a more robust picture of whether good outcomes are being achieved in practice, particularly for consumers in financial difficulty whose experiences may not always be captured through supplier data alone. We would reiterate that these initiatives should be treated as complementary to, rather than a replacement of, prescriptive rules.

Ongoing engagement with industry, policy and third sector stakeholders will also be important. We encourage Ofgem to establish regular forums bringing together suppliers, consumer groups and advice organisations to review emerging issues, share examples of good practice and identify where further clarification is required. This would support consistent interpretation while allowing the framework to evolve as new products, technologies and consumer needs emerge. Finally, we would stress that consistency ultimately depends on effective monitoring, supervision and enforcement. Ofgem must be transparent about these processes, including the necessary capacity-building referenced in our response to question 1.

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

Firstly, we generally support the consolidation of the proposed Consumer Outcomes from the 24 outlined in the original call for input into a smaller number (with the context that we firmly believe that there is a significant place for prescription in Ofgem’s regulatory framework). This should help to mitigate overlap and confusion between outcomes.

There are nevertheless commonalities between several of the outcomes: for example, “Consumers receive accurate, timely, accessible and understandable energy bills” and “Consumers get clear, accurate, and timely information to help them make informed choices.” Given that many of the proposed outcomes are closely interconnected, they should not be considered in isolation. Consumers tend to experience their interactions with energy suppliers as a journey, rather than as a series of distinct interactions with separate regulatory requirements. Ofgem's implementation framework should therefore recognise that good or poor performance in one area will often directly affect outcomes elsewhere.

We support a regulatory approach that explicitly identifies and manages these dependencies rather than assessing each outcome independently. Ofgem should map the relationships between outcomes and set out how evidence relating to one outcome should inform assessment of others. This would encourage suppliers to take a more holistic approach to consumer support and reduce the risk of organisational siloes.

This is particularly important for consumers experiencing financial difficulty. StepChange advisors continue to report harmful billing practices, including suppliers putting undue pressure on customers to accept unsustainable repayment rates or increasing direct debit contributions without sufficient warning. This can force some clients to cut back on other essentials including food and lead to concerning mental health outcomes. Billing accuracy, timely customer service, vulnerability identification and effective debt management are all interlinked. For example, inaccurate billing or poor customer service can contribute directly to personal debt problems, while inadequate affordability assessments could compromise otherwise sustainable repayment and positive outcomes. Here, we would reiterate our position, outlined in response to Ofgem's December 2024 consultation on improving debt standards, that prescriptive license condition changes are the best route to ensuring suppliers are consistently and appropriately setting repayment rates based on ability to pay.[7]

Where outcomes overlap, Ofgem should not allow strong performance in one area to offset poor performance in another and contribute to consumer harm. For example, effective complaints handling should not compensate for weak affordability support or poor debt collection practices. Consumers should be able to expect consistently good experiences throughout their interactions with their supplier.

We therefore welcome Ofgem's proposal to introduce an overarching licence requirement for suppliers to have regard to the overall customer impact when delivering each outcome. Ofgem should require suppliers to show how responsibility for delivering outcomes is coordinated across operational teams, particularly when customers move between internal functions. Its supervisory approach should also assess outcomes collectively, recognising that sustained poor performance in one area may signal wider issues affecting consumer experience.

We would encourage Ofgem to consider going further and introduce an overarching consumer principle to guide suppliers. Ofgem's proposed approach of implementing seven separate outcomes is likely to suffer challenges such as gaps in the outcomes and a lack of clarity in the event of conflict between the outcomes. In contrast,

[7] StepChange Debt Charity (February 2025), Response to Ofgem consultation on improving debt standards in the domestic retail market

alternative approaches like the FCA Consumer Duty are structured with an over-arching principle that sits above more detailed, specific outcomes. That approach also makes sense for the energy market, which requires regulation (and outcomes) covering a broad range of issues.

An over-arching principle would also have the advantage of providing a means to more effectively address consumer vulnerability. After removing the individual vulnerability outcome, Ofgem has stated vulnerability will be a core consideration across all seven outcomes. However, this will mean the outcomes framework is put in place without a strong cross-cutting vulnerability requirement in the outcomes, putting all the emphasis on how vulnerability is addressed in the guidance. This risks a watered-down approach and excessive complexity. For example, we are concerned by the statement made in the consultation that only "where possible and necessary" will Ofgem seek to collect data and evidence related to customers in vulnerable circumstances to ensure outcomes are being met (3.5). If ensuring good outcomes for consumers in vulnerable situations is to be effectively embedded as an over-arching consideration across all 7 outcomes, it cannot be framed as a "nice-to-have" but instead as a clear expectation of suppliers. With an over-arching consumer principle, Ofgem would have the means of setting one set of expectations around vulnerability linked to the principle, complemented where appropriate in separate guidance on the individual outcomes (avoiding re-stating and re-framing guidance on vulnerability for each outcome).

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

It looks like Ofgem has identified a broad range of existing rules which relate to billing, but we do not have the capacity to comment on whether there are other rules present elsewhere which should be considered as part of this review of the regulatory framework.

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

Of the 3 options presented, we are most favourable towards option 3, though this is not a perfect solution as currently positioned.

We definitely do *not* support the implementation of option 1. Ofgem itself has pointed out that billing accounts for 29% of all domestic complaints made to suppliers, making it the single largest complaint category. While this shows that change is needed, Ofgem does not have sufficient evidence to determine that a complete regulatory overhaul is the solution; regardless, this would be too significant and risky an undertaking. Indeed, given the evidence that suppliers are already not consistently complying with existing rules, giving them complete freedom feels especially problematic. Under this option, Ofgem has said its role would focus on setting expectations through guidance and engagement, and assessing whether positive consumer outcomes are being achieved. In light of the difficulty the regulator had in getting energy suppliers to sign up to a debt collection voluntary code of practice, we are doubtful that this regulatory approach would result in improved outcomes for energy customers.

As we have noted, there is a history of firms arbitrating gaps or ambiguities in high level rules where prescription has been crucial to stop harm to customers, most recently regarding mandatory PPMs. We are also far from convinced that a "significant reduction in regulatory burden" is an appropriate justification for the shift option 1 would represent. Regulation is necessary because the interests of suppliers and consumers are not always aligned: that means a degree of prescription and effective monitoring and enforcement will always be essential aspects of energy regulation.

With regards to option 2, we would be apprehensive about the removal of prescriptive rules around billing based on meter readings (condition 21B), as this importantly sets the expectation, among other things, that that "licensee must take all reasonable steps to obtain a meter reading for each of its Customers at least once every year." If there was no time limit set on this, there is a risk that inaccurate billing could persist for longer periods of time depending on suppliers' interpretations of the outcome. As Ofgem itself stated in 2024: "Accurate billing is fundamental; it ensures customers can budget effectively, avoids unexpected bills, and builds trust and satisfaction".[8] But our research suggests that there is still quite a long way to go to make this a reality.

For further context:

- Research among StepChange debt advisors in January 2026 surfaced frustrations about repeated situations where energy customers have accrued hundreds or even thousands of pounds of arrears before conversations with providers about affordability take place. Advisors described how this is sometimes driven by someone relying for an extended period of time on estimated energy billing, which then turned out to be an inaccurate reflection of their actual usage – leaving them with a shock bill.[9]
- This echoes research published by the Personal Finance Research Centre in 2025, conducted in partnership with StepChange and Ofgem, on unlocking better pathways to debt advice, which found that unexpected large hikes in energy costs were the biggest issue reported by debt advice client survey respondents in the preceding two years.[10]

[8] Ofgem (December 2024), Improving debt standards in the domestic retail market consultation
[9] StepChange Debt Charity (April 2026), Plugging the gap: The case for national social tariffs in energy and water
[10] The Personal Finance Research Centre at the University of Bristol (October 2025), Powering up support: unlocking better pathways from energy debt to debt advice

- Unfortunately, advisors hear all too often that the arrival of a shock energy bill, and interactions about arrears more generally, are followed by unaffordable repayment demands from providers. Upfront affordability interventions must be coupled with concerted action from both providers and Ofgem to ensure accurate billing and improve debt collection standards for those who, for whatever reason, fall behind.

As part of the monitoring requirements in relation to the proposed billing outcome, Ofgem should require suppliers to outline the steps they take to engage customers on non-smart meters to provide regular meter readings, including in circumstances where a customer has not provided a reading in 3 months or more. One resource which is potentially partly untapped is the Priority Services Register (PSR) which, among other support, offers the option of regular meter reading services. Ofgem should consider reporting requirements around the volume of physical meter readings undertaken by energy firms on direct behalf of vulnerable customers on the PSR during a given period.

Similarly to our reservations around the removal of SLC 21B, we believe that scrapping relevant billing requirements within 31H could leave too much divergence in the information that consumers can expect to receive from their suppliers. Minimum safeguards are important to ensure that consumers receive clear, accessible information about their energy bills.

That is not to say that Ofgem could not revisit the wording of such license conditions and consider whether they reflect an up-to-date understanding of what constitutes effective consumer communication. We hope Ofgem can address some common communication challenges through this workstream. For example, StepChange advisors continue to report flawed communication from suppliers around the make-up of energy payments, including a lack of clarity on bill breakdown between ongoing usage and debt repayments. This prevents the client from moving forward with debt advice. See below cases reported by StepChange debt advisors:

- The client called StepChange for debt advice after speaking to his energy supplier, but it hadn’t explained the breakdown of his ongoing usage versus arrears, despite his bills having gone up. The client had to call his supplier back to ask for this information, delaying debt advice in the process.

- The client’s supplier is asking for StepChange advice but not providing the client with usage figures versus arrears. The client has called the supplier twice to establish this but can’t seem to get a clear answer, as everyone he rings tells him different figures. The client is elderly, and this is causing distress.

Ofgem has the opportunity to tackle this issue and ensure that communications to those in debt consistently provide a transparent breakdown between a customer's ongoing usage payments and their arrears repayments. This might be best dealt with through creating or refreshing a prescriptive rule, however.

Regarding both options 1 and 2, Ofgem has said that pursuing these routes would represent a fundamental shift and would require greater supervisory judgement, stronger data capabilities and clearer escalation frameworks to address poor performance. We do not think this is the right approach and also remain unconvinced that the regulator is currently equipped to take on these responsibilities. We would note again here that the Consumer Duty has not ended the need for the FCA's more detailed handbook and, while the FCA identified some areas to simplify the handbook post-Consumer Duty, in practice the Duty has complemented rather than replaced most rules. We believe that is the right approach.

For the combination of reasons referenced, option 3 – a mixed approach of billing outcome and prescriptive rules – would be our preference of the choices presented. Many of the rules Ofgem is proposing to retain under this option place important, timebound expectations on suppliers – for example, around backbilling and support with facilitating meter readings. However, we need clearer sight of the other prescriptive billing rules Ofgem would be proposing to replace as per paragraph 4.37. Watering down expectations around bill frequency, compulsory provision of online account management and free bills, for example, could lead to diverging and potentially poor outcomes for consumers. This is especially concerning giving known barriers to engagement with the energy market, particularly for those in vulnerable circumstances.

As we set out elsewhere in this response, outcomes-based regulation is not a straightforward substitute or alternative to prescriptive regulation because it does not change the fact that the interests of suppliers and consumers are not always aligned, and the risks to some consumers justifies a careful and prescriptive approach in many cases. That is not to say that there will be no opportunities to refresh license conditions, but there should be no assumption that the introduction of an outcomes-based framework and a reduction of license conditions are a 'tit for tat' exchange.

Prescriptive rules should remain in place as part of Ofgem's regulatory framework, and an outcomes-based approach does not reduce the need for those rules. We do not have the capacity to provide a comprehensive list of essential license conditions: rather, Ofgem must only consider removing existing rules where it can be clearly demonstrated both that suppliers are delivering high standards at, or in excess of the expectations set by rules, and that removal of the rule would not put that delivery at risk in future.

Prescriptive rules are not about a 'one size fits all' approach but providing detail where necessary and setting key minimum expectations where there are significant risks to consumers. An outcomes-based regime can enhance how suppliers deliver and build on those expectations, but it does not negate the need for specific rules.

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

This question is not applicable to StepChange, so we have not provided a response.

Question 8: Do you agree that the data and evidence we are asking for to monitor the Billing Outcome will give us the evidence we need to hold suppliers accountable for delivering the right outcomes for consumers?

If not, please explain your reasoning, including any alternative sources of data and evidence you think appropriate.

Comparing regular energy bills to actual meter readings to ensure consumption is consistently and accurately being reflected is certainly important. We also welcome Ofgem's insertion of a 'test and learn' aspect to the monitoring – testing whether a supplier's customers understand their regular energy bills and that bills are accessible for them, broken down by different customer sub-groups.

We would add that, to successfully monitor this outcome, it is important that Ofgem captures a wide range of data from different sources beyond suppliers themselves. We note that the regulator has said it is exploring the feasibility of using insight generated by non-industry stakeholders; we believe this is critical. As a free debt advice provider, we can share evidence on emerging and persistent billing issues and the subsequent harm caused in a timely manner – for example, examples of wrongly estimated billing or suppliers failing to provide clarity on the breakdown of ongoing usage versus arrears repayments. We are happy to work closely with Ofgem on this.

We also strongly agree that expectations around the data and evidence provided must be as standardised and comparable across different suppliers as possible. The publication of proposed monitoring guidance sounds like a sensible move from Ofgem.

Question 9: Do suppliers foresee any challenges with the data and evidence we propose below?

Please provide detail and examples in your response to help us understand the feasibility of our proposal.

This question is not applicable to StepChange, so we have not provided a response.

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

We do not have extensive comments to share, but we would expect Ofgem to set out clear timelines for when this data and/or evidence should be delivered by suppliers and that it should happen on a regular basis. As this is a new approach, Ofgem should ask for this evidence initially at an early stage after implementation and at a higher frequency initially – such as every six months – which might be reduced over time.

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

We are glad to see Ofgem acknowledge that a move towards more outcomes-focused regulation will require an enhanced degree of collaborative engagement with suppliers to understand how consumer billing outcomes are being delivered in practice, and how suppliers intend to address issues where poor outcomes are identified. As a non-industry stakeholder, we would welcome greater transparency from Ofgem on how it in intends to successfully foster and maintain these relationships and evidence-sharing arrangements, given recent difficulties the regulator has had in garnering industry support for debt collection interventions (for example, the unsuccessful attempt to get suppliers to sign up to voluntary code of practice as referenced earlier).

We are also pleased to see that Ofgem has said that it may act to request additional information from suppliers and will work with them to understand what data they hold and how it can support the regulator's assessment of consumer outcomes. The evidence requirements for each of the proposed outcomes should be malleable, and it should be an efficient process for Ofgem to insert or amend monitoring and compliance routes where it becomes apparent additions or changes are required.

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

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

We answer questions 12 and 13 together. We would begin by reiterating the points we made in response to questions 3 and 4, namely that:

- The risk of ambiguities inherent in an outcomes-focused regulatory framework must be mitigated by Ofgem through the setting of clear expectations of suppliers, which in turn can be communicated readily to both their customers and third-party providers of support so there is a shared understanding of rights and expectations.
- Energy customers should be considered as stakeholders alongside policy, third sector and industry stakeholders.
- We support a regulatory approach that explicitly identifies and manages dependencies between different Consumer Outcomes rather than assessing each independently, which also supports the intention to improve transparency.

Ofgem must also be explicit about how the circumstances/support needs of customers in vulnerable situations are being accommodated through the new Billing Outcome.

Beyond this, we support the proposal to archive historic materials and replace them with a single billing guidance document, which will be updated as the market evolves. This guidance should be publicly available and easily accessible, as part of dedicated efforts to help consumers to understand their rights.

We are happy to work with Ofgem as it intends to use existing stakeholder forums to help build consistent interpretation of its rules across organisations. As a not-for-profit advice provider that hears regularly from clients about experiences with energy providers but has limited resources, we particularly welcome:

- Clear routes to share client experiences with feedback where possible on steps taken to address repeat and persistent problems; and
- Opportunities to feed into consultations and calls for input without submitting a full formal response, including workshops and direct meetings with Ofgem colleagues.

The intention to improve transparency about Ofgem activities, including compliance, so stakeholders can understand the actions being taken and understand how their input shapes regulatory work, is also welcome.

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

Yes, we agree that this sounds like a sensible proposal.

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

Yes, we agree that this sounds like a sensible proposal.

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

Adopting a uniform time period for the repeating payments sounds like a sensible move. However, we are not convinced by the rationale of a cap on the number of payments to five. If there is a continuing breach of this nature and seriousness, then we do not see why there should be a cap on the number of payments implemented.

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

This question is not applicable to StepChange, so we have not provided a response.

StepChange Debt Charity