



# Ready, set, regs!

Get ahead of Ofgem's consumer protection regulations




# What this guide is for


As the industry gets ready for Ofgem's new consumer protection regulations for heat networks, we've put together this guide to help heat suppliers make sense of everything coming our way.

## You're not in this alone


New regulations can feel like a lot, but you've got support. In reading this document, you may also find that you're already on the right track.

## Who's here to help:

 **Your service providers:** Your existing partners, whether a metering & billing or maintenance provider, are key to making compliance a team effort.

 **Industry bodies and associations:** They've got lots of resources, updates and guidance, made with housing providers in mind.

 **Ofgem:** As the new regulator, Ofgem's here to protect customers, and also support suppliers.

 **Department for Energy Security & Net Zero (DESNZ):** DESNZ is leading the charge on policy, and encouraging collaboration across different sectors.

## Who's responsible?

### Heat network operator:

Organisations that have significant control over heat network assets, the ability to invest in the network, and decision making power on repairs and maintenance.

### Heat network supplier:

Organisations that have a heat supply contract or equivalent with the end customer, and the associated control and influence over consumer outcomes.

**Even if you've contracted some heat network related tasks, such as metering & billing or maintenance, the responsibility stays with you.**

# What's inside

Here's an explanation of how we've broken the regs down. Each section is designed to help make your preparations easier.

## Quality of service & supply of heat

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From the 1<sup>st</sup> of January 2026, heat network residents will need to meet clearer standards for how they serve residents, from how complaints are handled to supply issues. Here's a quick breakdown of what to expect and what you'll need to be ready for.

The Heat Trust Scheme Rules are a strong benchmark for what's likely to be expected. It's a useful starting point for shaping your approach to Guaranteed Standards of Performance (GSP) and supply continuity

### Consumer redress

From 1<sup>st</sup> April 2025, heat network residents will have access to independent advice and support services:

- Consumer Advocacy body: Free independent and confidential advice on energy issues.
  - Citizens Advice (England & Wales)
  - Consumer Scotland (Scotland)
- Energy Ombudsman: A dispute resolution body for energy consumers, now including heat networks.
- Housing Ombudsman: A dispute resolution body for tenants and leaseholders of social landlords in England and Wales (The Scottish Public Services Ombudsman in Scotland).

If complaints aren't handled properly, you could end up paying between £250 and £375 for each case that gets passed to the Energy Ombudsman for review.

You must register with the Energy Ombudsman via their portal: [portal.energymonitoring.org.uk/heat-network-suppliers](https://portal.energymonitoring.org.uk/heat-network-suppliers)

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### Step-in arrangements

These are safety nets to make sure heating & hot water supply continues even if something goes seriously wrong.

Step-in may be triggered by:

- Insolvency.
- Persistent underperformance or harm to consumers.
- Ongoing technical failure.

To prepare, heat network suppliers may need to meet new baseline requirements (adapted from energy supply regulation), e.g. Customer Supply Continuity Plans (CSCP).

### GSOPs

Ofgem plans to base GSOPs on Heat Trust Scheme Rules, and amend complaint handling outlined in the Gas and Electricity Regulations 2008.

- Operators that miss the mark may need to compensate consumers.
- Not-for-profit networks may not need to pay compensation, but they'll likely need to submit an improvement plan.

## Key takeaway

Quick pointers to help you spot where small changes could make a big difference.

## Summary

A clear, concise overview of what's expected in each regulatory area, and where Ofgem is still consulting.

## Checklist

Helps you get your processes and data in shape. We've added colour-coding to show which service providers can help you further.

- Internal teams
- Metering & billing provider
- Maintenance provider
- Contractor

## Quality of service preparation checklist

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Ofgem's still deciding on GSOPs, and they're looking at the Heat Trust Scheme Rules for this. Parts of this checklist are based on those rules to better help you prepare, but may be subject to change.

- Register with the Energy Ombudsman.
- Handle any expression of dissatisfaction as a complaint.
- Publish your complaint handling processes.
- Provide multiple contact channels for complaint submissions.
- Resolve complaints within 8 weeks to prevent escalation to the Energy Ombudsman.
- Report complaints to Ofgem from 1<sup>st</sup> April 2025, incl.
  - No. of complaints made categorised by broad subject
  - No. of complaints by those in vulnerable circumstances
  - No. of deadlock letters issued and complaints to Energy Ombudsman
  - Average resolution times
- Process PAYG change of residences within 3 working days.
- Process credit billing change of residences within 21 working days.
- Process refund request within 10 working days.
- Develop a CSCP, including:
  - Service providers' arrangement details
  - Billing system information
  - Customers numbers
  - Payment methods
  - Privacy Services Register (PSR) list
  - Customer debt summaries
  - Customer account balance summaries
  - Information on key staff and contacts
  - Data access, maintenance, and customer data handover details
  - Key physical and contractual assets
- Keep to property appointments.
- Provide 48-hours notice ahead of planned supply interruptions.



Figure 2: Heat Trust Scheme Rules components policy action process and documents (which companies can be used)

More info on the Energy Ombudsman can be found in their FAQs for heat suppliers: [portal.energymonitoring.org.uk/heat-network-suppliers](https://portal.energymonitoring.org.uk/heat-network-suppliers)

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# About the regulations

The Energy Bill 2023 officially made Ofgem the regulator for heat networks.

The creation of new consumer protection regulations are part of this appointment. They aim to make sure heat network consumers, especially those in vulnerable circumstances, are treated fairly, get reliable service, and have access to the information they need.

These are being introduced as part of a new Heat Network Market Framework, which also includes heat network zoning policies and the Heat Network Technical Assurance Scheme (HNTAS).

Together these changes should not only protect consumers, but help decarbonise heat in buildings and encourage industry investment, all while addressing the monopoly-like nature of heat networks.

**The regulations are still being discussed and finalised, but we want to keep you in the loop so you're ready when they come into effect.**

## What if you don't comply?

Once the new regulations kick in, heat network operators and suppliers will need to regularly report to Ofgem on things like billing, pricing, service issues, and customer protections. If something doesn't look right, Ofgem can step-in:

### 1. Audit:

Independent audits will be carried out across different heat network types, especially where data or complaints suggest a problem.



### 2. Compliance reviews:

Ofgem will monitor performance and compliance. They'll address reported issues and open investigations where needed.



### 3. Enforcement actions:

If serious non-compliance is found, Ofgem can issue orders, apply fines, or in some severe cases, revoke licences.

### What's in scope

#### Heat network:

A system that distributes a liquid or gas to transfer thermal energy, providing heating & hot water or cooling to buildings or occupants within those buildings.

Under these regulations, consumer refers to domestic households and micro-businesses<sup>1</sup>.

The regulations **won't** apply to:

- Single buildings with shared facilities
- Self supply district heat networks
- Cooling systems not connected to a heat network
- Individual systems where users generate their own heating

**If a heat network operator or supplier is fined due to mismanagement, those costs cannot be passed on to residents.**

<sup>1</sup>Micro-businesses use under 100,000kWh of electricity a year; use less than 293,000kWh of gas a year; or have fewer than 10 employees and a turnover under €2 million.

## What's happening when

This timeline takes a quick look at key milestones as Ofgem prepares to regulate heat networks. Keep in mind, timings may change as things develop.

- **Dec. 2021** Ofgem appointed as heat network regulator.
- **Aug. 2023** Consumer Protection Consultation published.
- **Apr. 2024** Heat Networks Consumer Protection consultation response published.
- **Nov. 2024** Heat Networks (Market Framework) Regulations 2024 laid. Consultations published on Implementing Consumer Protections and Authorisation & Regulatory Oversight.
- **Winter 2024** Initial Pricing policy consultation published.
- **Apr. 2025** **Consumer advocacy & Redress schemes commence: Heat suppliers must register with the Energy Ombudsman.**
- **Summer 2025** Consumer Protection Guidance, Authorisation/Registration Guidance, and Pricing Guidance consultations published.
- **Autumn 2025** Further consultation on Guaranteed Standards of Performance and authorisation. Second Market Framework Regulations laid. Monitoring & Audit Guidance, Authorisation Conditions, Step-in Guidance, and Enforcement & Penalty Policy consultations published.
- **Jan. 2026** **Heat network regulation commences: Heat suppliers must register with Ofgem by 2027.**
- **2027** Ongoing review of market pricing trends and reactions.

# Quality of service & supply of heat


From the 1<sup>st</sup> of January 2026, heat networks will need to meet clearer standards for how they serve residents, from how complaints are handled to supply issues. Here's a quick breakdown of what to expect and what you'll need to be ready for.



**The Heat Trust Scheme Rules are a strong benchmark for what's likely to be expected. It's a useful starting point for shaping your approach to Guaranteed Standards of Performance (GSOP) and supply continuity**


## Consumer redress


From 1<sup>st</sup> April 2025, heat network residents will have access to independent advice and support services:



 **Consumer Advocacy Body:** Free independent and confidential advice on energy issues:

-  Citizens Advice (England & Wales)
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 **Energy Ombudsman:** A dispute resolution body for energy consumers, now including heat networks.




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*If complaints aren't handled properly, you could end up paying between £250 and £375 for each case that gets passed to the Energy Ombudsman for review.*

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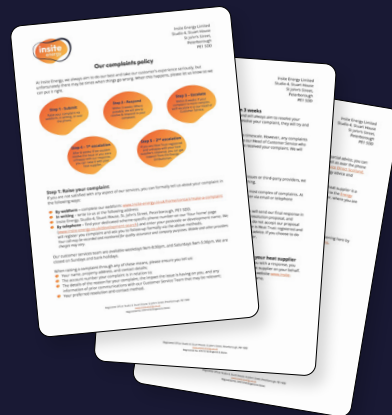


Figure 3: Insite Energy's complaints policy outlines processes and channels through which complaints can be raised.

More info on the Energy Ombudsman can be found in their FAQs for heat suppliers:

[insite-energy.co.uk/storage/app/media/Brochures/202504-energy-ombudsman-heat-supplier-faqs.pdf](https://insite-energy.co.uk/storage/app/media/Brochures/202504-energy-ombudsman-heat-supplier-faqs.pdf)

- Internal teams
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# Consumers in vulnerable circumstances

Ofgem plans to strengthen protections for consumers who may need extra support through priority services, financial plans, safe disconnection practices, and clear rules for pre-payment meters (PPMs). Their definition of vulnerability is expected to align with existing Ofgem guidance.

**Keep a Priority Services Register (PSR) and make sure support is tailored to consumers who need it.**

## Payment methods

No strict rules for payment types are planned, especially given the complexity of leasehold charges and unmetered properties. But this will be reviewed regularly, so offer flexibility and multiple ways to pay.

## Pre-payment meters & powers of entry

New guidance will outline how and when PPMs can be installed and used. This is expected to mirror rules for gas and electricity. It'll also cover how suppliers should spot signs of self-rationing or self-disconnection, with metering and monitoring playing a big role.

*Flexible metering systems, like KURVE, can help by allowing a smooth switch between pay-as-you-go and credit billing.*

### Who's considered vulnerable?

Ofgem's likely to use a broad definition of vulnerability used in the gas and electricity markets.

Consumers in those markets can currently ask their supplier to be on the PSR if they have:

- mental health conditions,
- conditions affecting their sight or hearing
- conditions that mean they need to use medical equipment that requires a power supply
- have reached state pension age
- are pregnant, or have young children
- struggle with speaking or reading English

Help is also available to consumers who:

- are recovering from an injury, or need support after a stay in hospital
- have been bereaved
- have lost their job

## Additional consumer support preparation checklist

The details may change, but this gives you a good sense of what's likely to come, and what you can get ahead on now.

- Establish and maintain a PSR for domestic consumers.
- Provide specific priority services, including:
  - Password protection schemes, where residents agree on a unique password with their supplier for staff visits
  - Engineer identification cards
  - Third-party billing options (bill nominees)
  - Communications in accessible formats
  - Meter reading assistance
  - Information on preparing for interruptions, and timely notifications during unplanned interruptions
- Proactively offer repayment plans to consumers facing payment difficulties.
- Provide advice on reducing energy usage.
- Offer alternative payment methods.
- Use disconnection for non-payments by credit billed consumers as a last resort.



Figure 4: Regulations may require ID cards for staff accessing homes of those on the PSR.

- Do not disconnect vulnerable consumers who are on credit billing during the heating season (Oct-Mar).
- Reconnect consumers swiftly when debt is paid.
- Provide emergency or friendly-hours credit to vulnerable consumers on PPMs.
- Provide consumers with accurate bills.
- Do not backbill further than 12 months.

- Set fixed Direct Debits on best available information.
- Offer to install a PPM to consumers experiencing payment difficulties.
- Monitor and re-engage with consumers if they miss a payment.



Figure 5: Metering systems, like KURVE, allow switching between prepay and credit billing mode, helping you to better meet expected, future requirements.

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# Transparency for consumers

Clear and honest information is key to a smooth heat network experience. Ofgem wants to make sure heat suppliers and operators are being upfront with pricing, billing, and usage details, while also improving awareness of heat networks.

**Install smart meters in new buildings and consider retrofitting existing ones before demand picks up.**

## Metering & consumer protection

The **Heat Network Technical Assurance Scheme (HNTAS)** will look to standardise smart meters. This will help with better data collection, clearer bills, and allowing suppliers to support consumers based on their actual usage.

## Transparency before property transactions

To boost awareness, estate agents may soon be required to tell potential buyers if the property is connected to a heat network. New resources and updated Energy Performance Certificates (EPCs) will also be provided to support this.

## Transparency during residency

Accurate metering and billing will help consumers track and reduce energy use, costs, and emissions. Ofgem will make sure consumers aren't charged for heat consumed more than 12 months ago (backbilling), if it wasn't their fault.

*Keep billing clear and easy to understand, and always notify consumers of tariff changes.*



Figure 6: Your metering & billing provider may already provide welcome packs that include helpful information to your consumers.

## Transparency preparation checklist

Some of the below items are already required as part of the Heat Network (Metering & Billing) Regulations, while others are still being considered. The full checklist will help you stay compliant now and get ahead of what's coming.

- Install smart meters at each property's entry point to measure consumption accurately.
- Provide new tenants with a welcome pack, including:
  - Heat supplier/operator contact details
  - Principle heat source(s)
  - Information on tariffs and pricing
  - Standardised contract information
- Provide consumers with a clear heat supply contract, including:
  - Price of heat for the consumer
  - Service quality standards
  - Routes for consumer redress
- Offer multiple payment methods.
- Where meters or heat cost allocators are installed, base bills on actual consumption.
- If meters require manual readings and are not provided, base bills on estimated consumption.
- Provide bills that guide to informative sources.
- Provide clear bill explanations, calculation methods, and details of charges.
- Provide annual account statements for all consumers, including:
  - Last 12 months heat consumption
  - Projection of next 12 months' usage
  - Contact for support, financial, and energy saving advice
- Provide consumers with tariff change notifications, including:
  - Circumstances and processes for potential future heat charge changes
  - Clear, transparent communication
  - Heat supply contract terms or equivalent

- Do not bill for heat consumed more than 12 months prior to the bill issuance (backbilling).
- Give at least 31 days' notice for tariff increases.

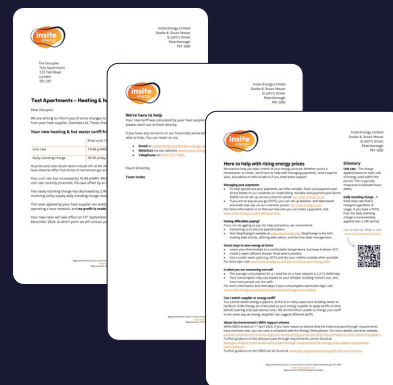


Figure 7: Insite Energy provide bespoke tariff change notification letters 30 days prior to clearly stipulate tariff increases and reasons for changes.

More info on existing Heat Network (Metering & Billing) Regulations 2014:  
[www.legislation.gov.uk/ukxi/2014/3120/contents](http://www.legislation.gov.uk/ukxi/2014/3120/contents)

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# Fair pricing

Charges to consumers should be for the heat they use and any costs related to the running of the heat network, but these shouldn't be excessive. Ofgem's new rules aim to make sure prices are fair, transparent, and justifiable. This includes all costs a consumer ends up paying for heat, whether through energy bills, rent, service charges, or other indirect fees.

**Current consultations indicate that charges to consumers will need to be split between a unit rate and a daily standing charge, similar to the pricing structure in the regulated gas and electricity markets.**

## What's the approach?

Pricing rules are expected to come in from 2027, with data submission starting in April 2026. This will help Ofgem to determine appropriate pricing rules based on market trends.

### No price cap at this point:

Ofgem won't be capping prices, but this could change depending on market conditions.

### More visibility, more comparison:

Ofgem is exploring ways to make pricing across networks easier to compare. Here's what's on the table:

- **Full heat network register:** A public list showing prices and key features of each network.
- **Segmented comparison:** Group similar networks (e.g. size or age) for fairer comparisons.
- **Counterfactual comparisons:** Show how prices stack up against alternatives like gas boilers or heat pumps.
- **RAG ratings:** A Red-Amber-Green system to compare prices to benchmarks.

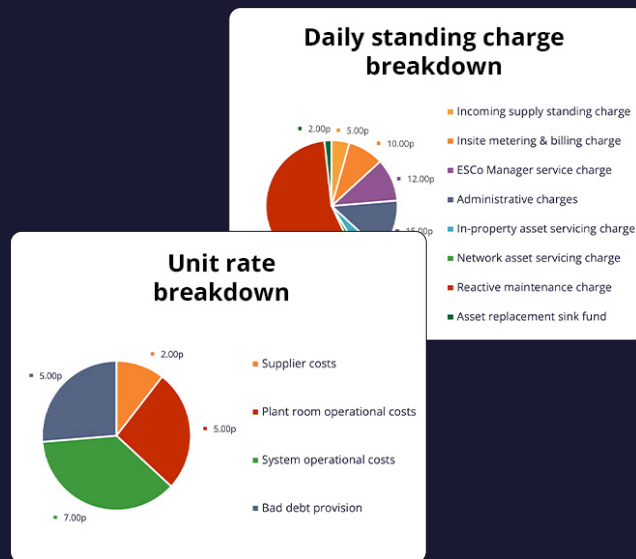


Figure 8: Insite Energy calculates heat tariffs with unit rates (left pie chart) covering fuel and production costs, while daily standing charges (right pie chart) may include repairs, sinking fund, admin costs, financial aspects, and asset servicing, in line with Ofgem's proposed regulations.

## Pricing preparation checklist

The details may change, but this gives you a good sense of what's likely to come, and what you can get ahead on now.

- Store the below data in an easily accessible format:
  - Tariffs
  - Network efficiencies
  - Cost and profit information
- Share pricing data quarterly with Ofgem from 1<sup>st</sup> April 2026.
- Implement billing formats that guide consumers to informative sources.
- Split heat charges into dstanding charges and variable charges (unit rate).
- Only include the following costs in tariff standing charges:
  - Asset depreciation
  - Repairs
  - Admin costs
  - Financial aspects
- Only include the following costs in tariff variable charges (unit rate):
  - Fuel
  - Production costs
- Record and store the below characteristics of your heat network in a shareable format:
  - Function (operator/supplier/both)
  - Ownership / commercial arrangements (incl. leaseholder, freeholder, and landlord)
  - Profit / non-profit
  - Age of heat network
  - Size of heat network
  - Density
  - Technology (energy source) used in heat network
  - Consumer energy demand
  - Thermal energy demand
  - Heat distribution temperature
  - Metered / non-metered
  - Network built pre-regulation / post regulation
  - If the heat supplier also generates electricity (either to be sold to consumers via private wire or to the grid)

■ Internal teams

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# HNTAS is coming. *Are you ready?*

The Heat Network Technical Assurance Scheme, launching in 2025, sets technical standards to make sure heat networks meet minimum performance and reliability levels.

- ✓ Get your network's operational efficiency to 60-75%.
- ✓ Start using CIBSE CP1 (2020) as a benchmark.
- ✓ Install meters across the network to monitor and spot inefficiencies.
- ✓ Consistently deliver reliable heating with minimal downtime.

## Get HNTAS-ready with Insite Energy

Don't wait for regulations. Contact us for a **network efficiency improvement (NEI) survey**, a full assessment to improve your network's efficiency and reduce costs.

Or, join our **next training session** to get up to speed on heat network compliance and HNTAS.

**Contact us**

✉ [techsales@insite-energy.co.uk](mailto:techsales@insite-energy.co.uk) ☎ 0207 036 9117



### Heat Network Efficiency Improvement Report

Carefully prepared for the attention of  
Client for Development





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