

# **Citizens Advice response to Ofgem consultation on the renewal of Ban on Acquisition-only Tariffs after March 2026**



# Executive summary

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Citizens Advice strongly supports the consultation proposal to extend the BAT for a further year, until 31 March 2027. The BAT continues to:

- help ensure fair pricing for all consumers
- improve choice for indebted and/or vulnerable customers
- help rebuild consumer trust in energy suppliers
- contribute to wider market stability and resilience.

We also note the continued upward trend in customers switching tariffs,<sup>1</sup> and greater consumer interest in switching,<sup>2</sup> a clear indication that switching may be returning to more historically typical levels. This reinforces previously held assumptions that BAT is not acting to stymie supplier competition, nor consumer engagement, to the extent that merits removing it. Overall, we support a permanent retention of the BAT, particularly in light of the need for price protection and regulatory consistency in a market transitioning to net zero.

Citizens Advice also agree with the proposal to retain the Market-wide Derogation until March 2027, and again reiterate the call for its revision to ensure that the criteria which define whether a tariff is offered to a particular group of Domestic Customers does not include propensity to switch, nor any other discriminatory criteria. We continue to assert that, in order to minimise the harm of increasing price complexity and lack of price visibility, details of retention-only deals should be made easily accessible to all consumers.

Please find our detailed response to the consultation questions below.

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<sup>1</sup>Energy UK (2025) [Electricity Switching Report July 2025](#)

<sup>2</sup>Ofgem (2025), [Consumer Impacts of Market Conditions Survey](#)

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# Consultation response

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## **Q1. Should the temporary BAT (SLC 22B) be renewed until 31 March 2027?**

Yes, we firmly agree that the BAT should be renewed until 31 March 2027, and that there is a clear case for the BAT to be made permanent as part of the decisions Ofgem makes in the future of price protection review.

We agree with the rationale set out in the consultation and welcome Ofgem's continued recognition that the BAT acts to ensure that vulnerable and/or indebted customers - who may face barriers to switching or are unable to access their supplier's best available deals - don't end up paying higher prices, inadvertently subsidising those more able to pay. This is particularly important given the growing cohort of customers in debt; so far this year we've helped over 60,000 people with energy debts, which is higher than all other years on record bar 2024.

The average level of energy debt held by our clients is at an all time high, with consumers carrying energy debt levels that are over £600 higher than three years ago - a trend corroborated by Ofgem's own data illustrating that debt levels rose sharply in 2023/2024 and are continuing to increase.<sup>3</sup> Until the problem of energy affordability is adequately addressed - for example through the implementation of a tailored bills support programme, and the Debt Relief Scheme - price protection is even more critical, not only for consumers but for the financial health of the overall sector.

Vulnerability and debt are intersecting factors; of the people we have helped with energy debt in the last 12 months, two thirds of those that shared their disability status are classified as having a disability or long-term health condition. Meanwhile, those on lower incomes are not only more likely to be in debt, but are also, regardless of the debt barrier, less likely to change their energy contract.<sup>4</sup> We note that those on incomes lower than the poverty line and those households in deep poverty are disproportionately represented by people of

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<sup>3</sup>Ofgem (2025), [Debt and arrears indicators](#)

<sup>4</sup>Citizens Advice (2021) [Rough trade? Balancing the winners and losers in energy policy](#), page 7; Citizens Advice (2018), [The cost of loyalty](#)

colour.<sup>5</sup> The BAT has an important role in ensuring fairness for people with vulnerabilities and other protected characteristics by enabling them to access better deals with their existing supplier.

Furthermore, there is a correlation between a consumer's financial circumstances and their confidence in, and engagement with, the energy market; recent research indicates that consumers classified as "highly financially vulnerable" are significantly less likely to be satisfied with energy suppliers than those "doing well".<sup>6</sup> Maintaining the BAT for another year would provide a level of price fairness for these groups while Ofgem considers the next steps in its Consumer Confidence programme.<sup>7</sup>

We welcome the recognition of the positive effect that ensuring price fairness has on consumer trust and confidence in the sector. Fair pricing impacts customer satisfaction and trust in their supplier; as findings from the May 2025 Energy Consumer Satisfaction Survey show, fair prices was the most cited reason for customer satisfaction.<sup>8</sup> Consumer polling from 2024 revealed how significant the issue of price fairness is: consumers strongly disagreed with the idea of suppliers being allowed to offer new customers better deals than they offer their existing ones,<sup>9</sup> whilst 82% of consumers said they would have less trust in their supplier if it only offered its best deals to new customers.<sup>10</sup>

Consumer trust in energy suppliers has been improving but remains below some other essential services,<sup>11</sup> so as Ofgem endeavours to take steps to bolster trust,<sup>12</sup> an environment that aims to ensure fairness of price is even more important. Low trust in suppliers risks constraining positive attitudes towards change during the net zero transition.

We have identified that the adoption of a Consumer Duty framework - similar to that used in the financial services sector- would ensure the prioritisation of

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<sup>5</sup>Joseph Rowntree Foundation (2024), [Bangladeshi, Black African and Pakistani households at higher risk of very deep, long-term poverty](#)

<sup>6</sup> BMG (2025), [What drives consumer satisfaction with energy suppliers?](#)

<sup>7</sup> Ofgem (2024), [Consumer Confidence: A step up in standards](#)

<sup>8</sup> Ofgem (2025), [Energy Consumer Satisfaction Survey](#)

<sup>9</sup> Utility Week (May 2024), [Poll shows strong public support for acquisition-only tariff ban](#)

<sup>10</sup> E.ON UK (May 2024), [UK consumers agree that energy companies must not restrict deals to new customers](#)

<sup>11</sup> Ofgem (2025), [Consumer impacts of market conditions survey: wave 6](#)

<sup>12</sup> Ofgem (2024), [Consumer Confidence 2024](#)

consumer interest and drive up consumer trust and confidence in the energy sector. As such, we recommend that - as part of its Consumer Confidence programme - Ofgem looks to implement a Consumer Duty, and consider how a permanent BAT would interact with a Consumer Duty framework that requires products to provide fair value to customers.

We also agree with the rationale that keeping the BAT has provided a level of certainty for suppliers as they implemented new regulatory requirements, and that an extension of the BAT until March 2027 would provide continued stability whilst longer-term decisions on the future of price protection are being determined.

As outlined above, we believe that there is a clear case for the BAT to be made permanent specifically due to its positive impact on: ensuring price fairness; preventing vulnerable and/or indebted customers from paying higher prices or inadvertently subsidising those more able to pay; rebuilding consumer trust in the market; and facilitating market stability. These positive outcomes have transpired at a time when customer switching and consumer confidence have increased, indicating that the BAT has not stymied supplier competition. We welcome the opportunity to feed into subsequent discussions around a permanent BAT that arise as part of Ofgem's future of price protection review

**Q2. If you consider that SLC 22B should be removed from 31 March 2026, please share specific evidence to support your arguments.**

We do not support the removal of SLC 22B. We welcome future opportunities to input into the discussion around retaining the BAT as a permanent feature of the market.

**Q3. Should the BAT's associated Market-wide Derogation be retained until 31 March 2027, alongside our proposals to extend the BAT for the same time period?**

We agree with the proposal to retain the Market-wide Derogation until March 2027. We agree with the rationale outlined in the consultation and consider that the Market-wide Derogation can have the following positive impacts:

- Assist more vulnerable and/or indebted customers, who may be unable to switch. It can enable them to benefit from cheaper prices, without the cost saving of servicing them being spread across all tariffs.
- Retention-only deals allow suppliers to reward more loyal customers, which in turn increases consumer trust in those suppliers.
- With improving consumer trust comes a greater likelihood that consumers engage with 'riskier' innovative product offerings. This could benefit overall competition, and how well consumers access the benefits of net zero.

We recognise that any potential changes to the Market-wide Derogation will be considered and taken forward over the coming year as part of the broader work on the future of price protection. Still, we wish to reiterate the recommendations for improvement that are needed to reduce the risk of consumer harm, as outlined in our 2024 consultation response.<sup>13</sup> Specifically:

- The Market-wide Derogation should be amended to ensure that the criteria which define whether a tariff is offered to a particular group of Domestic Customers is not intended to act as a proxy for propensity to switch and any other marker of being more or less financially vulnerable.
- Alternatively, Ofgem could clarify that this would be prevented by SLC0 requirements to treat customers fairly and enable informed choices. With existing regulations in place, including supply licence condition 31F, the customer would then be notified, prior to the end of their fixed-term contract, that they could access the retention-only deal, if that was the cheapest tariff available with their current supplier.
- The definition of existing versus new customers should also be clarified, in order to better understand the risk to those customers moving house.
- To minimise harm of increasing price complexity and lack of price visibility, details of retention-only deals should be made accessible to all consumers. This includes the tariff information published in compliance with Supply Licence Condition 31F.11. This would enable consumers to better understand the potential risks and rewards of switching to an energy supplier beyond the term of their initial tariff.

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<sup>13</sup> Citizens Advice (2024), [Response to Ofgem consultation on the future of the Ban on Acquisition-only Tariffs beyond March 2025](#)

**Q4. If you consider that the Market-wide Derogation should be removed after 31 March 2026, please share specific evidence to support your arguments.**

We do not support the removal of the Market-wide Derogation and welcome future opportunities - as part of the future price protection project - to input into discussions regarding improvements or amendments to the Market-wide Derogation.



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We provide free, confidential and independent advice to help people overcome their problems. We are a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

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