

System Critical

No margin for error in new heat network rules

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1. Introduction

Section 1 - Introduction

1.1. Introduction: Executive summary

Heat networks are set to play a vital role in the switch to cleaner heating, and are poised to supply up to 20% of households by 2050.¹ The government has a huge task ahead, and future energy consumers need to be on board. But new research from Citizens Advice has found many consumers facing huge challenges with their heat network, putting this future at risk.

The Social Agency interviewed consumers living on heat network sites across Great Britain. We found that until recently, people felt good about their experiences with heat networks. However, the rising price of gas, which began in 2021, has exposed serious problems with the limited consumer protections that currently exist. In this environment, unfair practice has flourished.

Our report looks at different problems that most commonly came up when speaking to heat network consumers. The biggest issues for our research participants match what we see in our advice service. This makes sense: Heat network consumers are more likely to be in vulnerable circumstances, or to have lower income than other energy consumers.² If rising prices are making the experience of heat networks worse, then this is likely to be a widespread issue. If problems aren't addressed and consumer outcomes don't improve, then public support for heat networks will be more difficult to build.

People we interviewed experienced:

- Significant price increases, unfair back bills and aggressive debt collection practices.
- Inadequate customer service that leaves many problems unsolved.
- In the most serious cases, households in vulnerable circumstances faced threats of disconnection and eviction due to their energy debts.

To prepare the sector and prevent the most serious harm this winter, Ofgem must send a clear message. The regulator must outline the standards expected from day one - and how it will take action on firms that put consumers at risk. Heat networks must act now to improve systems and processes - to tackle the worst of the behaviour uncovered through our research. Ofgem and the Government must also set an ambitious roadmap for providers, ensuring all of their consumers benefit from an affordable and reliable experience.

What is a Heat Network?

Heat networks are a way of heating different buildings from a central source. Sometimes referred to as 'district' or 'communal' heating, a heat network can provide heat to blocks of flats, commercial buildings, or even whole towns. Heat networks can be adapted to use lots of different kinds of heat sources, including waste heat.

Key findings

Citizens Advice commissioned the Social Agency to interview heat network consumers, who self-identified as facing financial detriment.³ Interviews took place between December 2024 and February 2025, and included consumers on different types of heat networks. We aimed to capture a broad range of experiences, including consumers with different vulnerabilities and housing tenures in our sample. A breakdown of heat network and household sample characteristics is in the appendices.

All participants reported dramatic bill increases in the past 2 to 3 years, which directly caused or contributed to their financial hardship. In some cases, this impact was severe.

The interviews uncovered 6 interconnected areas of harm. All 6 were caused or made worse by high and fluctuating energy costs:

What we found:

Large bill increases

Consumers on all kinds of heat networks experienced significant and sudden increases to their heating and hot water bills - doubling or tripling in a very short time period. The underlying causes of these increases aren't going away, and new pricing rules won't be in place until 2027 at the earliest.⁴ Heat network consumers remain at risk from shock bills and opaque pricing.

Unfair billing practices

Price increases were worsened by unfair billing practices such as long-term back billing, and retrospective price increases. Both practices are banned in the mains gas and electricity sector.

Forced to cut back on essentials or go without

All of the consumers we spoke to reported having to cut back on essentials or go without heating or hot water as a result of bill increases and a lack of support, with the poorest households hit the hardest.

Aggressive debt, disconnection and eviction practices:

Disconnections and impossible upfront payment demands were common, regardless of the amount owed, or whether a vulnerable person was present. Regulations are still six months away, meaning vulnerable households remain at risk.

Some heat network consumers have their heat and housing costs 'bundled' together. For some of these households, falling behind on their heating bills led to threats of eviction.

Poor heat network performance:

Steep bills are harder to swallow due to poor heat network functionality - with some consumers experiencing repeated loss of heating and hot water.

Poor customer service

Consumers were let down further by failures in customer service. Inconsistent support and gaps in accountability often lead to issues drastically escalating.

57% of heat network consumers don't have their own meter measuring how much energy they use.⁵ - including a fifth of our research participants. Being unmetered means a consumer can't control their energy usage, and reducing energy consumption doesn't necessarily save them money. Many of the problems explored in this report would be harder to resolve for unmetered consumers.

Getting ready for regulation:

The next 6 months are critical for heat network consumers. Action to address the urgent problems outlined above will be a litmus test for regulation of the sector. Citizens Advice has already outlined several steps Ofgem and Government must take to fully protect heat network consumers once regulations commence.⁶ But these changes won't come soon enough for those facing financial hardship now. Over the next six months we want to see:

- a. **Ofgem and the government should communicate to heat network suppliers that disconnection and eviction practices can be a danger to life, and they should only be considered as a last resort.**
- b. **Ofgem will soon set out their final plans for implementing consumer protections in January 2026. The regulator should be clear, and expect suppliers to have sufficient processes in place to make sure they're compliant with new rules from day one.**
- c. **Ofgem should monitor practice ahead of regulation, so they can quickly clamp down on suppliers they suspect of poor practice.**

Getting regulation right:

The steps above are just the beginning. As outlined in the executive summary, we've found many consumers are facing serious problems with their heat networks. The new rules coming in January will go some way to addressing these harms. For example, heat network suppliers will be required to treat customers fairly, and give them access to complaints processes. They will also need to work with consumers in debt, and will be prevented from disconnecting the most vulnerable customers in winter.⁷

But, we think there are multiple areas in which Ofgem and the government can go further to protect consumers.⁸ This research provides further evidence for bold action in key areas, including fair pricing, unbundling and meter installation. Heat network consumers have shouldered the worst of the energy price crisis without adequate support, and they have waited long enough.

Our research participants had strong feelings about their heat networks. Despite the problems they've faced, most recognised the potential benefits of communal heating. Their experiences provide valuable insight, helping to define 'what good looks like' for future consumers.

Ofgem and the government must work together to implement the following recommendations:

1. Addressing the root causes of high and fluctuating energy prices

The reasons behind unpredictable heat network prices are complex. The cost of energy, poor heat network efficiency, and the purchasing power of individual heat networks can all play a role. Robust price protections that help ensure fair pricing must come into place as soon as possible.

2. Spreading the cost of infrastructure upgrades

The government must make sure that heat networks have access to appropriate finance to make essential upgrades and install meters - without causing large upfront costs for consumers.

3. Tackling the risk of 'bad debt'

Ofgem and the government must consider how the burden of bad debt can be fairly shared across all heat network consumers.

4. Ensuring targeted bill support reaches heat network consumers

Ofgem and the government must ensure households on low incomes can access consistent bill support, regardless of their heating technology.

5. Protecting vulnerable consumers

Heating and hot water are essential to life services. If a consumer is disconnected, they're at risk of serious mental and physical harm. For vulnerable consumers, such as the very young and the very old, the risk is especially high.

Ofgem and heat network suppliers should start preparations now, making sure they embed the safeguarding of vulnerable customers in debt recovery processes from the start.

6. Unbundling heat and housing costs:

Through our advice service and this research, we've seen people threatened with eviction from their homes after falling behind on their bills due to energy costs. This phenomenon only happens where consumers' heat and housing costs are bundled, and can never happen to a mains gas and electricity consumer. Most bundled consumers live in social housing, and so are more likely to be vulnerable.

To reach equity between heat network and mains domestic consumers, this unethical practice must stop. Government departments urgently need to work together, and develop an action plan - with clear timelines - for unbundling heat and housing bills.

1.2. Introduction: About the report

There are currently between 500,000 and 1 million households on heat networks in Great Britain - up to 1 in 25 homes.⁹ Heat networks have huge potential for helping people access clean heat. Homes in urban areas and blocks of flats often have barriers to installing other low-carbon technology, such as solar panels. Heat networks can provide heating to these households more efficiently, and even use waste resources to generate heat. Plans are underway to grow the number of consumers on heat networks, with the government estimating they could supply 20% of UK households by 2050.¹⁰

Heat network consumers have far fewer consumer protections than mains gas and electricity consumers, leading to the experience of some heat network consumers falling far behind those of the average gas and electricity customer.

Previous Citizens Advice research highlighted how absent regulation has led to unfair billing practices, poor consumer outcomes and failures of accountability - all of which has damaged consumer trust.¹¹ This has meant consumers with unaffordable bills and mounting debt have faced disconnection and even threats of eviction.¹² Until this year, many heat network customers lacked access to specialist dispute resolution and advice services.

Citizens Advice have been calling for regulation of heat networks since 2017, with the Competition and Markets Authority (CMA) echoing this message since 2018. The government didn't move towards regulating the sector until 2021, and it won't be until January 2026 that new consumer protection frameworks come into place and Ofgem will become the official heat network regulator. As part of the government's proposals, Citizens Advice was appointed the official consumer watchdog - or statutory advocate and advice provider - for heat network consumers in England and Wales in April 2025. Consumer Scotland has taken on the equivalent role in Scotland.



May 2017
Citizens Advice calls for the
sector to be regulated.

February 2020
Government launches
Heat Networks Market
Framework consultation.

August 2023
Ofgem launches first
Consumer Protection
consultation.

November 2024
Ofgem launches second
Consumer Protection
consultation.

January 2026
New protections start
and Ofgem becomes
the regulator.

May 2018
The Competition and
Markets Authority echoes
our call for regulation as the
result of a market study.

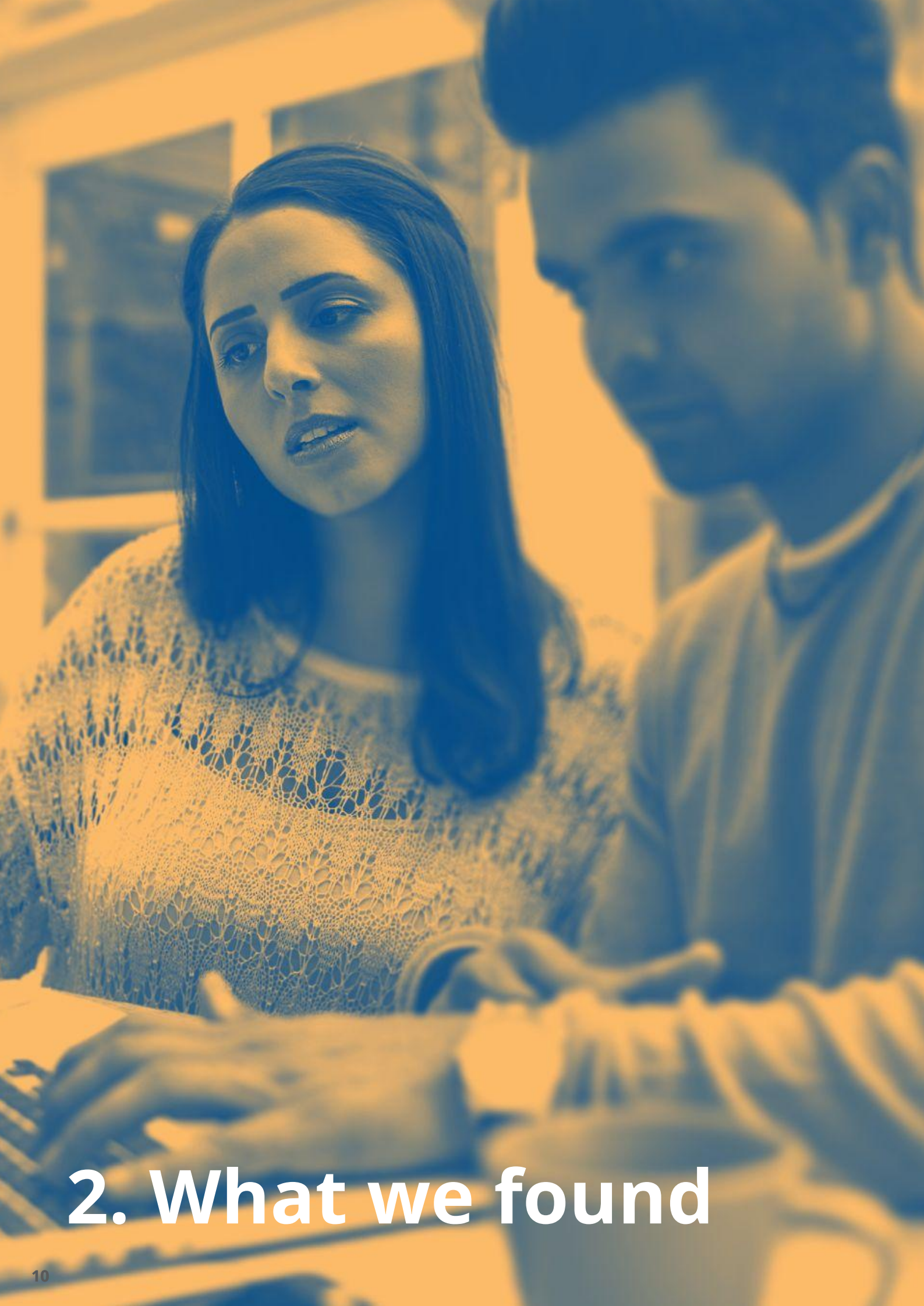
December 2021
Government confirms Ofgem
will be the regulator and Citizens
Advice will be the statutory
advocate and advice provider.

October 2023
Energy Act 2023 outlines
Ofgem powers.

April 2025
Citizens Advice becomes
statutory consumer advocate
and advice provider.

January 2027
Deadline for heat networks
to register with Ofgem.

As the statutory advocate, we're responsible for championing consumer rights and delivering specialist advice services for people served by heat networks. To help us understand more about the problems consumers face, we commissioned the independent research company 'The Social Agency' to undertake in-depth interviews with domestic heat network customers who experienced financial detriment. As of publication, no other in depth research on heat network consumers has been published this year. This means our findings represent a unique up-to-date picture of heat network consumer experiences - and a deeper insight into what happens for people who can't afford their bills. A full methodology is provided as an appendix.



2. What we found

Section 2 - What we found

The disparities in experience between mains gas and electricity and heat network consumers have been known for over a decade.¹³ This research lays bare how extreme price increases in recent years - alongside a lack of consumer protections - have created exceptionally poor outcomes for some heat network consumers.

In the executive summary, we outlined 6 intersecting areas of harm - or themes - identified from analysis of the participant interviews. This section explores each in turn.

Before diving into the common issues faced by consumers, it should be noted that participant attitudes weren't uniformly negative. In fact, consumers often highlighted the initial attraction of living in a property served by a heat network. Before the energy price crisis, heat network costs were more often low and predictable. Some participants felt the professionally maintained, centralised heating source was easier than being responsible for maintaining an individual boiler. Environmental impacts formed a part of this positive picture too, with some participants acknowledging the potential for heat networks to run on more efficient energy sources.

"At the time I didn't mind. It didn't bother me at all because the bills were really cheap. Like they came in so cheap for hot water."

- Private tenant ⁽¹³⁾

Unfortunately, most participants found the reality of living in a heat network property could be quite different to the anticipated benefits. Instead of low bills and reliable heating, many experienced high costs and maintenance issues - all made hard to resolve by inadequate customer service. In the last few years, the energy price crisis brought billing into sharp focus, prompting many to investigate further. What they found was a complex and opaque pricing framework which, in the absence of sufficient customer support, they had little hope of navigating.

2.1 What we found: Extreme bill increases

"[...] When we started getting, you know, your estimated bill is £3000, I was like, oh Jesus. [...] Then this year it's like, oh my God that is crazy."

- Owner

Participants were chosen for this research based on whether they had faced financial difficulty. **In their interviews, all the participants stated this harm was caused or exacerbated by sharp increases in their heating and hot water bills.** For the majority, their heating and hot water bills had doubled, or even tripled, in just 2 or 3 years.

Household energy bills increased for everyone at unprecedented levels in 2022. For mains gas and electricity consumers, the average increase was 54% in April 2022 and a further 27% in October 2022.¹⁴ These increases were limited by government support schemes, including the Energy Price Guarantee and the Energy Bills Support Scheme. However, heat network consumers were not eligible for these schemes, and so received less support.



The experiences of our research participants show just how steep price rises were for people on heat networks, and how quickly costs escalated:

Adam: Social tenant, London

In the financial year of 2022/2023, Adam was paying £15.47 a week for heating and hot water. This worked out at about £804 a year.

The next year, his costs increased to £70.07 per week - or £3644 a year. This means that Adam has faced a bill increase of 353%



Precious: Leaseholder, Manchester

Between the financial year 2021/2022 and 2023/2024, Precious faced a unit rate increase of 352% for her heating and hot water and a standing charge increase of 90%.

Precious' electricity bill, which is separate to her heat network, also rose. In total, her monthly energy bills increased from around £250 to over £610.



Davey: Social tenant, Glasgow ¹⁵

In 2022, Davey's annual cost for heating and hot water was around £1100. By 2024, this had risen to over £2000 - an increase of 81%.



Shreya: Social tenant, Cambridge

In the financial year 2022/2023, Shreya was paying £1392 annually for her heating and hot water. For 2024/2025, her heat network supplier sent her a bill for £2316 - an increase of 66%.



The 2021 Energy Price Crisis:

The extreme price increases recorded in this report mainly followed the beginning of the energy price crisis in Autumn 2021.¹⁶ However, due to the way energy is purchased for heat network consumers, many participants didn't experience the most dramatic increases until 2023.¹⁷

Although the peak of the price crisis is over, energy prices aren't due to return to pre-crisis levels.¹⁸ Heat network consumers could see high and fluctuating prices for the foreseeable future.

"My heart just sank and I thought, 'Oh I don't know, this is going to get out of control [...] it's going to keep going on and on and I'm going to be left with no money.'"

Social tenant



The impact of the energy price crisis on mains gas and electricity energy customers was unprecedented. The rapid rise in prices left millions struggling to pay their bills. Since then, the number of UK households in fuel poverty reached an estimated 6.1 million¹⁹ and gas and electricity consumer debt rose to £3.85bn.²⁰ For heat network residents experiencing increases like those recorded by our participants, the financial impact has been just as devastating.

Definition: Leaseholder

A leasehold is a type of long-term tenancy. A leaseholder has the right to occupy a property for the time remaining on the lease. However, often they don't own any part of the building, or the land that the building is on.²¹

Leaseholders can be responsible for different costs, including: ground rent; service charges; reserve funds; maintenance and administration costs.²²

For leaseholders on heat networks, you may pay for heat and hot water through service charges. Upgrades or repairs to heat networks can be passed through maintenance charges.²³

Definition: Social housing

In this report, social housing includes houses that are provided either by a Local Authority (LA), or a housing association (HA).²⁴ Most people living in a Local Authority property rent their home, usually at a subsidised rate. Housing Association properties are more varied, and can include renting and shared ownership.²⁵ Bundled heat payments are more common for consumers in social housing, but some people also pay their rent inclusive of bills in the private rented sector.

2.2 What we found: Unfair billing practices

Steep price increases put more pressure on the research participants' finances. But the way in which costs were passed on to consumers also contributed to their stressful experiences.

Many factors shape heat network prices. The price increases experienced by participants were driven by several differences between heat networks and the rest of the energy sector.²⁶ Heat network suppliers might also bill their consumers in different ways, depending on how they run their network, producing different experiences. This inconsistency is partially necessary, due to the many varieties of heat networks operating in the sector. Nonetheless, some billing practices are particularly harmful to consumers and have exacerbated difficult financial situations.

Unmetered properties and billing

Nearly 6 in 10 heat network consumers don't have their own meter measuring how much energy they use. Instead of paying based on individual energy use, heat network consumers might pay a set rate based on a share of the network's overall costs. When a heat network supplier buys energy when wholesale prices are high, then costs can get passed onto consumers in higher bills.

Because unmetered consumers pay via a set rate, their bills are not based on usage. This means consumers can't respond to high prices by reducing their energy use. They are also more likely to encounter some of the problematic billing practices explored in this section, such as retrospective tariff increases and back bills.

In the gas and electricity market, bills have to be based on accurate meter reads. From January 2026, metered heat network consumers will also be protected by the same requirements.

Unmetered consumers will have to wait a long time to receive the same benefits, as retrofitting meters come with their own high costs.

For example, Citizens Advice previously highlighted how **retrospective tariffs** and **back bills** can lead to unreasonably high payments - especially for heat network customers on low incomes.²⁷ We've also raised concerns about how some heat network suppliers calculate **standing charges**.²⁸ Unlike in the mains energy sector, there's little consistency in how standing charges are calculated and communicated, and as in other sectors consumers can feel their standing charges have been inflated unfairly.

The practice of '**bundling**' can make billing issues even harder to unpick. 'Bundling' is when heat and housing charges are combined. This means heat costs are paid together with either rent, service charges or both. This is most common in social housing.²⁹ The bundling of these charges can make them harder to understand, and it's more difficult to see why bill increases have occurred.

Our concerns about these billing practices are supported by the experiences of the research participants:

Retrospective tariff increases

Participants impacted by retrospective tariff increases faced large, unexpected bills - commonly reaching thousands of pounds.

Confronted with such huge costs, some participants had to agree a repayment plan with their supplier. These plans often doubled their monthly payments - on top of increasing unit costs. For all but the most financially resilient participants, these additional costs were impossible to bear.

"The big difference, especially in recent years, between the estimated and the actual service charge has added to the whole sense of concern around it."

- Owner occupier

Definition:

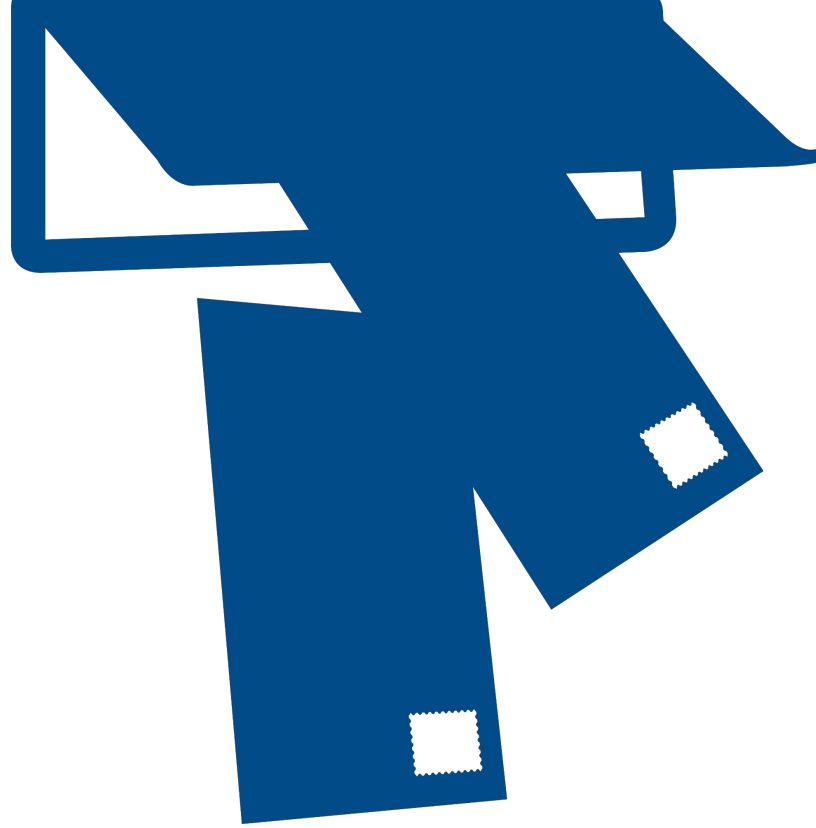
Some heat networks bill ahead of time, based on the projected cost of supplying energy to all their properties. However, if the actual cost of supplying the energy is higher than estimated, then the supplier will seek to recover the difference. To do this, heat network suppliers might re-bill a consumer for energy they've already been billed or paid for.

Energy suppliers can't do this in the gas and electricity market. Many heat networks recognise the practice to be unfair, and it is banned for Heat Trust members. But for some heat networks, the practice remains routine.

During the energy price crisis, the cost of supplying energy increased sharply for some households, as heat network suppliers were forced to purchase gas at higher wholesale rates. As seen in the experiences of our research participants, heat network suppliers might recover these costs through very high retrospective tariff increases.

From January, this practice will be banned. But we're worried that some heat networks will continue to use this practice to recover costs.





"We got a letter when it was now, I think, like May last year, and they said [...] we're raising our energy bills. We forgot to implement this. So we've been backdating it, but nobody received any communication that the bills were going up. And so everybody suddenly had backdated bills that added like a few hundred pounds on, bare minimum."

- Private tenant

Back Bills

A smaller number of participants had been back billed, often following errors in meter readings and billing processes. The research participants often struggled to afford the additional payments on top of their monthly outgoings.

“So last year we got our normal £75 a month thing and then in August we got a letter from them saying that the meter readings that were being taken were incorrect and there was a shortfall of - for me - £1000.”

- Owner occupier

Definition:

Back billing is when a supplier hasn't billed a customer for their energy correctly, or at all, at the time of its use. The supplier then issues a bill to recover these use costs at a later date. Mains gas and electricity suppliers aren't allowed to back bill customers for energy they used over 12 months ago. This incentivises suppliers to provide customers with regular and accurate bills.

There's no equivalent limit on back billing for heat network consumers yet. Regulations due to begin in January 2026 will introduce a 12-month limit on back billing to mirror established rules in the rest of the energy sector.

However, under current proposals this rule won't apply for heat network consumers whose heating and housing costs are 'bundled'. Under housing law, landlords have 18 months to recover payments for service charges, which can include customers' heating costs. This means some heat networks could continue to back bill consumers for heating used up to 18 months ago.



Standing charges

Standing charges are fixed costs paid to cover a variety of services unrelated to usage. This means consumers pay the same amount even if they use less energy. Standing charges can vary significantly by heat network. Almost all the participants reported higher-than-expected increases to standing charges - of 50 to 100% in the last 2 to 3 years. In most cases, the participants reported a lack of transparency in how these increases were communicated. This exacerbated feelings of anxiety and mistrust.

"When I had a heart attack, I was in hospital for a month and my bill was still £60. I said 'but I've not used anything'. They said 'yeah, but that heat, that fuel still being sat on in your pipe. So we charge you for it.'"

- Social tenant with a health condition or disability

"The one thing I found about heat networks in particular is the standing charge. It makes up the majority of my bill, which I find very bizarre. I pay more in standing charges than I do in usage [...] the standing charge outweighed any savings I tried to make."

- Social tenant with a health condition or disability

Definition:

Standing charges are fixed, daily fees that cover a customer's share of the heat supplier's running costs. This can include costs relating to the heat network infrastructure, including maintenance, repairs and the delivery of heat. They can also include costs relating to customer service, such as metering and billing costs.

Standing charges are fixed, but they can be adjusted up and down for a given time period. They can vary significantly by heat network.

Service charges

Leaseholders might also have to pay major works charges within their service charges to cover the cost of substantial heat network repairs or upgrades. Housing law requires landlords to consult leaseholders about major works if the cost per household is over £250. Major works are separate to routine maintenance and repair costs, which many heat network consumers pay for in their regular service charges. Where major work charges are passed on to consumers at the same time as rising energy prices, costs can quickly escalate to unmanageable levels.

Definition:

Service charges are fees paid by tenants or leaseholders to cover the cost of services provided by the landlord or the building management company. This can include the maintenance of common areas and things like building insurance.

In some instances, the cost of heat network repairs or upgrades can be included in the service charge, as well as the cost of heating communal areas. Some people also pay for their individual heating through service charges - this is most common in leasehold properties.



Case study

Naomi Holder: Leaseholder, London - Impacted by high service charges and retrospective tariff increases ³⁰

This case study contains real figures from a leaseholder's heat network bill. The name of the consumer has been changed, and figures have been rounded to the nearest 10 for anonymity reasons.

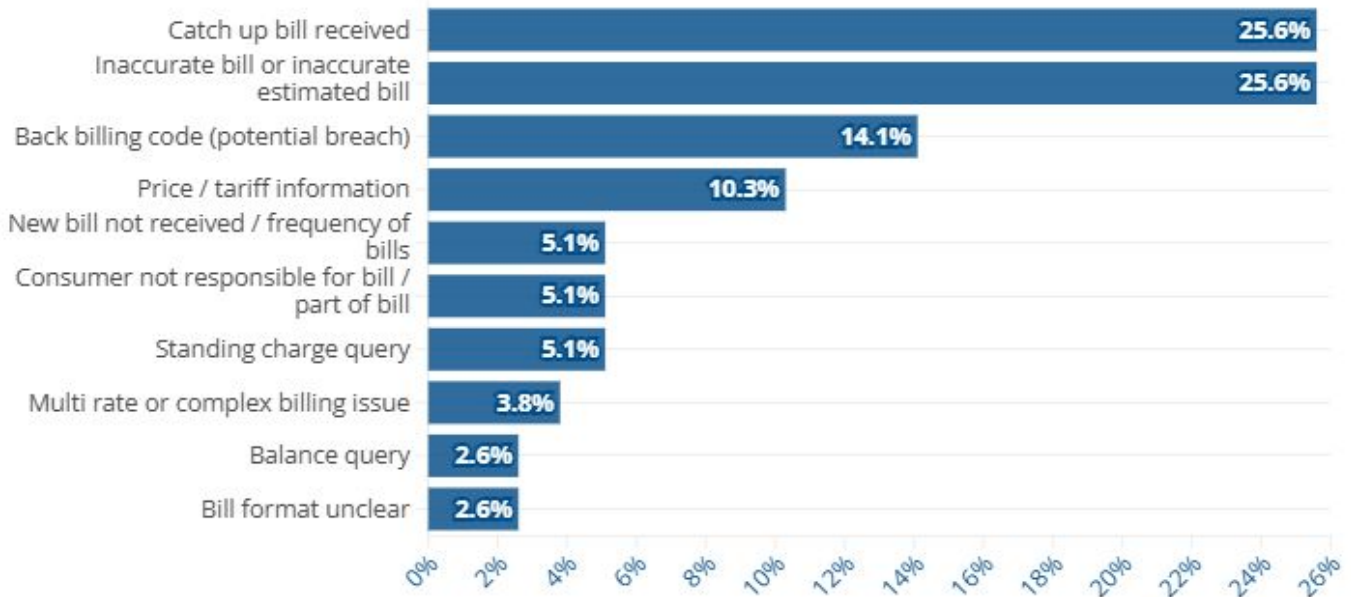
To Ms Holder, Your Actual bill 2023/2024	
Service charge 2021/2022	£2310

To Ms Holder, Your Actual Bill 2023/2024	
Your estimated service charge 2023/2024	£3040
Your actual service charge 2023/2024	£5040
Retrospective tariff increase due to heat and hot water increases	+£2000

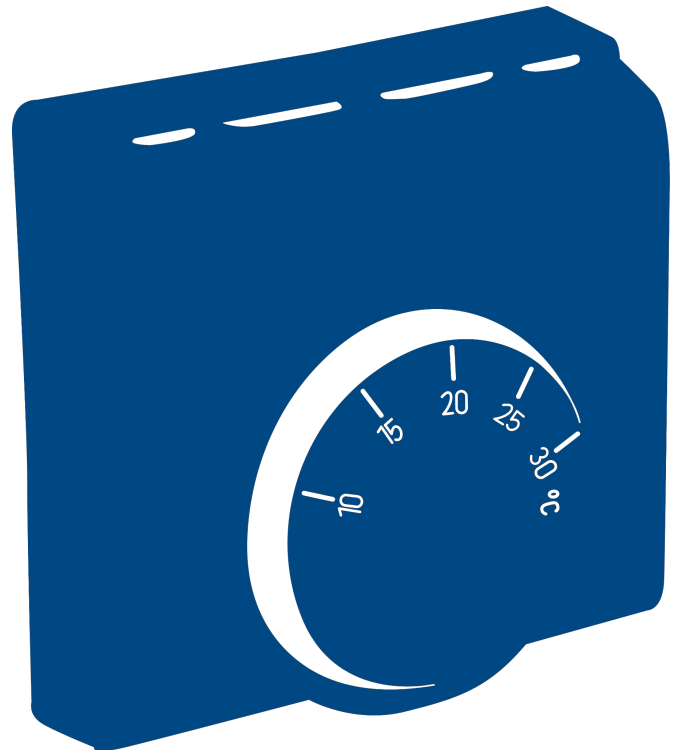
Naomi's service charges first increased between 2021/2022. The service charge included heating and hot water charges as well as other maintenance costs. However the main driver of her inflated bill was a retrospective increase to her heat network's unit prices. The supplier underestimated these and used a retrospective tariff to claw back the costs.



We're seeing similar problems in our consumer service data too. The graph below shows that a quarter of the billing cases we see are related to a catch up bill. Consumers report problems with retrospective increases like Naomi. Others report large back bills and catch up bills that they did not expect, causing real financial pressure.



As wholesale energy costs were the main driver of this increase, Naomi is unlikely to see lower heating charges any time soon. Her estimated service charge bill for 2024/2025 was £4300, of which well over half (£2670) is formed by heating and hot water costs. In contrast, Ofgem currently estimates a typical household will pay £1720 per year for their gas and electricity use.³¹



The Cost of Living Crisis

The price increases Naomi experienced are linked to the wider cost of living crisis. This refers to the period of time, beginning in 2021, when the cost of essentials - food, energy and housing - increased much faster than many people's incomes, especially those on low incomes.

Energy costs increased for everyone during this time, and remain a key pressure point.³² Recent data from our work on the Child Poverty strategy has shown our clients are spending less on energy than expected. This suggests people are cutting back on energy they need.³³

Despite cutting back, our client data shows households with the highest energy costs are more likely to be in a negative budget. This means those with high energy costs are the least likely to have enough money to spend on essentials each month.³⁴

We know finances are already on a knife edge for many heat network consumers.³⁵ Our research suggests they may be experiencing even higher price increases than mains gas and electricity consumers.

Citizens Advice has called for multiple interventions to help lift households out of negative budgets - including the expansion of the Warm Home Discount. The Government must ensure any changes to energy bill support are inclusive of heat network consumers, or they may be left out in the cold.

Heat network pricing is complex. High prices don't necessarily mean heat network suppliers are profiteering - in fact many networks are run on a not-for-profit basis) or that poor practice is definitely occurring. But too many consumers are being asked to pay energy bills that simply aren't affordable - even before additional maintenance and upgrade costs are added.

Ofgem's plans for a heat networks fair pricing framework - to be phased in from 2026 - will aim to improve fairness and transparency, but might not fix the affordability crisis. The framework concentrates on tackling 'disproportionate' pricing through benchmarking providers against one another. This means consumers could be left with high prices for years, if costs remain elevated across the sector.³⁶ But our research shows consumers can't afford to wait. These costs have placed huge financial burdens on all but the wealthiest customers - with real-life financial impacts:



2.3 What we found: The impact of skyrocketing bills and unexpected costs

Participants all faced significant pressure due to high heating and hot water bills. For some, heating and hot water costs formed a substantial part of their outgoings. This meant people took drastic measures as they tried to keep on top of spiralling heating bills.

Increasing energy bills forced some participants to cut back on 'non-essential' costs. Participants couldn't afford holidays, or afterschool clubs for children. The least financially resilient reduced spending on essentials. For example, reducing food spending by eating less or relying on food banks:

"Cutting down on certain things that you usually spend on [...] going out, [...] travelling, even treating yourself [to] food. Some are necessities, some are things that you want, some are things that you need that you have to cut down on."

- Social tenant

Some participants reduced their use of heating and hot water to save money. Using blankets instead of turning on the heat, washing up less, and taking shorter showers. Some people reported installing electric heaters and electric showers, to reduce heat costs.

"I try and not use as much heating as I should. I'm using the electric fire more than the radiator because the heating costs more than electric fire."

- Tenant with disability or health condition

"It's been a bit of a cycle. You know, you borrow money off one person, you have to pay that back, and then that leaves you short and they. Yeah, it's just not an easy cycle to get out of."

- Social tenant with a health condition or disability

High and ongoing costs prompted participant's behaviour changes. But one-off unexpected bills could force more extreme actions. Retrospective tariff increases and big maintenance bills were especially disruptive.

Consumers facing big one-off costs often used up their savings or were reliant on support from family members. This was particularly the case for older leaseholders. Older participants highlighted how frightening it was to have the cost of living put their homes under threat.

"It gets you depressed because you can't do anything. You know, you're faced with these bills and then you can't do anything."

- Owner occupier

The inability to afford heating also led to health issues for some participants. The most common impact reported was on participants' mental health. Receiving shock bills was a stressor, as was the pressure of meeting rising costs. Paring back on essentials and using up savings caused feelings of depression and overwhelm. Aspects of the billing process also contributed to stress. Participants faced regular increases in charges, and saw big differences between estimated and actual costs. As a result, many felt fear about their ability to cover future costs. Older homeowners, often retired and on fixed incomes, found the uncertainty especially worrying.

"It's mostly the stress because you don't know what the bill is going to be. And it's also dealing with them. It's knowing if there is a problem, you've then got to contact them. They just don't listen."

- Owner occupier

For some, there were also physical health impacts. Where people had a pre-existing condition such as arthritis or asthma, self rationing heating worsened their health:

"The first time they cut it off, I was in bed for two weeks because my arthritis flared up [...] I was sat with water bottles in the middle of the winter with no heating."

- Social tenant with a health condition or disability

"I literally shower twice a week. I can't afford to have it on any longer, even though for my health - because I have hyperhidrosis - I need to shower daily. But I can't, so I have to have medicated talcum powder, which is another expense. I've had to cut down on my food and I eat cold food because I can't afford to cook it."

- Private tenant

Many participants reported struggling with feeling cold in their properties. One person reported a heart attack, brought on by pneumonia due to being cold. Some reported "waking up freezing". One felt that their "skin is falling off their fingers" due to the low temperatures.

The impacts of living without continuous access to heat and hot water are severe and distressing.

2.4 What we found: Experiences of aggressive debt collection practices

Heat network consumers face an increasing financial burden. Price rises, back bills, retrospective tariff increases and high maintenance costs add up. For all but the most financially resilient - such high ongoing costs can lead to debt.

Negotiating an affordable repayment plan is one of the best ways to manage energy debt. By adding small payments on top of their regular energy bills, consumers can repay debt over time.³⁷ Suppliers are required to offer these plans in the domestic gas and electricity sector.

In the gas and electricity sector, there are specific rules a supplier has to follow when negotiating a repayment plan. These rules help make sure that the customer remains financially stable during the debt repayment process. They also make sure that vulnerable customers are not put at risk. No such requirements will exist in the heat network sector until January 2026.³⁸ This means that heat network suppliers can keep pushing unaffordable repayment plans - even if this puts consumers at risk.

"[...] I'd have preferred [the repayment plan] to be over a longer period of time. They were very much, it's all about the money money money right now, rather than supporting me through the difficulties I was encountering at the time."

- Social tenant with a health condition or disability

"The council say, if you're having difficulty paying your service charge, you can contact us, but I think that's really for people who are really, really struggling."

- Owner occupier

In the run up to January, we're worried that some heat network suppliers might be even more aggressive in their debt collection practices. Suppliers might want to recoup as much debt as possible, before enhanced consumer protections need to be put in place.

Disconnection

Where participants couldn't meet repayment demands, they were quickly met with disconnection threats. Heat network suppliers threatened disconnection unless consumers made large upfront payments. Some even demanded payment in full. Suppliers made threats even when the debt was caused by back billing or retrospective tariff increases.

"Hounding, bullying. 'You must pay or we're going to cut you off'. [but] I have nothing to give."

- Social tenant with a health condition or disability

Around one third of the people we interviewed had experienced a disconnection due to debt.

Where disconnections did happen, participants were given little notice. There was no evidence that heat network suppliers had taken their individual circumstances or vulnerabilities into account. We also spoke to some people being disconnected for relatively small amounts of debt. For example, one resident was disconnected over a £300 debt. Another was disconnected over a £500 debt that had accumulated during a 2-month hospital stay. We also spoke to people who experienced disconnections and disconnection threats even where members of a household were vulnerable.

There was a lack of process and consistency in disconnections across the surveyed sites. Communications did not make it clear whether the disconnection was related to the size of the debt, or how long the consumer had been in debt for.

"When they switched me off, there was no communication of, you know, this is what's happened. You've missed a couple of payments, you've got X amount of days to bring your account up to date or contact us if you're struggling."

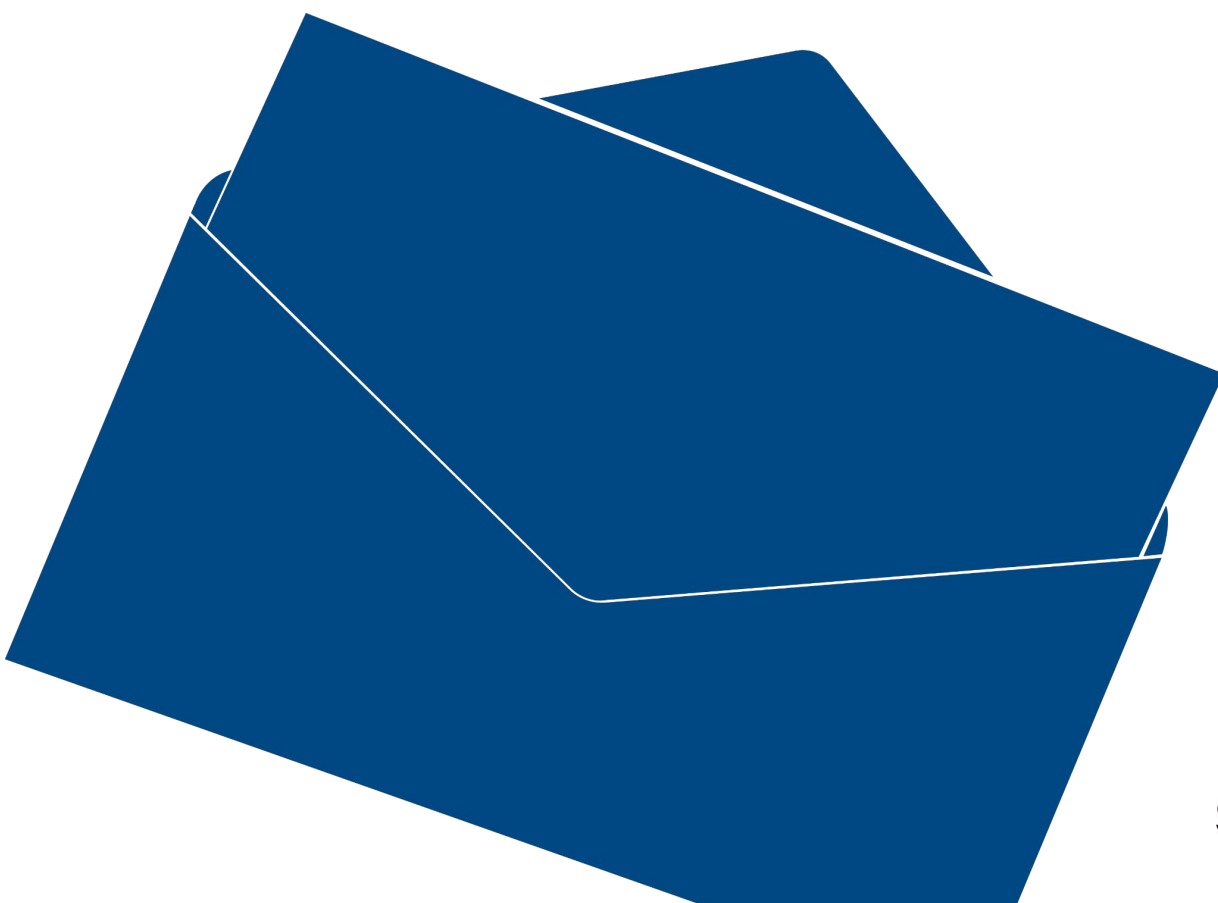
- Social tenant with a health condition or disability

Energy is an essential-to-life service which everyone should have access to. In the domestic mains gas and electricity sector, there are strict rules preventing disconnection. These are supplemented by voluntary conditions, which almost all suppliers sign up to. This means that disconnection for debt has been almost eliminated, though self-disconnection for prepay customers remains a concern.³⁹ If the participants in this research were not on a heat network, it's highly unlikely that they would have been disconnected.

From January 2026, many of the new heat network regulations will mirror those in the domestic sector. During winter, heat network suppliers will be prevented from disconnecting very vulnerable consumers. At other times of the year, suppliers will need to take more steps to recover debt before disconnection is considered.⁴⁰

Despite these changes, vulnerable consumers will remain at risk of disconnection over the next 6 months ahead of regulation - including some of the coldest times of the year.

As outlined at the top of the report, we'd like Ofgem and the Government to send a clear message to heat network suppliers. Disconnection remains a danger to life, and should only be considered as a last resort. Heat network suppliers must be ready to implement changes to their processes as soon as possible. Ofgem should set out that disconnection will be monitored from day 1.



Self-disconnection

Some participants on prepayment meters reported self-disconnecting. This means they stopped topping up their meters due to financial difficulties. For self-disconnected participants, one of the hardest parts of this experience was still being subject to a standing charge. A high standing charge meant that, even though the participant had gone without heating and hot water, they were still facing bills they couldn't afford:

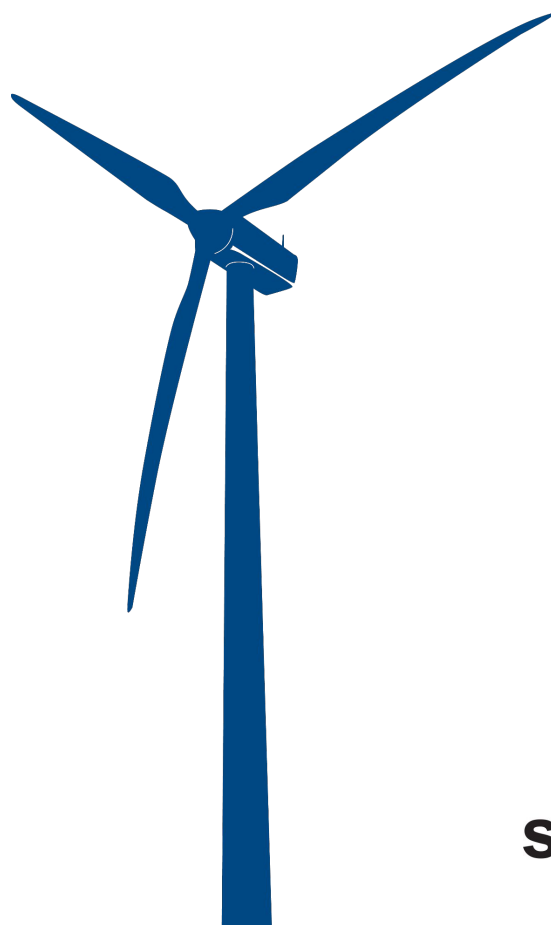
"I've gone without heating. [That's] one of the reasons why my heating system is blocked, because I didn't switch it on."

- Private tenant

"The standing charge outweighed any savings I tried to make[...] I pay more in standing charges than I do in usage."

- Social tenant with a health condition or disability.

The new consumer protections will provide greater protections against the forced installation of prepayment meters for debt. This will prevent consumers in severe financial difficulty being put in a situation where they can disconnect. The new rules will also require suppliers to give consumers access to emergency and friendly-hours credit where possible. However, until January, prepayment consumers in financial difficulty remain at risk of disconnection.



Eviction

Some participants were social tenants who paid their heat and housing costs together. This is a practice called 'bundling'. For 'bundled' consumers, falling behind on energy bills also means falling behind on housing payments - opening up the threat of eviction.

No participants in this research had been evicted yet, but some reported receiving threats. Other participants recalled evictions for heating debt happening nearby, and worried about what could happen if they fell behind too.

"I literally, I could be a day late [and] I'm getting threatening letters saying, oh, we're gonna evict you... The threat of eviction is real."

- Social tenant

The threats of eviction for energy debt are extremely rare. Most energy consumers aren't at risk of losing their home if they fall behind with their energy bills, unless they also combine their rent with utilities payments. Heat network consumers shouldn't face this dilemma any longer.

In the longer term, the Department for Energy Security and Net Zero (DESNZ) should work with the Ministry for Housing, Communities and Local Government (MHCLG) to unbundle heating from housing costs.

However, this research and our own case data shows that people are at risk from eviction now. In the short term, Ofgem must make it clear that the eviction of vulnerable consumers is just as unacceptable as their disconnection, and should be considered as part of a suppliers overall responsibility to treat customers fairly. Guidance should make it clear that debt processes should reduce the risk of eviction from day one.

2.5 What we found: The impact of poor heat network performance

Disconnection and self-rationing were not the only causes of inconsistent supply for people living on heat networks. We also found that consumers experience unreliable heat and hot water due to regular maintenance problems. The next section explores how poor heat network performance impacts consumers' experiences of high bills.

Inefficient and unreliable heat network performance:

Some participants reported experiencing inefficient and unreliable heat network performance. Experiences commonly included:

- Concerns with the maintenance and management of heat networks;
- Costs associated with wider major works;
- Unsatisfactory customer service.

Participants' experiences added to their frustration when they were hit with bill increases.

There was a lot of variation in the performance and efficiency of heat networks, regardless of their age. Some participants described properties that were too hot, or that had big temperature changes, which they understood were due to poorly insulated pipes leaking heat and broken thermostats. Some participants had no means of controlling the temperature of individual radiators (beyond on or off).

Participants believed the poor insulation of pipes meant they had to use more energy. Inefficiency was felt to unfairly contribute to higher bills for consumers.

"My local authority estimates that about 40% [of heat] is lost due to inefficiency losses through the distribution network."

- Owner occupier

“Part of the problem is the fact that these heat networks are inefficient [...] there's a lot of wastage. It's got to shift this hot water through these pipes... There's a lot of wastage in between and they keep breaking down [and] they keep having to be fixed.”

- Social tenant with a prepayment meter

Participants also reported “frequent breakdown and a lack of consistent heating or hot water”. Some had to go without heating and hot water for several months.

“The heating hot water system isn't effective and it breaks down quite a lot. The main problems are the inconsistency in hot water. You can be standing in the shower and [it] suddenly goes cold, which is shocking.”

- Owner occupier

Reliability issues were generally related to problems with the heat network infrastructure. The breakdown of a central heat source or pipe leakages were common problems. Ageing systems were commonly reported as the cause, but fixing them would be difficult without large investments. The cost of major works were a huge concern to leaseholders, and many worried about their ability to sell up in the future.

“Our heat network is now apparently getting to this age where we're going to have to shell out thousands of pounds to fix it. I don't know how people are going to deal with it. A lot of people don't have £2,000 in their bank account to pay for that.”

- Owner occupier

“Well, they're great flats but I would say don't touch it with a bargepole until all this [major heat network works] gets sorted out.”

- Owner occupier

When heat networks are installed to a high standard and maintained well, consumers should have a good experience and lower bills. However, a lack of properly enforced technical standards has led to a lot of variation in the sector. The Heat Network Technical Assurance Scheme (HNTAS) will set out requirements for improving the efficiency and operation of heat networks in 2026, which should reduce these problems. However, to ensure networks can meet these standards and these costs fairly over time consumers, the government must make sure the sector has access to funding and appropriate financing to enable upgrades.

Getting help with infrastructure issues

Poor responses to performance problems were very common. Frequent delays and bad communications made it difficult for consumers to stay informed. Management and maintenance were often split between different organisations. Consumers found it hard to raise complaints or hold anyone accountable.

Participants reported experiencing sub-standard upgrades, resulting in repeated efficiency and reliability problems. Despite unresolved issues, large costs were passed on to leaseholders.

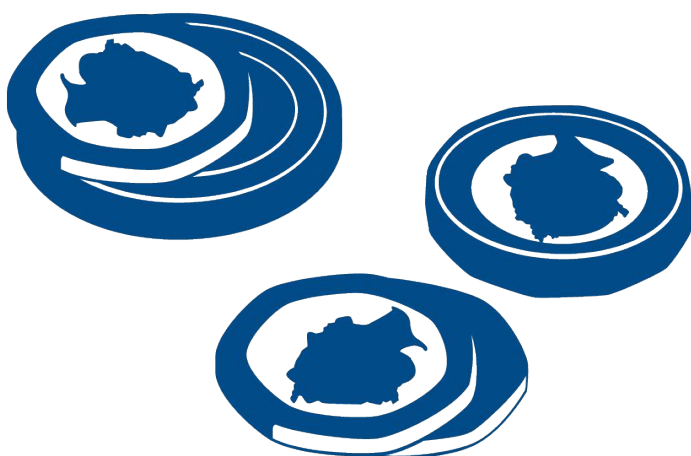
Consumers felt that contractors were taking advantage of their inability to switch suppliers. Meanwhile, they were locked into paying for a substandard service.

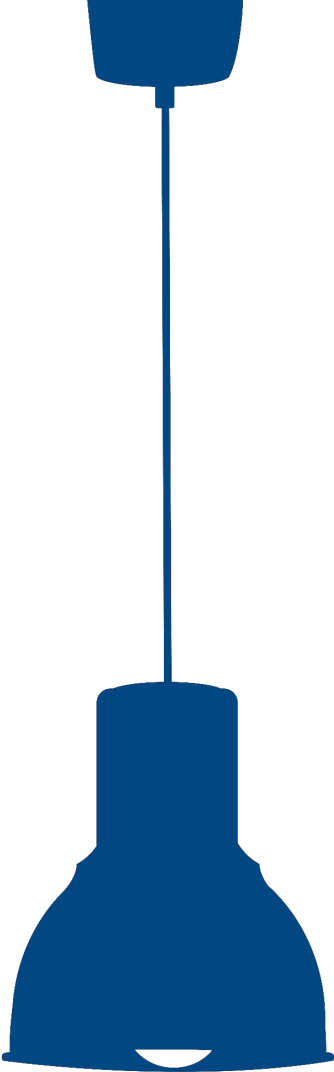
In another example, leaseholders were told that a big upgrade would improve efficiency and lower bills. After the work was completed, bills were still higher than estimated, and leaseholders were given a £10,000 bill.

Despite repairs, consumers felt like their heat network system was poorly managed and maintained. Many called for detailed breakdowns of how money was being spent.

"The high cost of repairs. Yeah, just what the money is spent on. There's no accountability, either for residents or for the council."

- Owner occupier





"It's ludicrous and it's very annoying. There's clearly serious levels of incompetence and lack of a duty of care and you just feel like you're being treated with contempt and that makes me very angry."

- Owner occupier

"Service charges are going up largely because of the equipment being faulty, constantly getting fixed. Everything is failing in the building and this just adds to it. It's scary."

- Owner occupier

Research participants experienced multiple problems that eroded trust in their supplier. Repeated performance problems, ineffective customer service, and unclear accountability left many feeling trapped. Major works generated large bills, often without any visible benefit to the consumer. In this context, increasing heat and hot water bills were felt to be unacceptable.

2.6 What we found: The impact of poor customer service

Our specialist advice service started taking calls from heat network consumers in April this year. Looking at their cases, we found 74% of clients had already spoken to their supplier before coming to us - and had failed to find a resolution. Management of a heat network can involve multiple organisations, such as property managers and billing agents. This can make it difficult for consumers to know where to go for help. A lack of transparency about the role of each can also reduce accountability, leaving consumers feeling like they are being passed 'from pillar to post'.

Problems resolving complaints:

Experiences of contacting suppliers for help were marked with frustration, difficulty and a lack of resolution. The management of heat networks is complex, and multiple organisations are involved with heat and hot water provision. Participants found it hard to know who to contact about their problems.

Practically, participants found it hard to contact their suppliers. Long waiting times and ineffective contact systems presented major blockers when raising complaints. A lack of responsiveness also made it hard to resolve time-sensitive problems, like outstanding bills and disconnection threats.

"No one has ever tried to call me to discuss this account. And they said, we sent letters... I said, but every time you send a letter, I'd reply and email you and call you and you won't speak to me, so how am I supposed to figure this out?"

- Private tenant

Participants found heat network staff members to be "unhelpful", "uninterested", or "inadequately trained". They felt that some representatives were reading from a script and not really listening. It was common for participants to feel a lack of empathy or judgement when describing problems. Some were treated as if they were deliberately trying to avoid their bills.

"I had a meeting shortly before the court appearance [regarding rent arrears due to network debt] with the new estate director [who] admitted I've been overpaying what they would expect. [He said] 'we would expect you to pay £10 weekly on top of your rent.' I've been paying the rent plus an extra £200 a month."

- Social tenant with a disability or health condition

It was common to hear of complaints left unresolved. We saw long email chains with customer services, and phone records going back at least six months. Faced with ongoing obfuscation, some participants gave up. Others found groups that could offer support, such as tenant and resident groups.

Faced with formal complaints or legal action, several suppliers eventually acknowledged mistakes to their customers. We saw communications from heat network suppliers confirming bill reductions, or acknowledging inefficiencies.

Participants found it hard to contact suppliers when resolving problems. But, they reported overwhelming levels of contact if they fell behind on their bills. Sometimes this communication overlapped an open complaint, increasing distrust between the consumer and their supplier.

"To be honest, if they stopped sending me the threats. Threatening letters. Yeah, that would really help. Because I know what I'm doing and I know what I'm trying to achieve."

- Social tenant

"I can't wake up without getting a threatening email or a letter about my heating or hot water, which I never use. Nobody will help us because we are not regulated."

- Private tenant

Taking desperate measures

When consumers were unable to resolve their problems with their supplier, they tried different ways to take back control. For example, many participants coordinated with residents associations or support groups to put pressure on heat network suppliers. They brought problems to councillors and action groups to draw wider attention.⁴¹

Participants also managed changes to heating and hot water by taking greater control of the amount they spent. Many had switched their payment method from direct debit to standard credit. Standard credit - or individual payment - refers to a payment method where a consumer pays a bill manually, within a set time frame of receiving. This alternative to direct debit helped consumers budget, and prevented large amounts being taken without warning.

"I've always paid monthly on the phone or online because I don't trust them. I don't know how much they're going to charge me."

- Owner occupier

These actions helped some of the people we spoke to feel more in control. However, some of the most vulnerable consumers struggled to engage with this level of administration. Quality customer service is essential to getting better outcomes for consumers. Good consumer experiences will help improve trust in the market, and set the stage for heat network growth.



2.7 What we found: What heat network consumers want to see

An important finding of the research was that consumers can feel really positively about being on a heat network. Many recognised the potential benefits of communal heating. They felt good about having a heating option that was beneficial for the environment.

Unfortunately though, for too many of the people we spoke to, the reality of being on a heat network has undermined this. Many described being under a lot of stress, often for months at a time. Despite this, they felt motivated to share their experiences and improve the future market.

Most of the interview questions focused on the issues facing heat network consumers. But, participants also wanted to share their hopes for future regulations. Their words help define 'what good looks like' in a functioning market:

In a functioning heat network market, consumers will...

...benefit from effective consumer protections, and a consumer advocate.

*"I would say the most important change for me would be to get the system regulated because at the moment there is **no accountability**. I found this when, during my disconnection period when I was dealing with the organisation, **I didn't have anything backing me up, I didn't have any protections in place.**"*

- Social tenant with a health condition or disability

...receive clear and accurate bills on a regular basis, with a clear explanation of how charges are calculated.

*"It feels unfair, it feels obscure [...] **I know how much they are charging but I don't know why.** And when I compare the price of gas that you can buy directly from the network to the charge they send me by kilowatt, it is a huge difference and I don't know why the difference is so big."*

- Private tenant

... have an individual meter

*"I don't have any link between how much heating I use and how much it costs me. So it kind of detaches you in that way from reality. [...] **It just seems crazy that they can't install meters.** That would be a massive change that could be made to give people control over [...] their costs. Even if our heating cost is still higher per unit than other people, **at least you know how much you're using and roughly how much it will cost.**"*

- Owner

...be protected from disconnection all year around if they have a vulnerability

*"[There needs to be] something in place to make sure that [disconnection] doesn't happen, to make sure that people are registered on the priority register properly and that people are aware what that [means]. The companies [need to be] aware of their own rules and regulations and aware what the priority register means and **how serious it is impacting somebody's health.**"*

- Social tenant with a health condition or disability

...treated fairly if they are in debt

*"Think about the people that [are] in debt, the ones that's got over a thousand pound, like myself... maybe come up with a plan where **they can pay off that thousand pound but still get heating.** And that way the person will have heating, [to keep] you warm."*

- Social tenant with a disability or health condition



...protected from eviction as a result of falling behind on their energy bills

“Definitely some kind of push or separating service charges from rent.

Because a lot of the problems that people are facing themselves in court is because we're just being seen as people who just don't want to pay their rent. [...] no one likes people who don't want to pay their rent [...] so you feel like you're already on a losing team.”

- Social tenant with a disability or health condition

... have clear, straightforward, compassionate and accessible customer service.

*“I just think that the aggressive way that [name of supplier] have come after their heat network customers. **Using threats, using intimidation. Even when people are doing what they should be doing,** [...] trying to engage and respond and pay. I just think it's absolutely unacceptable [especially] for someone like me who's spending time [coming back] from being long term unwell. It's kind of putting me back in a place where I don't want to be depression wise.”*

- Social tenant with a disability or health condition

...be protected from unfair or unexpected costs from any infrastructure upgrades.

“Both from a kind of efficiency and financial point of view will [upgrading the system] achieve anything? ... How have you come up with the million?... what have you analysed to get that? And what horizon are we looking at? Because we are looking 5 years, 10 years, 50 years, 100 years?

*The big problem we have when we do anything big with apartments like this where there's a service charge involved, [...] **anything immediate massively penalises the current tenants... [it] just feels really murky.”***

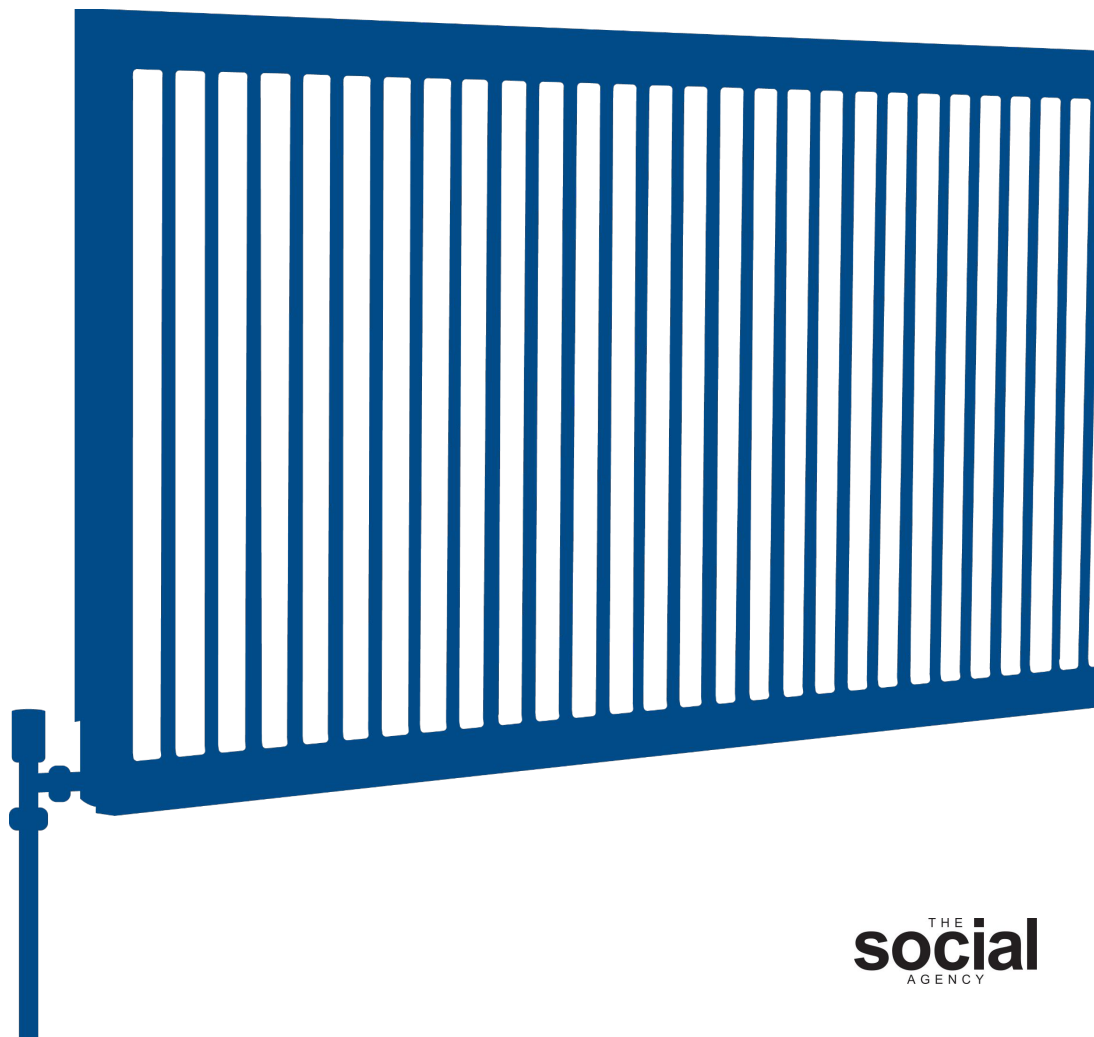
- Owner

... benefit from well established complaint processes and access to independent advice and redress

I think top priority should be holding heat network companies to account. [Especially] when they poorly communicate or they neglect to communicate effectively with their customers. I think because you cannot leave a heat network [...] there needs to be more protection brought in to say, well, because you can't opt out, you are more in control."

- Private tenant

Planned regulations will go a long way to making these visions a reality. Once consumer protections are implemented in 6 months time, heat network residents will benefit from requirements on suppliers to treat them fairly and provide adequate complaints processes. However, significant gaps remain, particularly for unmetered consumers and those whose bills are bundled with rent. Ofgem's fair pricing framework will aim to improve fairness and transparency, but on its own won't resolve affordability issues.





3. Recommendations in detail

Section 3: Recommendations in detail

The energy price crisis is still impacting heat network consumers. Many have faced steep bill increases, in some cases on top of growing maintenance and upgrade costs. Heavy financial pressures are forcing consumers to make difficult decisions and high bills have tipped inevitably into debt - with serious consequences for consumers. Before new rules come into place, dangerous practices are putting vulnerable people at risk.

Currently, attitudes towards heat networks are generally positive.⁴² But, if we don't fix the problems highlighted by this research, their success is under threat.

At the beginning of this report, we suggested ways to tackle some of the most urgent problems as a foundation for regulation. Ofgem will soon set out their final plans for implementing consumer protections from January 2026, which will tackle some of the key issues we've identified. Ofgem should also reassure consumers who are currently struggling by sending a strong message:

- a. **Ofgem and the government should communicate to heat network suppliers that disconnection and eviction practices can be a danger to people's health, and they should only be considered as a last resort.**
- b. **The regulator should be clear, and expect suppliers to have sufficient processes in place to make sure they're compliant with new rules from day one.**
- c. **Ofgem should monitor practice ahead of regulation, so they can quickly clamp down on the worst practices and ensure suppliers are implementing their new responsibilities.**

Heat networks should be put on notice, encouraging them to act now to improve their systems and processes. By working with the sector, Ofgem can ensure that fewer vulnerable people are left out in the cold this winter.



Future proofing

The first new regulations which roll out in around 6 months are a vital first step - they must deliver a major improvement in consumer outcomes. But further work is needed to tackle some of the deeper issues affecting the sector.

Research participants faced many cost pressures from their heat network. Fluctuating energy prices and high maintenance costs have led to unmanageable bills. For all but the wealthiest, this has led to debt that is difficult to pay off. Consumers can't overcome this problem by themselves. Tackling bad debt; spreading upgrade costs and installing meters needs serious financial intervention. In the domestic mains gas and electricity sector, these costs can be spread - or 'socialised' - across a large number of consumers. Heat networks can have smaller numbers of consumers, so costs can't be spread as easily.

Ofgem and the Government are consulting separately this year on approaches to heat network pricing. It is vital that both parties work closely to develop a fair pricing framework that can address these financial challenges. Specifically, they must:

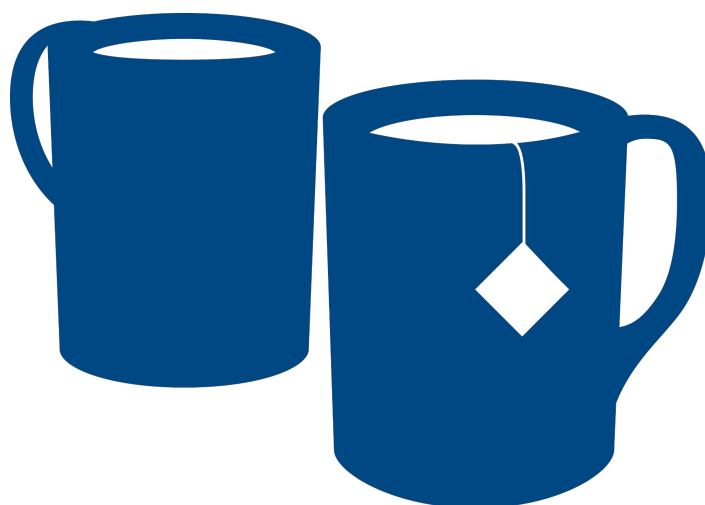
a. Address the root causes of high and fluctuating energy prices:

The reasons behind unpredictable heat network prices are complex. The cost of energy, poor heat network efficiency, and the purchasing power of individual heat networks can all play a role. Robust price protections that help ensure fair pricing must come into place as soon as possible.

b. Spread the cost of necessary upgrades:

Widespread metering and infrastructure upgrades required by new technical standards for heat networks are likely to be expensive, but essential to improve network efficiency and give consumers more control of their bills.

The Government must make sure that heat networks have access to adequate funding and private financing to make these changes, and mechanisms must be in place to help spread the cost, and prevent unfair upfront costs for consumers.



c. Tackle the risks of ‘bad debt’:

Ofgem has proposed a debt relief scheme for people who fell into debt during the energy price crisis. At the moment, this scheme only applies to domestic gas and electricity consumers.

In the near term, it's unlikely to be possible to recreate a similar scheme for people on heat networks. However, the affordability crisis means heat network consumers also have high debt levels, and the more limited number of customers that many suppliers have can limit their ability to manage debt costs. Ofgem and the Government should consider a mechanism to fairly share the burden of consumer debt.

Billing problems currently make up 64% of the cases that heat network consumers seek our help for. For around a lot of these consumers, the billing problem has also caused problematic debt to build up. Looking at the costs facing the participants in this research - it's not hard to see why. Tackling the root causes of shock bills will help prevent consumers falling into debt.

d. Unbundling heat and housing costs:

Through our advice service and this research, we've seen people threatened with eviction from their homes after falling behind on their bills due to energy costs. Most bundled consumers live in social housing, and are more likely to be vulnerable. To achieve outcomes for heat network consumers in line with those of mains domestic consumers, this unethical practice must stop. Government departments urgently need to work together to develop an action plan - with clear timelines - for unbundling heat and housing bills.

e. Provide targeted support for heat network consumers:

This report provides clear examples of how the energy price crisis has affected heat network consumers. All the participants reported high levels of stress resulting from rising prices. Many heat network consumers are on low incomes, making any price increases even harder to weather. But high and fluctuating energy prices aren't going anywhere and must be addressed going forward.⁴³

In the short term, we welcome the Warm Home Discount Scheme (WHD) expansion. Adequate funding is necessary to ensure all eligible heat network consumers receive support. The Government is considering longer term changes to the WHD from 2026 onwards.⁴⁴ Citizens Advice has suggested how the WHD scheme could change, to provide more sustainable support. We have proposed a 'tiered WHD' scheme, which would provide support at multiple thresholds, according to an assessment of a households heating needs.⁴⁵ Alternative approaches which have been proposed - like unit rate discounts to gas and electricity - may not automatically reach consumers on heat networks. Any amended scheme should consider how it can take account of the costs for people on heat networks, and must avoid significant administrative barriers to support.

Conclusion

Heat networks have huge potential to provide lower bills and efficient heat to households and businesses across the country. They can be powered by renewable energy sources, and could play a major role in localising energy distribution.⁴⁶ However, the harms covered by this research could undermine consumer confidence and reduce their growth potential.

The gas and electricity sector has shown that good customer service is essential to consumer satisfaction - and key to the reputation of suppliers.⁴⁷ This research shows that too many heat network consumers are struggling with problems that are not allowed elsewhere.

Ofgem's upcoming regulatory framework is a major step towards achieving better outcomes, and heat networks must begin prioritising customer experience - starting by protecting their most vulnerable consumers. But this is not the end of the story - the Government, Ofgem and industry must work together to develop the longer term reforms that can build a resilient and efficient sector with great consumer outcomes.

Citizens Advice is the statutory advocate for heat network consumers. They provide specialist advice and support to energy consumers - including those on a heat network.

Consumer Scotland is the statutory advocate for heat network consumers in Scotland. Consumer Scotland provided partial funding for this research, to help reach Scottish consumers.

Heat network customers can call the Citizens Advice consumer helpline on 0808 223 1133.

Scottish heat network customers can call Advice Direct Scotland (ADS) on 0808 196 8660. ADS is funded by Consumer Scotland.

Appendices

I. Note on data interpretation:

Qualitative research is illustrative, detailed and exploratory. It offers insights into the perceptions, feelings and behaviors of people. This research does not provide conclusions from a statistically representative sample. Quotations are used to evidence points raised, alongside data from Citizens Advice's Consumer Service.

II. Methodology:

Between December 2024 and February 2025, Citizens Advice commissioned The Social Agency to carry out 50 in-depth interviews on heat network consumers.

III. Sampling:

This research focused on consumers who had experienced financial detriment as a result of price increases. These consumers were identified using a range of routes, including:

- Desk-based research: For example, searching for heat network sites where there had been previously-identified issues with high bills, or where these were reported by regional or national news websites.
- Through third-parties: Citizens Advice advisors, Consumer Scotland and the Heat Trust were all able to identify heat network sites where there were known affordability issues.
- Through recommendations made by stakeholders in the Social Club.⁴⁸

Over two waves of fieldwork, The Social Agency engaged with the 50 households from across 19 heat network sites at 10 locations.⁴⁹ This included a variety of heat network types and households (including tenure, payment methods, income and socio-demographics).

The researchers took a 'place-based approach', where interviews were carried out with several households on each heat network site. This was designed to allow the interviewer to build stronger relationships within the communities they visited, and to capture a greater breadth of location-specific insights.

Vulnerability:

Many of the participants we spoke to had characteristics or circumstances which could make them vulnerable.⁵⁰ For example, 38% of the consumers we spoke to reported having a disability or health condition. The place-based approach helped researchers draw out how participants' vulnerabilities impacted communication with their heat network provider. This was useful as heat network consumers are more likely to have some form of vulnerability than mains gas and electricity consumers.

Sample size:

Although the researchers managed to obtain insight from different consumer groups across different network types, the qualitative nature of the research means that caution must be exercised when applying these findings to the broader heat network landscape. The lack of standardised evidence also makes it difficult to identify specific patterns of experience between different types of heat network site (e.g. those run by a local authority as compared to a housing association).

IV. The interviews:

The research involved a mixture of face-to-face and online in-depth interviews with heat network consumers in England, Wales and Scotland. The questions covered key aspects of consumer experiences of their heat network over the past 2-3 years. This included:

- **How** consumers had experienced changes to their energy bills;
- **What** support consumers have been able to access, to help them manage their energy bills;
- **How** affordability issues had impacted heat network consumers
- **What** drivers had contributed to debt problems;
- **How** consumers experienced debt collection practices and the management of disputes;
- **What** characterised the broader experience of heat networks. This included:
 - Experiences of metering and billing;
 - Experiences of implementing energy efficiency measures; and
 - Experiences of issues with reliability/ overheating.

The interviews lasted approximately 60 minutes. Where possible, they included opportunities for participants to provide examples of bills and communications that they had received about their heating and hot water. When discussing communications and the management of disputes, some consumers could struggle to distinguish between the different companies and the organisations involved in the running and administration of their heat networks.

To inform the development of a discussion guide for use in the interviews, The Social Agency spoke to representatives from Citizens Advice, Consumer Scotland, the Department for Energy Security and Net Zero (DESNZ), the Heat Trust, National Energy Action and Ofgem.

6 participants were invited to take part in a second stage of filmed case study interviews. These interviews were intended to help bring the themes identified in the report to life. Clips from the filmed interviews have been used in the creation of media content and used by the policy team at Citizens Advice.

Throughout the report, we use quotes and correspondence from the research participants to exemplify our findings. In all instances, names have been changed to protect their identities. Where example bills and charges are given, exact figures have sometimes been rounded to further protect anonymity. All percentage increases are calculated on the original, unrounded figures.

V. Heat network sample characteristics:

Characteristic	Quotas achieved
Location (geographic)	<ul style="list-style-type: none"> • England <ul style="list-style-type: none"> ◦ London (n 9) ◦ East of England (n 1) ◦ East Midlands (n 1) ◦ North West (n 2) ◦ Yorkshire and the Humber (n 1) • Scotland (n 2) • Wales (n 2)
Age of site	<ul style="list-style-type: none"> • Pre-2014 (n 15) • Post-2014 (n 4)
Size of site	<ul style="list-style-type: none"> • Under 250 dwellings (n 7) • 251-1000 dwellings (n 7) • Over 1000 dwellings (n 3) • Unknown (n 3)
Site ownership	<ul style="list-style-type: none"> • Local authority (n 10) • Housing association (n 5) • Private (n 4)
Type of heat network	<ul style="list-style-type: none"> • Communal (n 9) • District (n 8) • Unknown (n 2)
Heat network technology	<ul style="list-style-type: none"> • Gas boiler (n 6) • Biomass (n 1) • Combined Heat and Power (n 3) • Municipal waste (n 2) • Unknown (n 7)
Heat Trust registration	<ul style="list-style-type: none"> • Registered (n 1) • Not registered (n 18)

VI. Household sample characteristics:

Characteristic	Quotas achieved
Tenure	<ul style="list-style-type: none"> • Owner (n 17) • Social tenancy (n 14) • Private tenancy (n 5) • Unconfirmed tenancy (n 11)
Payment method	<ul style="list-style-type: none"> • Prepayment (n 8) • Direct debit (n 15) • Individual payment (n 27)
Billing	<ul style="list-style-type: none"> • Heating and hot water charge separated (n 45) • Heating and hot water charge subsumed in service charges or rent (n 5)
Metering	<ul style="list-style-type: none"> • Metered (n 17) • Un-metered (n 32) • Unknown (n 1)
Age	<ul style="list-style-type: none"> • 18-34 (n 8) • 35-49 (n 24) • 50-64 (n 9) • 65+ (n 9)



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49. Sampling of Heat Networks involved first developing a longlist of 21 potential sites, with additional details collected on location, heat network type, operator type and age of network. In the first instance, 12 sites were identified within which The Social Agency aimed to undertake interviews. These were selected to ensure a spread of heat network characteristics. A range of approaches were then taken to engage heat network consumers that had experienced financial detriment as a result of increases to their heating and hot water bills. These included stakeholder referrals, leafleting sites to encourage those eligible and interested to make contact with The Social Agency, and other outreach activities (e.g. attending residents association meetings, foodbank drop-in sessions, and posters in communal areas). Through these approaches we engaged 29 participants from across nine sites. A further stage of desk research and outreach expanded the list of potential heat network sites, with residents from an additional 10 sites interviewed during a second stage of engagement.
50. Examples of vulnerable consumers include:
 - People with disabilities or long-term health conditions
 - People of pensionable age
 - People with mental health issues
 - People on low incomes
 - People who are not fluent in English or have literacy/ numeracy difficulties
 - People who have recently experienced a bereavement