

DESNZ consultation on “Fairer, Faster Redress in the Energy Market”

Citizens Advice response
December 2025



About us

We can all face problems that seem complicated or intimidating. At Citizens Advice we believe no one should have to face these problems without good quality, independent advice. We give people the knowledge and the confidence they need to find their way forward - whoever they are, and whatever their problem.

We provide support in approximately 2,500 locations across England and Wales with over 18,000 volunteers and 8,650 staff.

Through our advocacy work we aim to improve the policies and practices that affect people's lives. No one else sees so many people with so many different kinds of problems, and that gives us a unique insight into the challenges people are facing today.

As the statutory consumer watchdog for the energy and post industries we have an important role to play in shining a spotlight on the problems consumers encounter, providing solutions to these problems and ensuring their voices are heard when important decisions are made about the future of these essential markets.

Executive summary

Citizens Advice welcomes the opportunity to respond to the Department for Energy Security and Net Zero's proposals to change the Energy Ombudsman's (EO) remit and enforcement powers. As the statutory advocate for energy consumers, we have unique insight into consumer needs and how they can achieve good outcomes during the complaints process.

Our service helps more than 250,000 people each year with energy issues, giving us a clear view of the challenges they face, many of which are complex and interconnected. We work closely with the EO, as well as other organisations that form part of the complaints handling framework, and recognise the vital role they play in helping consumers enforce their rights

While our responses to individual questions can be found below in more detail, **our primary concern across these proposals, including shorter wait times and pro-active EO outreach, is the impact on consumer outcomes and the risk that people will not access the most appropriate service or support at the right time**. If cases are moved on too quickly, without enough assessment or understanding of the wider issues a household may be facing, the support offered may not address their underlying problems and could lead to harmful outcomes.

We recognise that the current eight week period can be frustrating and can delay redress in some cases, while the digitalisation of services in the energy sector should mean that many complaints can be resolved more quickly than was possible in the past.

It is right to consider how all parts of the current complaint handling framework are delivered in a way that incentivises fewer complaints, improves complaint outcomes and delivers value for money. However, a substantial reduction in the wait period should be tested with consumers and suppliers first, including an assessment of costs, to ensure it genuinely achieves these aims.

We particularly urge the government to pilot any wait period under six weeks before proceeding. We're concerned that the proposed reduction to four weeks could lead to worse outcomes, especially for complex cases or those

involving consumers in vulnerable circumstances, where other advice and support services could provide better support.

The EO currently takes an average 6 weeks to resolve complaints, and costs over £300 per case for those requiring a full decision¹. If reforms lead to over-reliance on Alternative Dispute Resolutions (ADR), end-to-end complaint resolution times could increase and costs could rise, especially if cases reach the EO before suppliers have had the chance to resolve them, or before advice and support services could help achieve a better outcome.

For some problems it can be necessary for suppliers to take longer than four weeks to resolve them, particularly those involving other organisations, such as smart meter problems involving the DCC. As energy services become more integrated with low-carbon technologies, more cases may require longer resolution time due to complexity around problem diagnosis and accountability. Providing carve-outs from the core wait period for certain types of complaints could address this risk, but would create complexity for consumers, particularly if their complaint relates to multiple problems which have different wait periods.

Introducing penalties and consumer compensation where suppliers do not implement decisions on time is a constructive step forward. The standards for compensation have recently increased, for example through the new commitment to expand GSOPs for customers facing delays for smart meter issues. However, any move toward putting the EO on a formal statutory footing should be accompanied by greater oversight of the EO to ensure appropriate accountability and efficiency.

As the energy market expands through the transition to Net Zero, the EO's remit (as well those of statutory advice providers) is likely to need expansion to cover new services. We also encourage a more joined-up approach to ADR across sectors. Some energy consumers, such as those on heat networks, currently fall between fragmented housing and energy redress systems. This problem may grow as more services span multiple sectors, including those that combine energy, finance and low-carbon technologies.

Reforms must also reflect the wider complaints journey and the needs of people in vulnerable circumstances. Statutory advice and support services

¹ [New threshold for businesses accessing the Energy Ombudsman](#)

already play a key role in unlocking better outcomes and generally operate at a lower cost per case than the EO. We are concerned that automatic sharing of cases for pro-active EO outreach could incentivise suppliers to record fewer complaints or to close complaints prematurely, particularly if consumers are pushed to provide more information than they are able to manage without support. These risks must be considered to avoid unintended consequences.

First tier advice is provided by our Consumer Service in England and Wales, providing advice for people to help them solve their problem, including equipping them to resolve complaints with their supplier. This service can refer people directly to their supplier for support, to tier 2 advice (see below), or to debt advice where relevant, provided by our new Consumer Energy Debt Advice (CEDA) service. In Scotland first tier advice is provided by ADS.

Second tier advice for gas and electricity is provided by the Extra Help Unit (EHU), managed by Citizens Advice Scotland.² This is a critical part of the complaint handling framework which supports people with complex cases and intervenes directly on their behalf, covering everything from billing and metering problems to urgent situations involving affordability or risk of disconnection. Many clients experience multiple vulnerabilities, such as health conditions and financial difficulties. Referrals mostly come from first-tier advice services, with some also coming from Ofgem and the EO.

Pro-active outreach by the EO could prevent a more timely or optimal solution, where tier 1 or tier 2 advice could be the more appropriate route. For households with complex needs, the time taken to resolve a case is often less important than confidence that they are being properly supported and will get the best outcome. Many cannot engage at the pace suppliers or the EO may expect. Shorter timelines must not result in consumers feeling less supported or facing burdens they cannot manage. There is also a risk that the EO could make binding decisions too early, before essential support has been provided, which could result in the wrong outcome. Where consumers are at risk of debt or disconnection, they may miss out on the additional support that Tier 2 services and CEDA can provide.

² Citizens Advice is currently developing a second tier advice service for heat network consumers in England and Wales, with the equivalent service in Scotland provided by the EHU.

Considering the severity of harms that may arise should the outlined reforms not be implemented properly, there should be careful consideration before applying reforms to the heat network market at this time. While there are benefits to aligning any approach taken in the heat networks market to mains gas and electricity, consideration should be taken to the unique challenges facing heat network consumers. Automatic referrals and quick solutions could have similar harmful effects that we are concerned about with other types of consumer cases. Our previous research has found that heat network complaints can be complex and hard to resolve, as it can often involve multiple parties with different responsibilities.

We welcome DESNZ recognition of the need for clear pathways for consumers to access the right support at the right time. We will continue to work with DESNZ, the Energy Ombudsman and other stakeholders to ensure that any changes support better outcomes for all energy consumers.

Responses

1. Which of the options to tackle barriers to accessing the EO's services do you support? Please evaluate the advantages and disadvantages, particularly in relation to consumer benefit. Where possible, provide evidence or examples.

Citizens Advice supports initiatives that help consumers become well-informed of their rights and paths to recourse. Therefore, we welcome the principle of increasing awareness of the Energy Ombudsman's existence and the services it provides. Advanced sign-posting can be beneficial to consumers who may not otherwise be aware of their rights, the complaints journey or whether their supplier has followed the correct sign-posting procedures. Using QR codes or URLs to help automate a referral could provide a positive and streamlined journey to accessing EO services.

However, given the rate of incorrect case sign-posting reported by EO³, these proposals may be less effective in practice, and could further reduce supplier

³ [Energy-Ombudsman-Q2-2025.pdf](#)

incentives to correctly sign-post consumers at 8 weeks if a complaint has been unresolved, or when the supplier and/consumer can not agree to a solution. It's likely that further action from Ofgem to improve sign-posting would be needed to ensure these proposals improve the complaints journey .

The consultation recognises that sign-posting needs to reflect the needs of consumers, and states that the EO may not be the appropriate "point of escalation"⁴, and therefore, people will need to be informed of various statutory services like Citizens Advice and the Extra Help Unit. However, the proposals do not state how the consumer complaints journey should reflect that in practice, particularly in relation to automatic referrals to the EO (see response to question 2).

The use of QR codes, URLs and other relatively advanced mechanisms will not help consumers, specifically vulnerable consumers, who may need traditional forms of communication and outreach, like telephone calls, in order to access EO services and be well informed in escalating their case. Additionally, proactive communication needs to meet the needs of consumers and mitigate risks of perceived or real data sharing scams, which can create mistrust. We therefore recommend that any changes should be subjected to a trial to ensure there are clear consumer benefits and protections.

2. What potential unintended consequences do you anticipate from implementing the above options? Please substantiate your response with evidence or examples.

The proposals on auto-onboarding of consumer details and automatic referrals, poses risks to consumers experiencing positive and appropriate outcomes due to them not receiving the right service, at the right time.

Automatic referrals could mean vulnerable consumers or households with intersecting and complex are less able to access routes to advice from Citizens Advice's Consumer Service, debt support from our Consumer Energy Debt

⁴ "Fairer, Faster Redress in the Energy Market", DESNZ 2025 (p18)

Advice service, or in-depth Tier 2 support, which can involve multiple supplier and consumer contacts before a resolution is reached.

Citizens Advice and the Extra Help Unit (EHU), run by our sister organisation Citizens Advice Scotland, strongly believe that the EO is not currently well-suited to routinely receive cases for people who need more comprehensive support. Additionally, it is not designed to provide the level of service and ongoing monitoring and engagement, with both consumers and suppliers, that many cases need. Without this expert level of advice, consumers could face harmful outcomes.

Automatic referrals could also incentivise suppliers to delay/avoid recording of complaints, or to prematurely close cases, for example before consumers have confirmed resolution or if there have been delays in them responding to supplier requests for more information. It is likely that much greater Ofgem monitoring of complaint recording, and improved signposting to advice services at this stage, would be needed to avoid these risks.

We understand that the Access for All trial is meant to inform future changes to the automatic referral process, however, there are no clear routes in the pilot's consumer journey that is testing changes or additional avenues for complaint resolution, other than those that are mediated or adjudicated by the EO. For example, it does not include a way to assess whether a case would be better served by Citizens Advice or EHU, nor, from our understanding, provides an option to the consumer to be referred to our services. Additionally, the Access for All trial is currently limited in scope due to the small number of participating suppliers. This challenge could potentially reduce the depth of data collected to make informed decisions about any of the options proposed in this consultation.

Lastly, while more pro-active outreach from the EO could have its benefits, significant consideration needs to be given to potential consumer scams/fraud, and consumer concerns around data sharing. It's vital that these risks are assessed as part of the Access for All trial, and before expanding outreach efforts, the EO should develop a plan to mitigate these risks and protect consumers.

3. Can you identify other ways to overcome barriers to accessing the EO's support not listed above? Please explain the relative merits of these options.

The consultation identifies “low awareness” as a barrier to access EO’s services, however, related to this is the method of communication with consumers once they have agreed to have their case referred to the EO.

Given our operational experience in advice services and support, and our understanding of consumers’ diverse needs, we are concerned that EO’s further shift to email as the first point of contact after a Citizens Advice referral, can leave consumers unaware of their case’s progress, feeling discouraged in continuing with the process, and increasing burden and existing distrust in the market.

Additionally, letters with generic messaging, shared with us by clients, direct consumers to reach out to the EO and create accounts online, which places more burden on the consumer when they have already reached out to Citizens Advice for help. This practice can cause communication and case delays, which at best risks the speedy resolution of complaints that the EO is aiming to achieve and, at worst, leaves consumers without a resolution. This is especially true around minimising inconvenience and hassle, which the consultation has also identified as a barrier to redress.

The risks here are higher for vulnerable consumers, who can be impacted more by slow progress, for example in cases where there is a risk of self disconnection or interruption of service.

We strongly recommend the EO ensures its strategy around access to its services includes telephone contact to process these cases more effectively.

4. Are there any other barriers to consumers accessing the Energy Ombudsman that we should seek to remove? How should those barriers be removed?

See above. The EO needs to implement an effective outreach strategy to help enable a wide range of consumers to access their services.

5. Do you agree with shortening the waiting time before a consumer can refer their complaint to the EO to 4 weeks with exceptions? Please describe any advantages and/or disadvantages for consumers and suggest alternative approaches you think may be more effective providing evidence or examples. Evidence about the proportion of complaints resolved after 4 and 6 weeks may be of particular use.

We recognise that the current 8 week waiting period can, at times, add delays to reaching the best possible outcome for consumers and suppliers. However, there is a real risk of trading off the right service and support at the right time for a quicker resolution. As we put forward in our responses above, the outcomes could potentially be more harmful for the consumer because quick resolutions do not necessarily address underlying issues. For this reason, we believe carving out exemptions would complicate assessments, particularly where consumers have multiple problems with different wait times. It could also create risks around suppliers over-classifying cases as complex to delay access to redress.

These risks are likely to increase the shorter the core wait time is set. We note that major energy suppliers have previously had a voluntary 6 week wait period, and that Ofcom recently reduced the wait time for redress in telecoms to 6 weeks. We would strongly urge the government and the EO to pilot for any proposal of less than 6 weeks to gather data on possible benefits/risks for consumers. This will help to deliver better outcomes, but also understand consumer risks and provide an assessment of likely costs.

The EO takes an average of 6 weeks to resolve complaints, and costs over £300 per case⁵ depending on the type of resolution.⁶ These proposals could lengthen the total time to resolve cases, and can increase overall costs. This is more likely if cases go to the EO before they can be resolved by the supplier, or if they could have been resolved more appropriately via advice and support.

⁵ [New threshold for businesses accessing the Energy Ombudsman](#)

⁶ [Understanding Our Dispute Resolution Process](#)

6. What are some examples of valid exceptions to these shortened timescales? Please explain how any proposed exceptions would avoid disadvantaging consumers.

We recognise that some problems can take longer than 4 weeks for suppliers to resolve, especially if there are additional actors involved, like the DCC in relation to smart meters. Situations like this are not always in the suppliers' power to resolve, either on their own or at all. As energy services and technology evolve, more issues may arise that could require action by different parties - for example, where responsibility is disputed between a supplier, load controller and TPI - and necessitate exemptions to any waiting period.

7. Do you agree that the EO should reduce their target to reach a decision to 4 weeks? What are the advantages and/or disadvantages for consumers?

Please see the response to questions 2 and 5.

Citizens Advice also has concerns that under current EO resolution periods, cases would likely spend longer at the EO than with the supplier. While the EO should aim to resolve problems more quickly, the same risks could emerge as discussed above, including that consumers will be required to give information more quickly and engage more than they are able to. Again, it is important to understand the quality of outcome for all parties involved.

8. Are there any other interventions we should consider to secure faster redress for consumers through the EO process?

As discussed in our response to question 3, we believe a vital part of faster redress is retaining telephone contact for those who need it. We recognise that digital routes can be quicker for those who can use them and can be more cost effective for the EO.

However, for those who need it, a call would not ensure that consumers are aware that their case has moved on from advice services to the EO, but also help to ensure that EO's outreach is successful at reaching those who may be at a technological disadvantage, including some of the most vulnerable consumers in the market.

In relation to redress for smart meter consumers specifically, there is currently no path for data communication complaints via the EO, especially given the complex and layered roles of different third parties in resolving smart issues. Additional powers should be considered for the EO so they can be better placed to address smart cases fully, and to assist these consumers navigate this accountability gap, who otherwise are often left waiting too long for a resolution. In our previous publication on smart, and our response to the GSOP's consultation, we explain the dilemma faced by consumers, through no fault of their own.⁷

9. What are the existing barriers to the implementation of EO decisions? From a consumer perspective, which barriers cause the greatest detriment?

One existing barrier is the lack of powers the EO has to enforce their decisions. It is clear that consumers can face detriment when suppliers do not implement decisions promptly or fail to do so altogether.

10. Do you agree that the EO should be able to levy penalties against suppliers for late or incomplete implementation of their decisions? Please describe any advantages and/or disadvantages for consumers.

Yes, we agree that EO should be able to levy penalties against suppliers in order to ensure they comply with implementing decisions in a timely manner. The Ombudsman should be further upskilled to understand the original harm and assess the impact that a delayed implementation of a resolution would have on a consumer.

There may be circumstances where, for example GSOPs automatic compensation may not provide the framework to properly address a consumer's complaint, and therefore the existence of EO penalty schedule would be better placed.

⁷ [Citizens Advice Response to Ofgem's Smart Guaranteed Standards Consultation, May 2025](#) and [Citizens Advice Response to Ofgem Statutory Consultation on Smart Guaranteed Standards of Performance, September 2025](#)

11.What considerations should be included when setting any penalty regime? For example, how should the level of penalties be set, what exceptions should be included.

We don't have a recommendation of how the level of penalties should be set. It is important that the EO, as stated in the consultation, works with Ofgem, suppliers and other stakeholders before setting any levy schedule. This should take into account the compensation levels used elsewhere (e.g. in the Guaranteed Standards), how the severity of the case can be considered, and what happens where suppliers are not at fault - for example if there are delays with addressing smart meter issues due to DCC or other network issues.

12.Are there any other interventions we should consider to ensure that EO decisions are implemented on time and in full?

Considerations must be taken to ensure that any penalties imposed are genuinely meaningful, rather than becoming a routine budgeted cost for suppliers. Penalties should not become a "business as usual", where suppliers are more inclined to simply pay the levy as a simpler route to compliance.

13.How can we improve cooperation between different organisations in the consumer support journey?

Citizens Advice is supportive of further powers for the Ombudsman to better resolve disputes and give its decisions more weight. However, the EO partnering with other organisations must remain central in these changes. In order to improve cooperation between different organisations, including advice and support services like Citizens Advice, EHU and ADS, all parties must continue to be proactive in communicating with each other. This includes trends and insights, but also realtime updates on any issues arising from new and existing practices. Using settings like the Tripartite discussions to improve data sharing and understanding of actions to be taken by various stakeholders is key.

Ensuring that proper assessments and signposting to advice and support organisations is also vital in ensuring that consumers are receiving the right service at the right time through expert advice and case management, which leads to positive consumer outcomes.

Additionally, where a function already exists in our services or products, those efforts should not be duplicated. For example, we noted in the consultation, reference to the EO considering publishing “a more formal and accessible approach... of supplier performance, citing key customer service metrics...”.

Our Star Rating already provides consumers with accessible and transparent information about the performance of energy suppliers in a range of customer service areas. This includes their complaints performance, with Energy Ombudsman complaints forming a key part of this measure. This. The Star Rating enables consumers to make more informed decisions about their supplier, and is released quarterly. We periodically review its methodology to ensure it is reflective of the changes in the market. It would be good to further understand what data, other than remedy implementation, the EO is considering publishing and in what format.

14. Would any of the changes proposed in this consultation negatively impact other organisations in the consumer support landscape? Please refer to specific proposals in your response.

Our primary concern is consumer outcomes and advocating for a system that does not prioritise or compromise quality of resolution for speed of redress, particularly for those in more vulnerable circumstances. It is important that any changes reflect the appropriate and important role of the Ombudsman, while not negatively impacting on the services or accessibility of organisations like Citizens Advice and the EHU provide.

This includes ensuring that all organisations in the complaints handling framework are involved in the design of changes to processes in signposting and referral, and that these are trialled with consumers to understand their impact.

15. Do you agree that the EO should be appointed directly through statute? Please describe any risks or unintended consequences you foresee from appointment in this manner.

In our response to the DESNZ's Ofgem review, we said that the government should consider a statutory basis for the Energy Ombudsman.⁸ This would support the Ombudsman to better resolve disputes and could act as an incentive to help suppliers act in good faith, and also a deterrent to delaying or ignoring decisions made by the EO. It would provide legal backing to its decisions, and could also amplify greater consumer protections - for example in the non-domestic market, where consumers are currently not protected from adverse conduct by their suppliers. However, this would also necessitate changes to the governance of the Energy Ombudsman, to align with those more appropriate to a monopoly statutory provider of services. This should include appropriate budget controls and oversight by government, Parliament and/or bodies appointed by them.

16. Do you agree that the weight of EO decisions should be increased so that suppliers have an explicit legal obligation to implement EO rulings? Please describe any advantages and/or disadvantages for consumers.

Citizens Advice agrees that the weight of EO decisions should be increased in order to ensure that suppliers are held to account when implementing EO rulings, or those of other ADR providers in the energy sector (were Ofgem to approve additional firms). Creating an explicit legal obligation would set clear responsibilities for suppliers and mitigate risks of decisions being implemented late or not at all.

17. What are the best mechanisms to continue to improve the performance of the EO in delivering easier and faster redress for consumers?

It's important that the EO is adequately resourced and able to deliver for consumers as part of any changes, particularly those which are likely to increase case volumes or drive more vulnerable consumers to the service. If changes are made to reduce the waiting period before complaints can be sent to the EO, then it is appropriate that the EO's own case-processing times are reduced to ensure the overall end-to-end complaint journey is also reduced. For example, we don't think it would be reasonable for suppliers to have just 4 weeks to resolve complaints before they are passed to the EO, which would currently take

⁸ ["Citizens Advice response to DESNZ's Review of Ofgem" March 2025](#)

an average of 6 weeks to finish their processes. To avoid this outcome a significant reduction in case handling time, with no reduction in quality, should be achieved by the EO before any major reduction in the EO wait time is implemented. This should be subject to a cost-benefit assessment given that additional resourcing is likely to be required.

18. Does Ofgem remain the appropriate organisation to review the performance of the EO? Please describe the advantages and/or disadvantages of Ofgem retaining this role. What criteria should be applied in evaluating the EO's performance?

If the remit and powers of the EO are set to grow, Ofgem's oversight will need to also evolve so there is greater accountability and monitoring to evaluate EO's performance. There may also need to be greater control of the EO's budgets if it becomes a statutory body, in line with other monopoly providers of services.

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

Considering the nascent nature of the heat network regulation framework, we urge careful consideration before applying reforms to the heat network market, which is still embedding the current redress framework, with wider complaints handling rules only going live in January 2026.

The concerns outlined in our responses to questions 2 and 3 can equally be applied to heat network consumers. Firstly, the proposals do not outline how the heat network consumer complaints journey should be amended to reflect that the EO might not be the appropriate point of escalation.

Secondly, the above concern about adequate triaging applies to an even greater extent to heat network consumers. Heat network consumers are more likely to be in vulnerable circumstances, or to have lower income than other energy consumers.⁹ Cases must be triaged effectively in order to build and maintain consumer and supplier trust. Any impact that automatic referrals have on this

⁹ Department for Business, Energy and Industrial Strategy, [Heat Network Consumer and Operator Survey](#), 2022, p. 17

process must be very carefully considered. At a minimum, detailed consumer journeys should be mapped out in conjunction with specialist advice services, heat network suppliers, and consumers, to ensure that different triage outcomes are anticipated.

In addition to this, research has found that heat network complaints can be complex and hard to resolve. This is often because multiple parties may be responsible for different aspects of the heat network, and consumers are often not clear about who to contact.¹⁰ In addition, the phased nature of heat network regulation means that some consumers may struggle to find a resolution to their problem at this time. Recent data from the Energy Ombudsman shows that fewer complaints are being upheld in heat network consumers' favour, and that some 'maintained' case outcomes are occurring. In this context, maintained refers to the Ombudsman's conclusions that "while there was a valid Complaint, the Registered Provider had already taken all reasonable steps to resolve it."¹¹ This suggests that more consumers are not able to find a satisfactory outcome to their issue, despite heat networks doing all that they are required to do.

These factors increase the likelihood that multiple agencies may need to be involved in getting a consumer to a positive outcome. Automatic referrals may not be suitable for all heat network cases. To take one example, a consumer may report having a problem with one service provider and be auto-referred on that basis, but after investigation, the responsibility for resolving the problem may be found to lie with another provider.

Considering the severity of harms that may arise should the outlined reforms not be implemented properly, there should be careful consideration before applying reforms to the heat network market at this time. Over the longer term there are likely to be benefits to aligning any approach taken in the heat networks market to mains gas and electricity, but consideration should be taken to the challenges facing heat networks at this stage.

¹⁰ Citizens Advice, [System Critical: No margin for error in new heat network rules](#), July 2025, p. 38.

¹¹ Heat Trust, [November 2025 Committee Meeting Minutes - Public](#), published December 2025, last accessed: 09/12/2025

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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.

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