

SSES: Implementing the load control licensing regime consultation response



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Executive Summary

We welcome the opportunity to respond to Ofgem's implementation consultation regarding the proposed load control licence conditions. In our response to the parallel DESNZ consultation on the conditions, we have reiterated our position that some areas of regulation would benefit from a shift to a more outcomes-based approach. We welcomed Ofgem's recent Call for Input on their Consumer Outcomes, and in our response also considered how an outcomes-based approach could be appropriate for the wider energy sector, including flexibility services in scope of the load control licensing regime¹.

It is crucial that Ofgem's implementation approach keeps pace with the potential rapid growth of and change within the flexibility services market. We understand that Ofgem, and DESNZ, are keen to balance strong consumer protection standards with fostering innovation as the market matures. It will therefore be vital that Ofgem works closely with third parties, the Energy Ombudsman and industry to ensure that where consumer issues do emerge, regulation adapts and consumers are not left behind. In our response to the DESNZ consultation, we have reiterated our position that a **statutory advice service** for customers of flexibility service providers is a vital part of the consumer protection framework, and would play a significant role in working alongside Ofgem to spot emerging patterns in consumer experiences.

With regards to the proposals to the application processes and monitoring requirements, we have some concerns regarding the proposed streamlined process for suppliers. We are concerned this could lead to gaps in Ofgem's monitoring approach, and could result in protection gaps across different business models and types of flexibility service.

¹ Citizens Advice, [Response to Ofgem's Call for Input on Consumer Outcomes](#), January 2026.

Implementing the load control licensing regime

1. Do you agree that the Licence Policy Principles, as well as Ofgem's Growth Duty, are the correct principles to guide the development of Ofgem's implementation proposals? Please provide reasons for your answer.

We agree with the policy principles developed by DESNZ to guide the development of the licence. We particularly welcome the consideration for the need for consistency between suppliers and SMEs from the perspective of the consumer. We agree the regulation will need to be iterative and allow for evolution over time, and would emphasise it is particularly important that regulation evolves in response to evidence of consumer experiences of flexibility services. In our response to the parallel DESNZ consultation, we have outlined the crucial role the statutory advocacy and advice function could play in identifying emerging patterns of consumer harm or poor practice, and in working with the regulator and industry to support continuous improvement in the market.

With regards to Ofgem's statutory Growth Duty, we agree that the licence should aim to promote economic growth by enabling innovation in a young and growing market. However, we do not see growth and strong consumer protection frameworks as mutually exclusive. Well-designed regulation plays a critical role in building consumer confidence. When consumers trust that markets are working fairly and that firms are focused on delivering good outcomes, they are more likely to engage - supporting participation and growth².

Citizens Advice has long called for an outcomes-based approach to regulation in the retail market, and we think this should also apply to flexibility services³. Please see our response to the following question for more detail.

2. Are there other measures Ofgem and DESNZ should consider in order to ensure the regime is proportionate and our approach minimises unnecessary burden? Please provide reasons for your answer.

² Citizens Advice, [Putting money in people's pockets: how to deliver tangible growth in consumer markets](#), July 2025.

³ Citizens Advice, [Response to Ofgem's Call for Input on Consumer Outcomes](#), January 2026.

The regulatory regime will need to strike the right balance between allowing an evolving market to innovate and ensuring consumers are protected from bad faith actors and/or harm. In any new and emerging market, there will be market participants who feel the regulatory regime is burdensome and/or disproportionate. In our response to the DESNZ consultation, we have shared specific suggestions regarding the licence conditions - but in general believe them to be proportionate.

At the same time, we think the wider energy sector regulation would benefit from reforms that would allow more innovation *and* higher standards⁴. In our response to the parallel DESNZ consultation, we have reiterated our view that **Ofgem should move to an outcomes-based approach** with regards to some areas of energy regulation, including the load control licence consumer protection conditions. It is therefore our view that concerns around the proportionality of the load control licence should be addressed via wider energy regulation reforms rather than by weakening the proposed conditions.

We welcomed Ofgem's recent call for input on a consumer outcomes framework. In our response, we proposed Ofgem introduce additional consumer outcomes which reflect the increasing complexity of products and services - in particular on fair pricing, and ensuring products meet consumer needs⁵. It is our view that an outcomes-based approach would support innovation while also focusing firms' minds on the outcomes of their products and services - leading to their own monitoring of outcomes, and paying due regard to how their products and/or services help consumers achieve their desired outcomes. We think it is proportionate that the flexibility service providers are required to meet the standards of conduct as set out in the licence (condition 11) but think upgrading this with a Consumer Duty would allow for more innovation while driving high standards. This could be complemented with a set of outcomes which could be tailored to the flexibility market. Example consumer outcomes could be:

- Consumers can easily see and understand whether they are receiving the benefits of a load control service and are supported in taking any actions needed to achieve those benefits.

⁴ Citizens Advice, [Raising the bar](#), April 2022.

⁵ Citizens Advice, [Response to Ofgem's Call for Input on Consumer Outcomes](#), January 2026.

- Consumers understand clearly what control a flexibility service provider has over their appliance(s) and the practical impact this may have, including the frequency, duration and type of interventions.

Just as SLC0/0A in the retail market explicitly excludes price in the retail market, in the proposed load control licence the requirement to treat customers fairly excludes the amount or amounts of any rewards given to customers as a result of a load control activity. In our response to Ofgem's call for input on their Consumer Outcomes proposals, we have called for the consideration of a fair pricing outcome price. An outcomes-based approach, which requires firms to 'act to deliver good outcomes' and covers the price and value of products could be made applicable to the wider energy sector, including flexibility services.

Other reforms to the supply licence, such as reforming the Universal Service Obligation to allow more specialisation, could be particularly relevant to the flexibility sector. For example, suppliers who only want to offer certain types of energy services and to only service customers who have chosen to use their services could pair flexibility services with tariffs. Alongside consumer outcomes which reflect the complexity of such products and services and operate across regulatory regimes, this could help deliver consistency for consumers and clarity for businesses.

3. Do you agree with the proposed application form evidence requirements for each area? Please provide reasons for your answer, including any concerns with providing the requisite information and why.

We agree. The evidence requirements for the consumer protection obligations will be important in helping the prospective licensee and Ofgem to identify any risks and required mitigations.

However, we suggest Ofgem provides clarification regarding the 'statement of intent'. It is described as a requirement on page 26 of the main consultation document, but then described as an example of good practice on page 10 of the consumer protection guidance. It is unclear whether these are two distinct documents serving different purposes but sharing the same title, or a single document.

It is our view that all prospective licencees should be **required** to submit a statement of intent to Ofgem at the point of application. However, companies should also be monitoring and considering consumer outcomes with regards to their products and/or services on an ongoing basis, and we have written about how outcomes focused regulation could help deliver that cultural change in the retail market in our consumer outcomes consultation response⁶. An annual output, like the one firms are required to produce in the FCA's framework, could play a useful role in demonstrating to Ofgem how they are monitoring outcomes in order to inform decisions around product or service design.

4. Do you agree with the proposal for a 12-month transition period? Please provide reasons for your answer.

We agree that this approach seems reasonable, and should give prospective licencees and Ofgem the time to prepare and review applications respectively. Prospective licencees will need time to prepare adequately for licensing. A 12-month transition period is broadly consistent with standard practice across other regulatory regimes.

However, it will be important for Ofgem to ensure it is appropriately resourced to process applications within the proposed timeframe. This will be critical to avoiding unintended disruption for consumers where a prospective licensee is already providing licensable services to customers. Disruption of existing flexibility services could lead to loss of comfort (for example, if a heat pump is optimised by an in-scope flexibility service provider), lack of transport or billing issues. Ofgem should prioritise an approach which ensures continuity for existing flexibility service provider customers alongside realistic implementation timeframes - which take into account the time required for firms to prepare and submit applications, for Ofgem to process applications, and for businesses to plan effectively.

5. Do you agree with our proposed application process for certain licensed suppliers? Please provide reasons for your answer. Note, please refer to

⁶ Citizens Advice, [Response to Ofgem's Call for Input on Consumer Outcomes](#), January 2026.

the DESNZ Licensing Consultation for a specific question on licence condition derogations.

We only partially agree with the proposed dual track application system, because we disagree with the proposal not to require supplier licensees to provide a statement of intent regarding consumer protection obligations.

We agree that there is a lower level of risk to consumers of licensed suppliers compared to other market entrants. We also agree it would be unnecessary to require suppliers to provide information they may have already submitted as part of their supply licence application or through ongoing monitoring processes. For example, this includes information required related to financial and management controls given there should be no material difference between the information provided in the supply licence application and the load control licence application.

However, with regards to consumer protection, while the proposed licence conditions reflect the standard supply licence conditions, the way these obligations should be applied and met in the context of load control may need to differ. For example, considering suitability in the context of load control could involve ensuring that a service is not recommended to a customer with specific health needs, or to someone relying on a medical device connected to a battery. Similarly, the level of information required to help a consumer understand a load control product or service may differ from standard supply information. This is particularly true of suppliers - where a consumer could have a single contract which includes supply and load control activities.

In these instances, from a consumer protection perspective, it is vital that consumers are aware that their supplier is offering a load control service as part of their supply contract. While the supplier could choose to market the flexibility service and the supply product (i.e. the tariff) alongside each other as paired products, it is important the consumer understands and is actively choosing a service which involves remote load control of their appliance by their supply. Particular groups of consumers may be less trusting of their supplier - for example, consumers who have had poor customer service or debt experiences - and their choice to opt into a flexibility service should be active and informed. The load control licence conditions, in particular condition 12.3 with regards to the Principal Terms and 12.4 with regards to rewards, support this objective.

We therefore think suppliers should be required to provide a statement of intent detailing how they intend to meet the load control licence conditions, as is required of non-supplier flexibility service providers. This should help Ofgem to identify where there are risks and work with the industry to mitigate these.

Finally, we welcome Ofgem's proposal to undertake internal checks for any outstanding compliance issues. Ideally, relevant compliance investigations should be completed by Ofgem before a licence is granted but we understand this could be impractical due to the length of time compliance investigations can take. We therefore urge Ofgem to consider where there are specific compliance issues which relate to relevant SLCs (e.g. consumer protection conditions that are mirrored in the load control licence) before granting a licence. With regards to the dual application process, in particular we do not think it would be appropriate for suppliers who are subject to ongoing Ofgem compliance investigations to be exempt from providing evidence of meeting requirements.

It is also our view that derogations should not be granted to suppliers for consumer protection conditions 12 - 14. We have put forward our reasoning for this position in our response to the parallel DESNZ consultation.

6. Do you agree that the proposed application process for certain licensed suppliers should apply to licensed domestic suppliers, and not licensed suppliers who supply non-domestic customers only?

We agree, due to the fact that licensed suppliers who only supply non-domestic customers do not have to undergo comparable requirements in the retail market - for example with regards to recommending suitable services⁷. These suppliers should be required to undergo the same application process as load controllers or flexibility service providers who are not licensed suppliers. Well-evidenced issues such as low trust in the non-domestic market and poor billing practices are likely to hamper uptake of flexible products and services, and high standards will be key to building confidence in the non-domestic

⁷ Ofgem, [Guidance: Apply for a gas or electricity licence](#), January 2026.

market⁸. In practice, small businesses are often more similar to domestic consumers when it comes to their negotiating power and experiences of engaging with suppliers⁹. Requiring non-domestic only suppliers to submit evidence of how they intend to comply with licence conditions is therefore key to ensuring high standards of compliance as the market continues to evolve.

7. Do you agree with our proposed application process for non-licensed suppliers? Please provide reasons for your answer.

We have no concerns regarding the proposed application process for non-supplier licencees.

8. Do you agree that the proposed application process for different types of applicants is proportionate and reflects the SSES purpose and Licence Policy Principles? Please provide reasons for your answer.

As per our response to question 5, we have some concerns around the fast-track version of the application process for certain licensed suppliers. Therefore, as it stands, we do not think the proposals reflect Licence Policy Principle 1, ‘to provide sufficient assurance that consumers will be protected when they enter into load control arrangements’.

It is our view that load control is a distinct activity, and even when paired with a supply contract, licensees should be held to the same standards as other flexibility service providers. In the context of the application process, this means requiring suppliers to provide a statement of intent as to how they intend to meet load control licence conditions 12 - 14 at a minimum. This is particularly important given the fact that many of the first licence applicants may be suppliers, many of whom could have large numbers of customers and be able to scale up and bring products and services to market quickly.

⁸ Citizens Advice, [Time on side: making energy flexibility work for small businesses](#), September 2025; Citizens Advice, [Small and micro businesses experiences of the energy retail market](#), March 2025.

⁹ Citizens Advice, [Small and micro businesses experiences of the energy retail market](#), March 2025.

9. Do you agree that our proposed timelines for licence application processing are reasonable? Please provide reasons for your answer.

We have no concerns with this proposal. As per our response to question 4, it will be important that Ofgem are appropriately resourced to process applications within the proposed timeframe, to ensure customers of flexibility service providers do not experience disruption due to administrative processes.

10. Do you agree with our proposal that tacit authorisation should not apply to the load control licence? Please provide reasons for your answer.

We agree that tacit authorisation should not apply to the load control licence. High standards in the market will be crucial to building consumer confidence in the flexibility sector, and tacit authorisation would undermine the principles, as outlined in this consultation, driving the drafting and implementation of the licence conditions. Ofgem should ensure they have the resources and capabilities required to process applications within the allotted timeframe.

11. Should Ofgem reconsider the question of tacit authorisation in future? Please provide reasons for your answer.

Ofgem should only consider the question of tacit authorisation in the future in the event that strong evidence emerges that the licence is significantly prohibiting growth of the market, and, crucially, that evidence of consumer harm or poor practice is very limited. Based on our view of the market today, bearing in mind the consumer risks identified in this consultation response and in response to DESNZ's parallel consultation, we consider it unlikely this scenario occurs.

12. Do you agree with the proposed approach to compliance-related monitoring? Please provide reasons for your answer.

We agree with the proposed approach to compliance-related monitoring, but think it is important Ofgem does not rely on complaints data alone for some criteria.

With regards to the quarterly RFIs on complaints type and volume, service and product performance, we think this is proportionate and reasonable. We agree that this should apply only to FSPs, and agree that Ofgem should also request data related to the terms of load control arrangements, including information on exit fees. Given this is a market with many different business models, with significant variation across products and services, this will help Ofgem to build a picture of what best practice should look like in the market. Ofgem may also need to review their current RFI requirements in the supply market to ensure their approach keeps pace with market developments and consumer behaviour.

With regards to complaints, there will need to be close consideration of how different business models operate in practice and from the perspective of the consumer. For example, with regards to supplier flexibility service providers, a consumer may lodge a complaint relating to both the load control of an appliance and their tariff given the two interact, and Ofgem and the Energy Ombudsman would need to consider how to ensure complaints are not double-counted while ensuring distinct issues are monitored and addressed.

In our response to the parallel DESNZ consultation on the load control licence and accompanying regulations, we have reiterated our view that **statutory advice and advocacy should be extended to the flexibility sector**. In the wider energy market, the statutory advocate has powers to issue RFIs from suppliers and network companies, enabling analysis of trends in consumer issues and performance by company size¹⁰. Analysis of Consumer Service data also helps identify emerging trends, enabling the statutory advocate to be a credible voice for consumers when working with the regulator, industry and government in policy development. This power was recently extended to the heat network sector, and may also be extended to third party intermediaries in the near future¹¹.

With regards to Ofgem's compliance functions, statutory advocacy plays a significant role in identifying trends as well as formally referring suppliers where there are clear instances of non-compliance. In the flexibility sector, this will be crucial to ensuring that if patterns of poor practice or consumer harm emerge, the right mechanisms are in place to allow Ofgem and the industry to respond and evolve. In the retail and heat network markets, the statutory advocate also

¹⁰ Consumers, Estate Agents and Redress Act 2007, Section 24.

¹¹ Citizens Advice, [Draft Consumer Workplan for 2025-26](#), January 2026.

works constructively with the industry by producing good practice guides and engaging regularly with suppliers and heat networks about the nature of cases from their customers to the Consumer Service¹².

This could be particularly pertinent to licence condition 12 with regards to recommending suitable services and the prohibition of mis-selling. Complaints data alone may not be the most effective mechanism for monitoring compliance with this licence condition. In the retail market, not all customers who have an issue with their supplier will lodge a formal complaint - leading to complaints data often reflecting the issues of the most engaged consumers. Some groups of consumers - particularly those who might be vulnerable - may be more inclined to speak to third sector or independent advice services. While not a formal compliance reporting mechanism, data collected by the statutory advocate and third parties in the retail market plays a significant role in alerting Ofgem to areas of non-compliance that may not be visible in complaints data alone.

13. Do you agree with the proposed approach to market insights-focused monitoring, and are there any additional market indicators we should consider tracking? Please provide reasons for your answer.

We agree with the proposed approach. Customer number data will be crucial for helping Ofgem contextualise the scale of issues/trends in the market. Where information is not commercially sensitive, we propose Ofgem publish this data to help promote transparency and understanding of how the market is working for consumers.

14. Are the proposed RFIs proportionate and manageable? Please provide reasons for your answer.

The power to RFI is fundamental to Ofgem's ability to monitor compliance and ultimately act as an effective regulator of an essential market. While the administrative burden will need to be considered, Ofgem will need to be responsive to emerging risks and harms - and this is only possible with a comprehensive understanding of the market, including products, services, customer numbers and complaints.

¹² For example, see: [Citizens Advice Heat Networks Billing Best Practice Guide](#)

Although flexibility services are optional (compared to the essential nature of supply) automation will introduce risks that could significantly affect consumers' experiences of their essential energy services. To safeguard consumers, Ofgem will require robust monitoring and compliance resources to ensure that evidence of non-compliance and/or poor practice is identified promptly and acted upon.

Please see our response to questions 12 and 13 for detailed reasoning regarding specific monitoring proposals.

15. Please estimate the costs for your organisation for responding to the proposed RFIs. In the impact assessment accompanying the DESNZ Licensing Consultation government estimated indicative costs of Consultation Smart Secure Electricity Systems: Implementing the load control licensing regime approximately £7,000 to £24,000 per annum. Is this estimate appropriate? Please provide reasons for your answer.

Nil response.

16. Do you agree with our proposed risk-based and proportionate approach to compliance under the load control licensing regime? Please provide reasons for your answer.

We partially agree. We agree in principle that the approach should reflect the approach taken in the retail market. However in the retail market, we have some concerns that there can be a lack of transparency around both enforcement and compliance processes, which can limit the ability of consumers and consumer groups to share meaningful evidence and consumer insight to inform those decisions. This also means that Ofgem often does not publicise where it has assessed suppliers and not made enforcement decisions. While we recognise the need to ensure fair and due process, a more transparent compliance culture could share anonymised learnings more broadly across the sector and improve understanding of Ofgem's decision-making processes. We also think that Ofgem could improve its data and digitalisation capabilities to ensure that monitoring draws on a wide range of data sources in a way that eases burdens and can provide a coherent overview of performance.

17. Are there additional factors we should consider when determining the level of compliance engagement for different types of licensees (eg new entrants vs licensed suppliers)? Please provide reasons for your answer.

Nil response

18. Do you support the proposal to use informal account management relationships to support licensees into compliance in the early years? Please provide reasons for your answer.

Nil response.

19. Do you agree with the proposed priority areas for compliance engagement? Please provide reasons for your answer.

We would like to understand more regarding how Ofgem's proposed priority areas work in practice with regards to compliance engagement, linking to our previous point regarding transparency. It is our view that regulation and Ofgem's compliance approach should incentivise service providers to conduct their own monitoring of consumer outcomes with regards to their products and/or services. While we agree in principle that the priority areas make sense, it is not clear how these translate to compliance activity in practice. We would welcome more detail on how Ofgem intends to monitor compliance and there need to be clear thresholds as to what constitutes non-compliance with regards to different metrics.

20. Do you agree with our proposal to align enforcement under the load control licensing regime with Ofgem's existing enforcement approach, outlined in the Enforcement guidelines? Please provide reasons for your answer.

We have some concerns regarding the enforcement approach in the retail market which we think should be considered with regards to load control licence implementation. It is our view that, while we understand that fair and due process is important, enforcement processes in the retail market should be made more transparent. We also have some concerns around the length of time

it has taken to conclude investigations relating to prepayment meter rules, sometimes lasting over three years. Delays of this kind create uncertainty over expectations for supplier behaviour, weaken both deterrence and redress and can leave the industry unclear about acceptable standards.

In the flexibility market, clarity of expectations is particularly important as new market entrants offer products and services. As a new and evolving sector, consumer confidence in products and services depends on suppliers consistently delivering to the correct standards. As we have outlined in other sections of this consultation, we think that an outcomes-based approach to the load control licence would deliver higher standards, and this should be accompanied with a more transparent compliance and enforcement framework which takes on learnings from other sectors that have introduced outcomes-based regulation.

21. Do you agree with our proposed enforcement approach for multiple licence holders?

We have no concerns with this approach.

22. Are the regulatory requirements for different types of Load Controller sufficiently clear? Please provide reasons for your answer.

Nil response.

23. Do you agree with the proposed approach to cyber security assessments for load control licence applications? Please provide reasons for your answer.

Nil response.

24. Do you agree with the proposed approach to cyber security monitoring and compliance? Please provide reasons for your answer.

Nil response.

**25. What would you suggest is a reasonable equivalent of a CRA Audit?
Please provide reasons for your answer.**

Nil response.

26. Do you agree with the inspection process outlined for the cyber security of below 300MW Load Controllers? Please provide reasons for your answer.

Nil response.

**27. Do you agree with our proposed approach to licence modifications?
Please provide reasons for your answer.**

We agree with the proposal to align the licence modification approach to the supply licence. Modifications are an important part of keeping regulation effective and appropriate as the market evolves.

However, in the retail market, we think there are areas where Ofgem's approach could be strengthened and we think these should also apply to the load control licence. For example, we believe Ofgem should be able to make urgent licence modifications to respond to emergencies and extreme market conditions more rapidly, subject to appropriate safeguards¹³. We also believe that accountability would be improved by ensuring that consumer bodies have effective appeal rights for licence modifications similar to the rights of companies¹⁴.

Questions 28 & 29:

28. Do you agree with our proposed process for the transfer of a load control licence? Please provide reasons for your answer.

29. Do you agree with our proposed approach to extending/restricting a licence? Please provide reasons for your answer.

¹³ Citizens Advice, [Response to DESNZ Review of Ofgem](#), March 2025.

¹⁴ Citizens Advice, [Response to the consultation on strengthening the economic regulation of the energy, water and telecoms sector](#), February 2024.

We agree with the proposed process for the transfer of a load control licence and extending/restriction a licence, recognising that alignment with the supply market will ensure consistency for consumers across different types of flexibility services.

30. Do you agree with our proposed approach to revocation of the load control licence, including our proposal to include a revocation item on the basis of failure to comply with the NIS regulations? Please provide reasons for your answer.

We agree that Ofgem should reserve the right to revoke a licence. The policy principles that have driven the decision to introduce a load control licence outline the scale of risk to the grid, cyber security and consumers if unsuitable actors enter the market. The ability to revoke a licence remains fundamental to the rationale for introducing a licensing regime. With the exception of the NIS regulations compliance requirements, the proposed approach reflects the supply market and is in our view proportionate.

31. Do you agree with our proposed approach to cost recovery for the load control licensing regime? Please provide reasons for your answer.

We agree with the proposed approach to cost recovery. However, in the longer term, it is our view that costs associated with the load control licensing regime should mainly be recovered through licence fees, rather than being passed on to consumers via network charges.

This is because, while we recognise that load control has the potential to deliver system-wide benefits, including helping to limit bill increases through greater consumer-led flexibility, these benefits are indirect and may not be immediately or evenly realised by all consumers. Recent research has found that households in receipt of benefits, social and private rental sector tenants, people over the age of 65 and lower income households are at a greater risk of being 'locked out'

of a future smart energy system compared to other sociodemographic groups¹⁵. Participation will also depend on a range of external policy and delivery factors, including progress with the smart meter rollout, delivery of the Warm Homes Plan, and implementation of MHHS.

Draft load control licence application form

1. Do you consider the information and evidence requirements in the draft application form to be clear and aligned with the policy intent as set out in the ‘Smart Secure Electricity Systems: Implementing the load control licensing regime’ consultation document and the ‘Draft load control consumer protection guidance’?

Nil response

2. Do you have any comments on the overall usability and structure of the draft application form?

Nil response

3. Do you find the signposting approach (indicating which questions applicants should answer), sufficiently clear? Please explain your answer and suggest any improvements.

Nil response

Consumer protection guidance

1. Does the guidance contain enough information to support you in complying with the consumer protection conditions? Please provide reasons for your answer.

Nil response

¹⁵ Energy Systems Catapult, [Inclusive Smart Solutions: Final Report](#), September 2025.

2. Are there any additional risks that are not currently addressed by this guidance, or does this guidance sufficiently cover the key risks? Please provide reasons for your answer.

Citizens Advice has previously fed into the drafting of the consumer protection guidance document being consulted on. We therefore do not have any substantive comments at this stage.

Guidance can be useful in helping licensees to interpret licence conditions, by clarifying the policy intention behind a licence condition and setting clear expectations for licensees about how they should comply. However, the existence of guidance does not, in itself, ensure that consumers experience good outcomes. Only effective enforcement of the licence conditions, alongside strong compliance and monitoring functions, can ensure the market is delivering for consumers in practice.

As we have shared elsewhere in this consultation, it is our view that Ofgem should move to an outcomes-based approach more widely in the energy sector, and that the load control licence specifically should be upgraded with a consumer duty. As it stands, the guidance document details good customer outcomes FSPs should strive for and poor outcomes to be avoided, but in practice, is not directly enforceable. An outcomes based approach to the regulation itself - with a consumer duty in the load control licence - could help focus FSP minds and ensure the market develops in a way which works for consumers.

It is also important that guidance evolves as the market develops. As new products and business models emerge, examples and scenarios within the guidance should be updated to reflect current market offers and associated risks.

Finally, in our response to the parallel DESNZ consultation, we have proposed that no further derogations are needed for suppliers - and that suppliers should be subject to the same licence conditions as non-supplier flexibility service providers. One additional reason for our position is that we feel suppliers should take into consideration the consumer protection guidance published in this consultation.

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