

Consumer advocacy and advice at Citizens Advice

Consumer work plan 2026/27



**citizens
advice**

Foreword



The work plan we're putting forward this year is one that tackles the here-and-now reality of consumer detriment, including some long-standing challenges, but also explores new areas where changes in markets and technology may drive new types of consumer harm.

As the work plan sets out, the way we fulfil our work in this area is driven by the close connection between the advice we offer and the consumer advocacy we deliver. This is Citizens Advice's super power and it's this power that allows us to adapt to the rapidly changing environment to keep our consumer advocacy relevant and future facing. We understand what problems people are facing at a granular level and in real-time, and we can see how changes in policy will play out.

Our development of regional energy teams, for example, anticipates the increasing devolution of decisions around energy policy and delivery plans.

Whether it's Local Area Energy Plans, local authority or mayoral led retrofit schemes, or the development of Regional Energy Strategic Plans by the National Energy System Operator it is vitally important that we're able to understand how consumers in different places experience and engage with the energy market, and influence these new or more powerful regional decision makers in the right way.

It will be a surprise to no-one that the rapid expansion of Artificial Intelligence in consumer markets is something to which our attention is increasingly turning. As AI becomes more integrated into consumer experiences, we're seeing new types of consumer harm emerge, and this is only going to become more prevalent. From inadequate chatbots to AI-enabled decision making, it is critical that consumers' voices are heard loud and clear if we don't want to see the emergence of new kinds of market failure.

Throughout the work plan, two key themes emerge. The first is around the importance of consumer protections. Across a whole range of markets, we're already seeing a lack of protections causing immediate detriment. Where the government recognises these challenges - as in its desire to reform the home upgrade market - intervention might drive significant improvement. But in others, particularly where there is uncertainty about the future of regulation in that market, we need to ensure that we're future-proofing markets and acting as a source of both insight and challenge on behalf of consumers.

Secondly, we have a continued focus on fair pricing. There remain significant pressures on the cost of living for many people in England and Wales. For many people we help, the amount they spend on essential services swallows up most or all of their income, or more.

Energy affordability is a key part of that and we will continue to be making the case for targeted support and ensuring fuel poverty schemes are designed effectively. In other markets too, there are significant affordability challenges. We have been raising issues around broadband and mobile markets. Mid-contract price rises, the continued existence of the loyalty penalty, and hidden deals all make telecoms pricing difficult for consumers to navigate and result in higher costs. We plan to deliver a market-wide investigation, exploring broadband pricing fairness and transparency.



Dame Clare Moriarty

Chief Executive Officer, Citizens Advice

A robust and impactful approach

As an advocate working for consumers, we do everything we can to maximise our impact and to make decisions based on evidence. To guide our thinking, we have designed our work plan on the basis of **4 principles**.

1. Our work is proportionate to the evidence or risk of consumer detriment

We build our work plan on the principle of proportionality. To do this, we focus our efforts on areas where we have reason to believe detriment to consumers could be averted. We assess the need for action against 6 core outcomes that characterise a successful consumer market.



6 core outcomes that characterise a successful consumer market

1

Value

Products and services are good value for money

2

Inclusive

All consumers are served well, including those in vulnerable circumstances

3

Quality

Consumers get what they pay for. Their reasonable expectations are met or exceeded

4

Redress

If things go wrong, they're put right quickly, with compensation where appropriate

5

Protected

Products and services are safe and secure to use

6

Sustainable

The needs of current consumers are met without jeopardising the needs of future generations

2. We apply unique insights, adding value over and above other organisations

We ensure our work adds value that is additional to that provided by other organisations.

A key aspect of this is our data. We have millions of contacts with consumers through our Consumer Service, Extra Help Unit and local Citizens Advice offices. We use this to inform our advocacy work and develop solutions to the problems people face.

Another aspect is the cross-cutting perspective we provide. The value of this is increasing as technology blurs boundaries between markets. Regulators and consumer advocacy bodies must increasingly learn lessons and develop solutions across sectors. To reflect this, this year's work plan is again designed around cross-cutting themes rather than specific markets.

3. We engage consumer groups, government and regulators to avoid duplication

We want to have an open and substantive conversation about the work we do and how we do it. The consultation on the draft work plan is the first step in this. But this isn't a one-off process.

This work plan is a living document and we will meet regularly with regulators, industry, other consumer bodies and charities, and government officials to discuss and refine our work throughout the year. We engage in many formal processes to embed our work in the wider context, avoid duplication, and make sure we complement the work of like-minded organisations.

4. We focus on outcomes, using both advocacy and research to shape decisions

While there are many positive outcomes from our work, the most tangible and measurable are better financial returns for consumers.

As well as immediate financial benefits, we look to the long term and prevent costs for consumers before they arise. In recent years our work has paid dividends on this.



How our advice and advocacy roles support each other

Our **advice provision** gives us unique insights into the problems people face, with real-time data. We use this to advocate for evidence-based policy changes that deliver the biggest improvements in outcomes for consumers.

Advice provision

TIER 2 advice provides a specialist support service by investigating complaints for domestic and micro business energy consumers, and postal service users, who are in vulnerable circumstances. The service is delivered by the Extra Help Unit for gas, electricity and post, and by Citizens Advice for heat networks (from 2026).

**OTHER
ADVICE
PROJECTS**

Our **CONSUMER ENERGY DEBT ADVICE (CEDA)** service provides holistic debt advice to those with energy debt across England and Wales.

Our **LOCAL CITIZENS ADVICE OFFICES (LCAs)** provide face-to-face advice on a range of issues in over 3,300 locations across England and Wales.

Our **CONSUMER SERVICE** gives advice on all consumer issues, with specialist advice on electricity, gas, heat networks and post issues.

Policy and advocacy

Post policy

Cross sector consumer policy

Social policy

Energy policy

Our **policy and advocacy work** gives us insight into the organisations and systems consumers deal with and into the emerging risks for consumers. This helps us provide advice and support that is up-to-date and effective.

Non-statutory role Statutory role

Equity, diversity and inclusion (EDI)

We have continued to make progress against our 3 equity, diversity and inclusion commitments:

1

Integrating **equality by design** into every major advocacy project we undertake

2

Doing regular stock takes of our data to understand how our clients' problems map against protected characteristics to **identify any gaps** in our advocacy work

3

Ensuring at least one of our policy influencing goals each year has **a positive impact on groups who experience intense disadvantage, detriment or harm**

Relevant examples include:

- Building on previous work on [online choice architecture](#), we commissioned an experiment to understand the impact of reference pricing on people with mental health conditions or experiencing financial insecurity.
- People experiencing homelessness, victim-survivors of domestic abuse, and Gypsy, Roma Traveller people too often lack safe and secure access to post. We have designed a pilot for our Address & Collect scheme to tackle [post exclusion](#) with Post Office and Royal Mail.
- Heat network customers are more likely than mains energy consumers to have some form of vulnerability. Our innovative, '[place based](#)' research uncovered how and where heat network providers must improve their communications to take consumers' vulnerabilities into account.

To ensure that equity, diversity and inclusion considerations are at the heart of all our advocacy work, we have embedded a number of practices, including:

- Ensuring that EDI implications are outlined within every influencing plan - an influencing plan must be completed and signed off for every advocacy project at Citizens Advice, and they are reviewed regularly by our Leadership Team. This ensures EDI considerations are at the heart of our prioritisation processes
- Formally scoring competitive research tenders on their EDI considerations (and ensuring that these scores comprise at least 10% of the available marks)
- Creating an EDI in research checklist to ensure all our policy research projects are inclusive and accessible in design



Cross-sector consumer



Energy



Post



Spotlight on

What we achieved in 2025/26



Holding Royal Mail accountable for letter delays

Given the volume of often crucial documents and correspondence that continue to travel by post, people need a service they can rely on. But Royal Mail has now failed to meet its quality of service targets for more than half a decade. Our evidence consistently reveals the significant impact this has on those affected, leading people to miss medical appointments, legal documents and benefit decisions.

Our regular, high profile research highlighting the extent and impact of letter delays has significantly increased the visibility of this issue over a number of years, ensuring consumers' voices are heard. In 2025 our findings, statistics and case studies have featured on BBC Breakfast, BBC Morning Live, BBC Radio 4, [The Guardian](#), [BBC](#), [The Telegraph](#), [Sky News](#), [The Independent](#), and [Mail Online](#) as well as many other national outlets. We have called on the regulator to do far more to address the problem.

Ofcom has now begun to respond. Fines imposed on Royal Mail for missed quality of service targets have doubled every year since 2023. In October 2025, Ofcom fined Royal Mail £21 million - the biggest fine ever imposed on the company for quality of service failures and the third biggest handed out by Ofcom. We will, however, continue to push both Royal Mail and the regulator on this issue until we see these penalties translating into quality of service improvements.



Winning compensation and improving Guaranteed Standards of Performance for smart meters

Our advocacy and policy calls helped lead to a new compensation for energy consumers when they have a poor experience with smart meters.

In February Ofgem introduced Guaranteed Standards to ensure suppliers install smart meters and investigate faults in a more timely manner. These set service level requirements with automatic compensation if they're not met.

Ofgem's also committed to expand the Guaranteed Standards later this year to include compensation for customers whose smart meters stop working and aren't fixed in a timely way, including where this is due to issues caused by the Data Communications Company.

Previously, consumers had limited options and paths to recourse when there were issues outside of their control. These issues can lead to service disruptions, which can seriously impact quality of life, especially for vulnerable consumers.



Developing credible solutions to address the affordability crisis through social tariffs and targeted bills support

Working in partnership with IPPR and Policy in Practice, we released a trio of reports ([Securing Life's Essentials](#), [Barriers to Access](#), [Essential Bills Made Affordable](#)) outlining the barriers to accessing bill support. Our research explores what support currently exists in essential markets - across broadband, energy, motor insurance, and water. Through a deep dive into barriers to access, maps of the consumer journey and understanding data matching needs, we got closer to understanding the needs of consumers and how bill support schemes can be improved. This has culminated in the development of a [blueprint for targeted bill support](#) for these markets, released in December 2025.

Recent developments in water demonstrate how we've played a key role in driving forward reforms to ensure bills are affordable for everyone. With the Water Special Measures Act (2025) passing in February, DEFRA now has the powers to introduce a single social tariff which means that an end to the postcode lottery of support is finally within reach. The Act also includes provisions for automatic delivery of support through data matching, a solution we championed in our [Barriers to Access](#) research. Since the bill passed, we've provided insight and evidence to inform policy development as DEFRA works towards consulting on the new social tariff.



Protecting consumers who engage in the green home upgrades market

Citizens Advice has been at the forefront of the call for stronger consumer protections for people who make low carbon improvements to their homes. Previous reports such as [Home Safe](#) and [Hitting A Wall](#) highlighted the risks of poor quality installations and confusing redress processes, including for consumers who use government schemes to upgrade their homes.

The government has now committed to overhauling the consumer protections regime, which is an essential step to improving outcomes and boosting consumer trust in green home upgrades. Citizens Advice has been closely involved in this process, with a representative sitting on the [Retrofit System Reform Advisory Panel](#), feeding in recommendations at Ministerial level.

This year we also worked with a wide range of stakeholders to develop our proposals for an overhauled consumer protections system. Our latest report [Stepping Up: Reforming protections in the retrofit market](#) sets out our vision for how the government can reform the system of consumer protections and quality assurance by embedding key principles of independent advice, a single quality scheme, and a simple redress scheme, underpinned by robust legal enforcement. We look forward to continuing to work with the government on these important reforms.



Providing advocacy and advice to heat network consumers

Citizens Advice formally took on our role as the statutory advocate and advice provider for consumers on heat networks in England and Wales in April 2025. Since then, we have worked to ensure that consumer interests are at the heart of Ofgem's new regulatory framework.

This includes responding to a number of important consultations from both Ofgem and DESNZ, and bringing together key stakeholders in industry roundtables to discuss the upcoming regulation and where efforts need to be prioritised. We published our '[Priorities for heat networks consumer protections](#)' report in April, outlining where Ofgem and the government should focus their efforts in January and beyond. In July, we published our '[System Critical](#)' report, based on 50 in-depth interviews across a range of sites and locations with heat network consumers in financial distress.

From April, we also launched our advice service which provides advice tailored to the needs of heat network consumers. A specialist team within the Consumer Service has been providing advice to heat network consumers, while we have published new advice on our website detailing what consumers can do when struggling with heat network problems. In January the team will launch a tier 2 casework service to provide additional support to clients in vulnerable circumstances or with particularly complex cases.



Improving price controls and pushing energy networks to fulfil their debt to society

Our [Debt to Society](#) report found that, across electricity and gas transmission and distribution, networks have received a windfall of £4 billion so far in the RII0-2 price control. This windfall occurred primarily due to a mis-match between network companies' allowances for debt costs and their actual debt costs. The RII0-2 price controls set costs as indexed to inflation, but part of networks' debt is fixed-rate. This creates a windfall when inflation is above the long-term inflation assumption, which was the case during the gas crisis.

Ofgem accepted our analysis and has changed the way debt is indexed for the forthcoming RII0-3 price control. This prevents the windfall occurring again in future price controls.

We have since called for networks to take voluntary action to return the windfall generated during the RII0-2 price control. The Energy Security and Net Zero Select Committee highlighted the £4 billion windfall in their [report on the Cost of Energy](#). The Select Committee recommended that the windfall was used to tackle the £4 billion of debt in the domestic energy supply sector.

Providing clients with tailored energy advice

Energy Savers campaign

Energy Savers is our flagship energy campaign aimed to give proactive advice to consumers, when they need it. In 2024/25, campaign activity was seen and heard over 53 million times with 250,000 clicks to our website advice. We used a variety of new and established channels including social media, ITVX, playcentres, malls, buses, GP and hospitals to showcase the advice.

This year, we used audience segmentation developed in 2023/2024 to guide the audiences and channels that we used. This has allowed the campaign to focus on meaningful connections and engagement as opposed to views. Our Energy Savers campaign in 26/27 will continue to focus on reaching audiences across both online and offline channels. These channels will include digital advertising across a number of channels and looking at in person outreach whilst utilising resources such as video content and printed advice.

Energy Advice Programme client:

Nadya* has recently been made redundant from their part time job and their partner is unemployed. They live in council accommodation with two dependent children. Nadya came to Citizens Advice because they can not afford to top up their prepayment meter and often struggle to afford food. As the weather is due to get colder, Nadya is extremely worried about keeping themselves and their family warm.

Advice and assistance provided:

The energy adviser first supported Nadya's emergency needs, providing a fuel voucher to top up the prepayment meter as well as referring them onto a food voucher. A benefit entitlement calculation was carried out and additional benefits were identified due to Nadya recently becoming unemployed. The adviser provided some budgeting advice and explored ways the family could reduce their energy expenditure through energy efficiency savings. They were also referred to a local organisation who could provide free measures such as draft excluders and heated blankets. Nadya was eligible for a water social tariff which supports clients on low incomes who are struggling to pay their water charges. The advice Nadya received resulted in a total income gain of over £2,500 per annum as well as a significant improvement in their health and wellbeing.

What Nadya had to say...

'My family and I are so grateful organisations like Citizens Advice exist. The support I received can make a real difference to people like me. I feel better about things already.'

*Name has been changed to protect anonymity

The Extra Help Unit – supporting consumers in vulnerable situations

The Extra Help Unit (EHU), founded in 2008 and managed by Citizens Advice Scotland, delivers a statutory service supporting domestic and micro-business consumers in vulnerable situations with energy and postal complaints across Great Britain.

This includes supporting people with complex billing or metering problems to more urgent issues where people are at risk of being off supply and unable to heat their homes due to affordability or technical issues. Licensed energy suppliers are obligated to have arrangements in place to manage EHU cases in a prompt and effective manner. The ongoing impact of the cost of living crisis, high energy bills, and increasing debt levels has meant demand for EHU support and intervention has continued at unprecedented levels. Across 24/25, almost 28,000 cases reached the EHU. In 7 out of 10 cases, people were in desperate circumstances, needing immediate help to keep them on supply. The EHU team listened and sensitively supported people who were emotional and fatigued.

This support included billing reviews, revised payment plans, accessing additional support credit, reviewing suitability of prepayment meters and securing fuel vouchers both through suppliers and through our partnership with the Fuel Bank Foundation.

Across 2024-25 the EHU:

Progressed **16,880** priority Complaints where a consumer required immediate support.

Investigated **7,385** standard Complaints where the consumer needed the Unit to advocate on their behalf due to their personal circumstances or the complexity of the complaint.

Secured **£8,220,431** in financial redress, from support to assist consumers with short term affordability concerns, to reductions to bills resulting from billing errors and goodwill payments for service failures.

Supported **276** people through our Additional Support service, which helped secure grants and trust funds and identified areas for maximising income for those that would struggle to do this on their own. The EHU is also connected with other areas of the Citizens Advice network, where more local and specialised support is required.

The EHU engages with suppliers to improve policies and processes, as well as providing evidence and insight directly to the regulator Ofgem and policy teams within Citizens Advice and Citizens Advice Scotland.

Operational Development

The HelpFirst AI prioritisation tool is working well to help us identify and prioritise people most at risk of harm within our service, it also provides risk alerts to help Caseworkers easily identify vulnerabilities of people using our services. This has helped protect staff well being and enables managers to allocate work and support the team more effectively. HelpFirst AI is currently telling us that 75% of people using our service have physical or mental health conditions.

The EHU was successfully audited for compliance with the BS ISO 22458 Inclusive Service Kitemark. In practice this means that the service has been recognised as supporting consumers in vulnerable circumstances in a flexible, accessible and inclusive way.

Awards

Across the year, the EHU won the Innovation and Sustainability Award at the Helplines Partnership Awards, and was a finalist in the Scottish Public Services Awards, Energy Awards Energy Champion of the Year category and the Smarter Working Live awards in putting people first and customer experience categories.

“You’re not alone. People with no family or friends or that have no support network, the Extra Help Unit are there.”

The EHU continues to receive extremely positive feedback from people using the service. Accent research highlighted:

- 93% of domestic consumers and 98% of businesses surveyed said they were satisfied or very satisfied with the quality of service provided
- 81% felt less stressed after EHU support
- 67% felt their mental health and well-being had improved after EHU support

“I was scared as anything. It’s probably the best service I ever received. From the word go they went above and beyond. It was so helpful and so easy for me to understand.”

“At last someone listened. I felt supported. It was such a relief.”

“I have processing and learning disabilities. Carol was patient, calm and explained everything to me in detail keeping me informed every step of the way.”

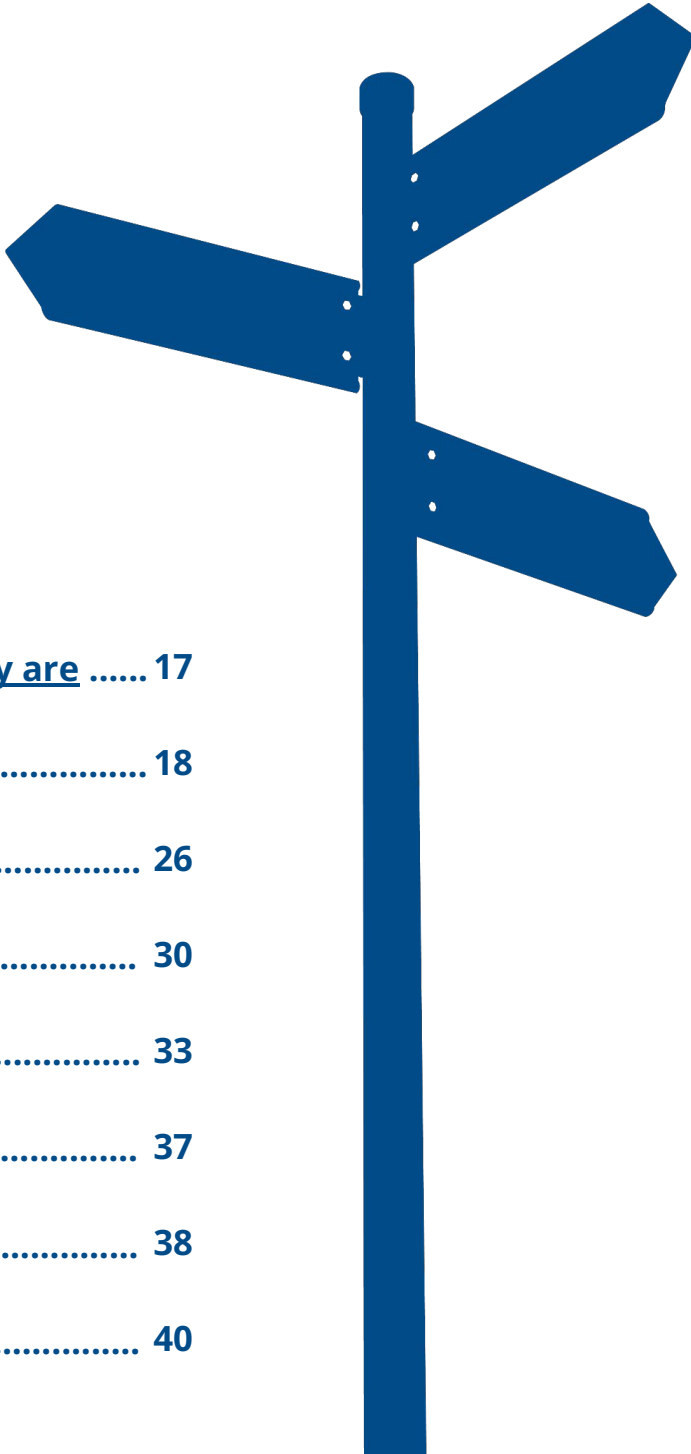




Spotlight on

Work plans for 2026/27

Themes for our work in 2026-27



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Ensuring consumers benefit from energy markets and systems wherever they are

Decisions around energy policy and delivery are increasingly happening at a regional and local, rather than national, level.

Local Area Energy Plans, GB Local Power Plans, local authority led retrofit schemes and decisions around social housing are all decided at a local or regional level. Strategic decision making and delivery is being further devolved through the development of Regional Energy Strategic Plans (RESP) by the National Energy System Operator (NESO), and delivery of retrofit programmes by Mayoral Strategic Authorities.

All these changes have the potential to significantly alter the ways in which consumers in different places experience and engage with the energy market. To effectively respond to these changes we will continue work on building out a team with a regional presence as well as strengthening links with local Citizens Advice offices and other key regional stakeholders to give us greater understanding of regional contexts.

To ensure that consumers benefit from energy markets and systems wherever they live in the country, in 2026/27 we will continue to build a Regional Energy Team to:

- **Engage in the regional energy systems planning process**, building on our strategic partnership with NESO as it continues to deliver the RESPs
- **Strengthen our regional presence**, deepening relationships with key regional actors such as gas and electricity networks
- **Gather and share information locally** with stakeholders on geographical disparities and opportunities as well as identifying best practice
- **Advocate locally for consumer interests** in the development and delivery of RESPs, and locally delivered national schemes such as the Warm Homes Local Grant and place-based ECO successor scheme.



Future proofing markets to meet evolving challenges

The pace of change in the consumer economy is fast and ever-increasing. The need to decarbonise our economy will revolutionise the way we produce and consume energy. The postal service is transforming towards a parcels market with fewer people sending letters. Big Data is opening up new opportunities for companies to exploit consumer data, bringing opportunities for some but the prospect of discrimination and disenfranchisement for others. We will work to ensure that evolving consumer markets better meet consumers' needs across England, Wales and Scotland.



Improving customer service in the energy market

The role of energy networks is evolving and consumers are more likely to engage with their networks. This might include needing an upgraded electricity connection or disconnecting from the gas grid. We will work to improve the service offered by energy networks to ensure they deliver on behalf of domestic consumers, including vulnerable customers and small businesses. We will explore the service offered by electricity networks during power cuts and ensure they match consumer expectations. We will also investigate consumers' experience of energy networks when switching from gas to electric heating and during power cuts and recommend areas for improvement.

In the retail market our energy supplier star rating provides consumers with clear, comparable data on firms' customer service. Recent years have seen significant changes in the energy market, including the number of suppliers and the types of products and services available.

After a robust review, we've updated the rating methodology to include more areas of performance which matter to consumers, including billing and smart metering. We'll publish the first rating using the new methodology in March 2026. We'll also work with Ofgem to ensure that our data and monitoring support their new Compliance Operating Principles.



Protecting consumers in high detriment markets

The current framework of general consumer protection law, supported by a patchwork of additional voluntary protections is not working in some key consumer markets. We consistently see high levels of detriment that are not reduced by existing measures - as evidenced by our previous work on [Disability Aids](#) and in the [Energy Efficiency Retrofit Market](#).

We will deliver a cross-sector project exploring the range of tools that could be used to drive up standards and reduce harm. This will centre on markets where we see the highest levels of detriment or highest numbers of consumers struggling to enforce their rights and access redress. This will complement existing work being delivered through the Consumer Protection Partnership on used cars, but will look more broadly at a range of markets.

We will look across the whole consumer journey, considering interventions that can help to prevent harm and empower consumers to make informed decisions and enforce their rights where needed. This will be supported by research to understand current levels of consumer awareness when it comes to enforcing their rights in key sectors. To deliver this work we will engage with a range of stakeholders across government, regulators, and industry and collaborate with other consumer organisations to explore and test cross-cutting solutions.

Future proofing markets to meet evolving challenges



Supporting a just energy transition

The energy system is transforming rapidly and is increasingly low-carbon. New projects are funded over multiple decades, so it is important that the consumer voice is heard. There is also a risk of some consumers being left behind.

In 2026/27 we will explore the different costs associated with the energy transition and the ways these costs are recovered to ensure the best value for consumers and fair sharing between current and future energy consumers.

We will work with Ofgem, NESO and others to ensure that the allocation and recovery of costs is fair and robust, including in relation to gas disconnections and electricity upgrades. We will also work with Ofgem and the UK government on how best to maintain the gas grid if we begin to transition away from gas.





Unbundling heat and housing charges for heat network consumers

People who pay for their heating as part of their rent or service charges make up around a third of heat network users - but this group face serious protection gaps when the new heat network rules come into force in January 2026.

The precedence of housing law over Ofgem regulations means that rules on billing, pricing and debt recovery won't apply to these consumers. Because heating debt is classified as housing arrears, tenants and leaseholders who fall behind on payments can be threatened with eviction.

We've called on the government to develop a clear plan for unbundling heat charges from rent and service charges, but recognise this is a complex legislative challenge. We'll use new analysis to explore the steps involved, and what reform might be needed to achieve fair outcomes for all consumers and future-proof regulations. We'll also aim to establish the scale and impact of eviction threats in the sector.

In 2026/27 we'll outline and quantify the harms and risks caused by bundling, and provide a realistic roadmap for the steps government and the regulator can take to address these challenges. We'll also continue to engage with the Ministry of Housing, Communities and Local Government's proposals to strengthen protections around service charges, highlighting where these can be used to bridge some of the protection gaps facing heat network consumers.

Future proofing markets to meet evolving challenges



Using insights from our advice to understand consumer experience of heat networks

Our Heat Networks Advice Service launched in April 2025. It offers tailored support for heat network consumers, who until then had less access to support than people who use gas or electric heating in their home.

The advice is provided via a specialist team in our consumer service, and we have new advice on our website about what consumers can do when struggling with heat networks problems. The service also generates data about client experiences that can inform our policy work.

We are now able to identify trends in the issues that clients are facing, where they are based, who their supplier is, and issues related to vulnerability.

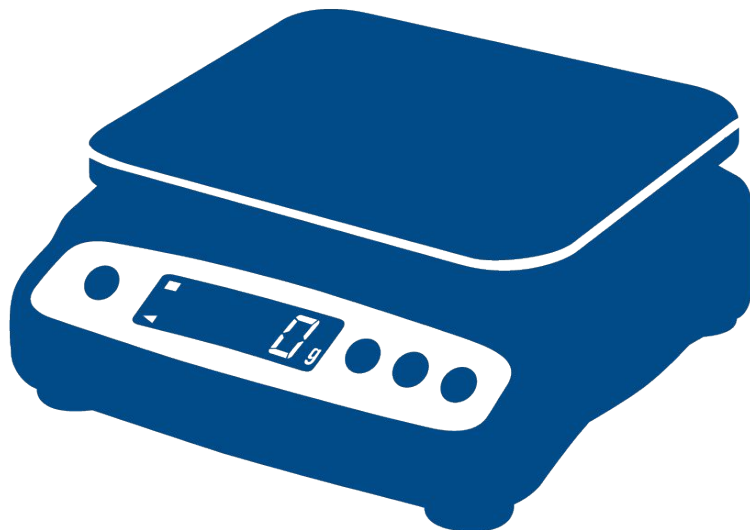
In 2026/27 we will build on this as our Advice Service continues to increase in scale, using our data capability to develop and share new analysis and insight, and track the impact of new regulations.



Examining impacts of recent reform in postal markets and considering next steps for improved consumer outcomes

The postal market is rapidly evolving. While letter volumes have fallen over the last decade, the channel continues to carry essential correspondence from health, legal and government services. Parcels have seen significant growth but remain minimally regulated. Post offices have faced internal and external pressures, but provide an increasingly important backstop for face to face support and service access as alternatives like high street bank branches decline.

This poses a range of vital questions for the sector, which Citizens Advice has been closely involved in during 2025/26. This includes Ofcom's review of the postal USO, DBT's Post Office green paper and monitoring the 2023 additions to Ofcom's parcel guidance.



In 2026/27, we're looking at both whether these reviews and reforms have led to improvements for consumers, and crucially, what will follow them. This includes:

- Reflecting on the vital questions that remain unanswered following the Universal Service Obligation (USO) review. This will involve addressing the question of how reduced letter delivery schedules will affect crucial and time sensitive correspondence. We'll be looking in particular at Royal Mail's NHS barcode scheme, with a view to understand whether this kind of differentiation and prioritisation can support the letters market of the future.
- Exploring how out-of-home delivery is shaping the parcels market and its impact on consumer access and outcomes.
- Working with stakeholders on outcomes and next steps following the government's recent response to the Post Office green paper, ensuring that consumers' needs, particularly people in vulnerable circumstances, are represented whilst working towards achieving a more sustainable network.



Ensuring consumers have the confidence to engage in the retrofit and low carbon heat markets

Poor outcomes continue to undermine consumer confidence in retrofit and low carbon energy technology installations. This is reflected in the findings from the [National Audit Office](#) report published in October 2025 which reported that 98% of external wall insulation installations under the ECO4 and GBIS schemes were faulty. In the coming year we will continue to work with Ofgem and DESNZ to ensure that homeowners affected by poor works have these issues fully remediated.

Citizens Advice has consistently called for a comprehensive overhaul of the consumer protection regime to restore confidence in the market and ensure consumers experience good outcomes. In 2026/27 we will continue to advocate for reform and work with stakeholders to further develop our proposals, laid out in [our most recent report](#). We will assess whether additional financial protections - such as insurance-backed guarantees - are necessary to safeguard consumers. We welcome the government's commitment in the Warm Homes Plan to simplify and strengthen the consumer protection regime for home upgrades. We look forward to contributing to senior-level discussions on the future direction of the consumer protections landscape.

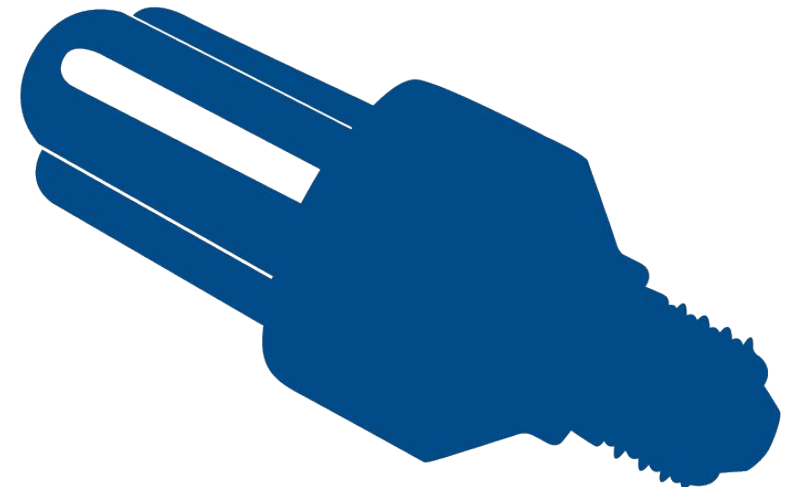
To build confidence consumers will need access to advice at key points in the home upgrade journey. This could look like support choosing the right technologies and energy efficiency measures for their household, understanding how these technologies work, or help accessing redress if something goes wrong.

Future proofing markets to meet evolving challenges

We have called for a coordinated advice strategy on home upgrades and wider advice funding underpinned by investment in advice infrastructure at both the national and local level.

In 2026/27 we will undertake research looking at the advice needs and experiences of homeowners who have carried out home upgrades. Building on our [previous work](#), this research will inform our understanding of the most effective mechanisms, delivery models, and advice content priorities for home upgrade advice.

The Warm Homes Plan announced the creation of a Warm Homes Agency (WHA) to support delivery of the plan and guide consumers through the energy transition. We look forward to working with DESNZ as it builds the WHA to ensure a smooth advice journey for consumers across new and existing services.

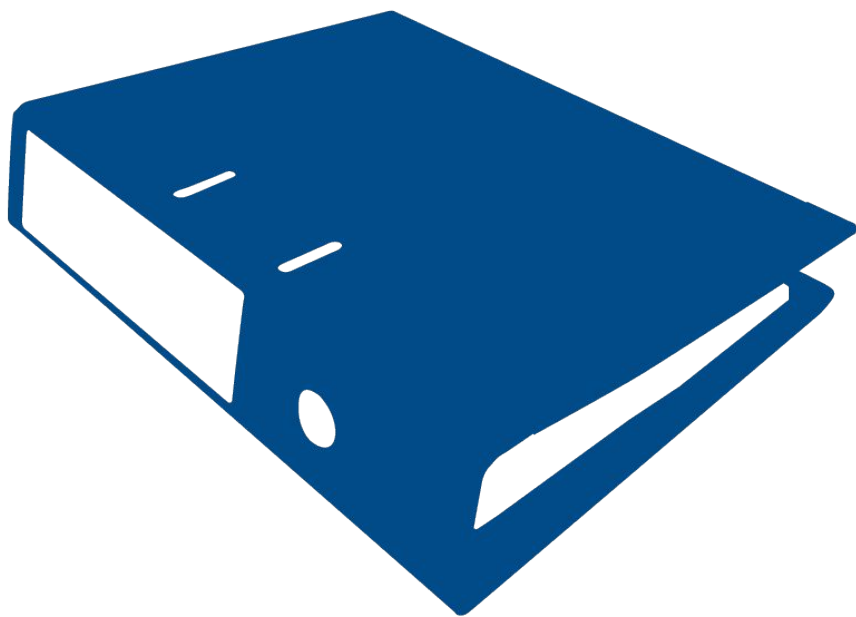




Modernising regulation

Regulation of utilities should deliver better outcomes for consumers, whether through setting minimum standards, facilitating competition or replicating competitive forces. Consumer organisations face complex governance and information asymmetries but must continue to maintain the voice of the consumer. During 2026/27, we will continue to work to shine a light on governance issues in the regulation of energy that require modernisation, including in relation to industry code reform.

We will also continue to engage with the government's current review of Ofgem to ensure recommendations deliver for current and future energy consumers.



Future proofing markets to meet evolving challenges



Supporting non-domestic energy consumers

Small and micro-businesses tend to navigate the energy market similar to domestic consumers. Additionally, these consumers face different challenges around affordability and debt.

There have been recent improvements to protections for small businesses - including an expansion to our remit to enable better advice and advocacy. In the next year we will continue to build our understanding of small business experiences in the sector by continuing to engage with suppliers, organisations like the Federation of Small Businesses and small business consumers themselves.

There are also gaps in protection, particularly in relation to Third Party Intermediaries (TPIs), such as Energy Brokers, where we continue to see poor practices by some organisations. With DESNZ announcing its intention to regulate TPIs we will continue to influence the design of this regulation, and plan for the potential expansion of our statutory advice and advocacy roles to these services.

We will also look at the issues faced by domestic consumers living on non-domestic energy contracts to better understand the issues they face, and develop policy recommendations as Ofgem reviews its rules on energy resale.



Improving the complaints and redress process for heat network consumers

Heat network consumers are more likely to raise complaints and are less satisfied with how complaints are handled than mains gas and electricity consumers. Additionally, complaints are more common among households with consumers in vulnerable situations.

From Jan 2026, heat networks must have a complaints procedure in place but challenges are likely to remain. Multiple companies are involved which can make it difficult for consumers to effectively raise a complaint and receive redress. Additionally, guaranteed standards of performance won't be phased in until 2027 and it's still not clear if they'll apply to all heat networks.

In 2026/27 we'll use our data and insights from research to strengthen our understanding of the complexity and pain points in the current consumer experience and identify the ideal consumer journey for raising complaints and seeking redress.

Additionally, we will continue to engage with key stakeholders like DESNZ and the Energy Ombudsman (EO) on the proposed exchanges to expand EO's role in the complaints journey.

Future proofing markets to meet evolving challenges



Putting consumers at the heart of regulatory reform

The government has committed to a new approach to regulation which ensures that regulatory processes are supporting growth and not adding disproportionate levels of burden to businesses. But as government and regulators consider how to streamline regulation, it is important that they do not overlook where regulations provide vital protection for consumers, help deliver consumer confidence or support consumers to access effective redress when something goes wrong.

In 2025 we [published a paper](#) outlining how consumer protections are an essential component of, not a blocker to, tangible growth which puts money in people's pockets. In 2025/26 we will continue to use our data and insights to contribute to ongoing debate about the role that regulation, and deregulation, can play in driving growth. We will also engage closely with planned reviews of regulation, including Consumer Credit Act reform, to ensure that the right balance is struck between removing unnecessary or duplicative regulation which holds firms back and ensuring that consumers are able to engage with markets safely and confidently.



Monitoring the impact of new protections in to reduce consumer harm in digital markets

In 2026 several new consumer protections will come into force through the Digital Markets, Competition & Consumers Act.

We will use our frontline insights to monitor the impacts these changes are having, and share intelligence with relevant regulators so that they can understand how effectively the new rules are working. In fast moving markets like digital sales and subscriptions this will support regulators to identify emerging trends or new harms.



Addressing affordability problems in essential markets

While the peak of the cost of living crisis has passed, the effects of the sharp inflation of the previous few years continue to be acutely felt by millions. 2024 saw unprecedented levels of demand for our advice services and it is clear that many households remain overwhelmed by the financial challenges that they face. We will work to identify - and deliver - positive changes in essential services markets that put money back into their pockets. Much of our work will be GB-wide, though our work on fuel poverty will concentrate on England and Wales, respecting that it is a devolved matter in Scotland and sits within Consumer Scotland's remit.



Ensuring fuel poverty schemes are designed effectively

Government energy efficiency schemes are a key way to deliver home upgrades that cut people's bills and lift households out of fuel poverty. Well-designed future schemes will be essential to help the government achieve fuel poverty and decarbonisation targets.

We look forward to working with the government as they design the future area-based low income capital scheme announced in the Warm Homes Plan.

In 2026/27 we will build on our previous research on the barriers consumers currently face to accessing and benefitting from existing schemes. We will provide well-evidenced policy positions on how future schemes can deliver lower bills and better health outcomes. This will include ensuring that consumers have the confidence and support to access schemes successfully, and that upgrades delivered through schemes are high-quality.





Advocating for an affordable letter service

Despite being a monopoly market, price controls for letter postage are minimal - although the USO contains commitments to an affordable postal service. We've campaigned for the retention of the 2nd class safeguard cap and the extension of price protection to 1st class products. This is both in terms of their value as an affordability measure, but also an important efficiency incentive for Royal Mail in a monopoly market.

Ahead of current price caps expiring in 2027, Ofcom is looking again at affordability measures in the postal market in early 2026. At Citizens Advice, we will be drawing on our extensive evidence around the shape of affordability challenges in the letters market - as well as cross sectoral comparisons - and the impacts for certain groups, to feed into the Affordability and Pricing Review.

In 2026/27, we will remain closely involved with the implementation and monitoring of any changes brought about under this review. The discussions around targeting affordability support are ones we have particular experience in across other sectors and we are planning to work closely with Ofcom and Royal Mail on the practical questions these raise.



Improving pricing fairness and transparency in broadband and mobile markets

For years we've been calling attention to pricing issues in broadband and mobile markets. Mid-contract price rises, the loyalty penalty, and hidden deals all make telecoms pricing difficult for consumers to navigate. Our recent research found stark differences in what consumers are paying for similar products and services. In addition, we've found that the design of purchase journeys - specifically the use of reference pricing and sensory manipulation - make consumers less likely to choose the right package for their needs.

We plan to deliver a market-wide investigation, exploring broadband pricing fairness and transparency. This will look at issues across the market, as well as exploring experiences across different consumer groups, including those in circumstances of vulnerability or facing financial insecurity. We plan to engage with Ofcom throughout to assess how they can strengthen regulation to ensure broadband consumers are able to access the right products for their needs. In delivering this work we will explore best practice from other sectors, and consider the implications that pricing practices in telecoms might have in other markets.



Energy affordability and debt

Energy affordability continues to be a major challenge for consumers, and the average energy debt held by our clients is now £700 higher than it was 3 years ago.

The 2025 Budget brought some welcome news on cutting the cost of energy bills, as well as an additional £1.5million boost to the Warm Homes Plan, and the scrapping of the ECO scheme, which may impact the number of energy efficiency measures installed in 2026/27. We'll work with partners to build on these changes to push for further action to reduce the cost of electricity so people feel the benefit of the transition to clean power.

While the expansion of the Warm Home Discount (WHD) and the development of the Debt Relief Scheme (DRS) are also good steps forward, more targeted support is needed. Building on our affordability survey in 2025, we'll continue to monitor the impact of policies, including through our new debt advice service, to inform future developments. We will also continue to make the case for the WHD to provide increased levels of support for those struggling most, and work with Ofgem as they develop phase 2 of the DRS and a new change of tenancy process to help reduce debt.

We will continue investigating the key drivers of affordability challenges, including price outcomes for consumers as energy usage becomes more varied based on new services and home technology, as well as the role of existing products like prepayment meters and the impacts on vulnerable consumers.

Alongside investigating key drivers of affordability, we will also continue to understand how tenure impacts the experiences and outcomes of consumers in the retail market.

We know that consumers on heat networks are also struggling with affordability. Our research in 2025 with heat network consumers in financial hardship found that dramatic energy bill increases had directly caused or contributed to financial hardship.

Incoming regulations and technical standards should improve outcomes for consumers, by improving the reliability and quality of heat networks, and limiting poor billing practices. However, these will take time to be felt, so we'll also be working on identifying options for debt support, and how that can be delivered.

At the moment, Ofgem's DRS only applies to domestic gas and electricity consumers, meaning that many heat network consumers will miss out. Developing a similar scheme for heat network consumers would rely on a mechanism to share consumer debt fairly across the sector. This year we will explore what steps would need to be taken to develop such a mechanism.

In 2026/27 we are commissioning a large scale quantitative survey to understand the experiences of heat network consumers to build a richer understanding of these issues. We'll be using this data to demonstrate the level of debt and affordability issues, and propose solutions.



Modelling outcomes for home heat decarbonisation

Home heat decarbonisation is a key part of the government's plans to create a cleaner and more resilient energy system. At the same time, it is vital that these changes help households save money on energy bills and support efforts to reduce fuel poverty.

It is currently unclear which types of home energy improvements deliver the greatest benefits for fuel-poor households in practice. Building on existing evidence, there is an opportunity to deepen understanding of how people interact with energy systems in their homes and the practicalities of installation and everyday use.

In 2026/27, we will combine data modelling with qualitative insights to identify which types and combinations of home energy improvements - including insulation, heat pumps, solar panels and energy tariffs - provide the best outcomes for vulnerable households. Working in partnership with stakeholders across the sector, we will ensure that a broad range of expertise and experience informs this work. The aim is to ensure that future policies and funding are well-targeted, underpinned by clear evidence on what is needed to make interventions both practical and effective.

Addressing affordability issues in essential markets



Building on our work to ensure there is a market safety net for essential markets

Increasingly we have seen consumers struggling to afford the costs of essentials, with around half of the clients we support with a debt problem experiencing a negative budget where their expenditure on essentials is higher than their income. To support them it is important that there is a safety net in place in essential markets to ensure that people can still access the essential services they need.

Over 2024/25 we published a series of report, exploring the barriers to access people face when making use of existing support like social tariffs. And in late 2025 we published a set of market blueprints, exploring how support can be transformed across markets, including water, energy, broadband and motor insurance.

In 2026/27 we will continue to work with regulators and industry across essential service markets, to embed effective support targeted at those who need it most. This includes further work on the Priority Services Register in gas, electricity and water, as well as other essential markets. We will also continue to work with other consumer voices to identify how targeted support can best be delivered to meet the needs of consumers facing the highest levels of need.

Infrastructure that delivers value for consumers

Essential markets rely on investment in both new projects and in maintaining existing infrastructure, ultimately funded by either consumers or taxpayers. Reducing emissions provides an added challenge, requiring a transformation of the energy system. Investment must be well managed to ensure value for money and good consumer outcomes. In markets dominated by a monopoly provider, regulators need to act to make sure consumers don't pay more than they need to for an essential service. We will consider the regional impacts of infrastructure investment, and any differential impacts between England, Wales and Scotland.



Assessing system flexibility

As more renewables are added to the grid, flexibility is important to reduce grid constraints and make the best use of renewables. Flexibility is expected to come from large infrastructure such as hydropower and grid-scale batteries. We will work to ensure system flexibility is good value for consumers.

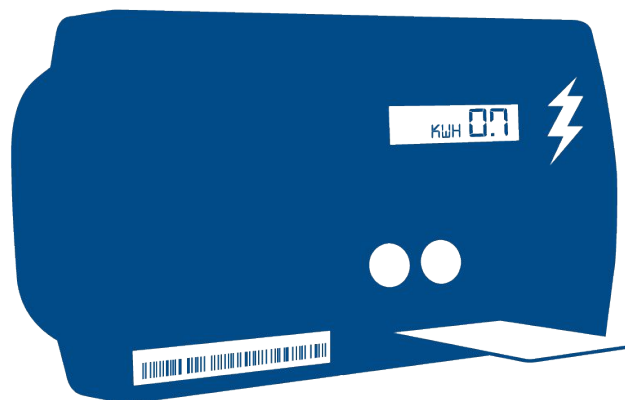
Consumers can also provide aggregated flexibility. This requires changes to how the energy system operates, including half-hourly settlement. We will work to ensure the consumer voice is heard in industry codes looking at flexibility.



Pushing hard for robust price controls

Ofgem will continue to develop the price controls for electricity distribution during 2026/27 and scrutiny from Citizens Advice is critical to ensure consumers' voices are heard. The next period of price controls for gas network and electricity transmission will commence with significant uncertainty over the cost and shape of electricity transmission. We will explore whether specific network funding, for instance in relation to innovation, is delivering results for consumers.

We will work to ensure gas and electricity network company performance is monitored and reported on transparently, looking across all relevant energy networks, including independent networks. We will review how best to fulfil our statutory duty to report on energy network performance. This may include additional scrutiny, improved data and combining insights from our consumer advice service.





Fairer protection and redress for postal consumers

As the postal market adapts to a changing context, we remain concerned that consumer needs too often take a backseat. Ofcom's recent review of the postal USO saw service cuts worth up to £425 million to Royal Mail, but almost nothing to address people's demands for a more reliable and affordable service after half a decade of missed targets. Ofcom introduced new guidance on complaints processes for parcel companies in 2023, but two years on, our data is showing no clear improvements.

There is now a need to reassess both clarity of consumer rights in the postal market, and avenues for redress when things go wrong. In 2026/27, we will:

- Assess the impact of 2025's USO reforms on consumer outcomes and progress against their priorities for a more reliable and affordable service.
- Focus on customer service standards in post offices by carrying out research on the quality of service across the network, with a view to strengthening protection in this area.
- Further explore complaints and redress processes in the parcels market, particularly confusion around parcel 'safe places'.



Improving consumer experience of smart technology

In 2026/27 the government is introducing a new framework for the smart meter rollout, and the benefits of smart metering will continue to grow as the sector implements market-wide half hourly settlement that will enable better access to smart energy products.

We'll continue to monitor the consumer experience and push for an efficient and timely rollout of smart meters for both domestic and small business consumers. This includes making the case for the government to do more to tackle the barriers faced by some consumers, including those in the private rented sector.

We'll assess the implementation of new Guaranteed Standards which will set minimum service level requirements for smart meters, with automatic compensation if these are not met. These should be a big step forward for consumers, but we'll continue to look for other improvements, including those which can tackle the 'accountability gap' between suppliers and the Data Communications Company when problems arise.

We'll also advocate for better outcomes for consumers impacted by the switch off of the Radio Teleswitch Service (RTS), and the impact on those still waiting to replace their RTS meters, including by tracking the scale of issues and remedial works. Along with better understanding outcomes for consumers, we will also look to better understand the experiences of consumers with accessibility needs throughout the retail market, including smart technology like in-home displays and accessible in-home displays.



Examining the reliability and quality of heat networks

Most heat networks are currently operating at around 30-40% efficiency with the best operating at around 65% to 70%. This can feed into high bills for heat network consumers.

There are also potential health and safety concerns with heat networks related to the reliability and quality of their physical infrastructure. Our analysis of the cases coming through our Heat Network Advice Service shows that these issues are the third most common complaint type our advisers help people with.

The Heat Network Technical Assurance Scheme (HNTAS) should help to improve the reliability and efficiency of heat networks. We will be using our data and insight to better understand the kinds of issues consumers are having, and to help us understand what is needed so that HNTAS can deliver the right improvements for heat network consumers.

Alongside our service data, we will draw on our research insight to understand the consumer experience more broadly. This will also inform our work to influence Ofgem's development of Heat Network Guaranteed Standards of Performance (GSOPs), which will help to protect consumers from service issues like extended outages or missed appointments, and compensate them where issues occur.

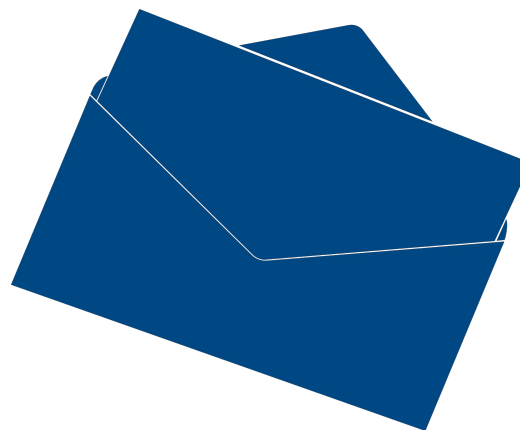
Infrastructure that delivers value for consumers



Improving customer service across the post office network

We were pleased to engage with DBT's green paper on the future of the post office network in 2025. This represents an important opportunity for consumers, as the first time in 15 years that the government has set out its objectives for the network. As part of our qualitative consumer research prior to the green paper's publication, we explored people's experiences of the post office across England and Wales, and their priorities for its future.

One clear theme which we have fed into our green paper response and plan to take forward in 2026/7 is the need for a new focus on customer service standards across the post office network. This has featured strongly in the government's recent response to the green paper, and we intend to support this through more focused research on the existing quality of service across the network. We'll also work with stakeholders, including the Post office and postmasters, to ensure any measures introduced strengthen consumer protection in this area whilst recognising the challenges facing the network.



Harnessing innovation to build fairness for all

Consumers in vulnerable circumstances are more likely to experience harm in essential service markets. Our previous research showed that these consumers are more likely to be paying a high loyalty penalty. They can find it harder to access essential services. And they're more likely to come to Citizens Advice for help. It doesn't have to be this way. Smart, sensitive design can deliver products and services that better meet people's needs.



Realising the potential of post for social and financial inclusion

As digital channels come to dominate many of our interactions with services and support, post offers an increasingly vital backstop for the 7.9 million UK adults who lack basic digital skills. This group often experiences overlapping vulnerabilities - digital exclusion is higher amongst those on lower incomes, disabled people, older adults and those with low levels of formal education.

In connecting these groups to support and services, post has a vital role to play in social, economic and financial inclusion. But there are questions around whether it is currently realising its full potential. Currently 1.4 million people in the UK face postal exclusion, usually as they lack a secure address. And people with protected characteristics, such as racially minoritised groups, experience higher rates of parcel delivery problems.

We'll be considering the future scope of our parcels league table in this regard, consulting with stakeholders to ensure we capture these elements. In 2026/27, we will:

- Aim to take another step closer to the introduction of an Address & Collect service to tackle post exclusion, by piloting the scheme and working with key stakeholders to assess effectiveness.
- Explore the experience of racially minoritised groups in the parcels market, seeking to uncover the reasons for disparities in outcomes.
- Following the government's recent response to the Post Office green paper, review the potential role of the Post Office in combating digital and financial exclusion, as part of fully realising the network's social role.
- Undertake a deep dive on accessibility within the parcels market to better understand the impact of Ofcom's guidance and consider best and worst practice amongst carriers.





Exploring how AI impacts consumer markets and monitoring its impact in the energy market

Artificial Intelligence (AI) is becoming more and more integrated in consumer experiences. We can already see increasing evidence of changing consumer experience and detriment as a result, either through negative experiences with chatbots for customer service, or through AI-enabled decision making.

As new trends arise, we need to understand more about the impact on people's lives. We will uncover where AI is transforming consumer interactions and experience across a wide range of consumer markets - exploring areas where it is transforming consumer experience for the better, as well as resulting new harms or challenges. Within this will explore how it is transforming how consumers access redress.

During 2025/26 we've also developed our understanding of the use of AI in the energy sector. This includes the potential benefits and risks to consumers as energy suppliers integrate AI into operations, including customer service, debt journeys and other processes.

We are already seeing new types of consumer harm and areas that we will continue to monitor. In 2026/27 we'll work with colleagues looking at cross-sector impacts of AI to understand how impacts in energy align or differ to other markets, and will continue to closely engage with suppliers, Ofgem and other stakeholders.



Enabling innovation in the retail energy market

A more innovative market is needed to enable more consumers to benefit from the transition to clean power through smart energy services and technologies, and to enable an increase in consumer-led flexibility in coming years.

Building on previous research, we have begun a project to identify reform options to support innovation and understand their potential benefits to consumers and the wider economy. This will include consideration of reforms to the price cap and obligations on universal service.

This project will continue into 2026/27 with work to understand consumer appetite for different reform options, and will inform our engagement with Ofgem and the government as they consider reforms to the price cap, a move towards more outcomes-based regulation, and reforms to enable more specialisation.





Exploring how digital exclusion prevents access to essential markets and support

Over time, more and more services have moved to digital-first delivery. But when services assume users have the confidence and tools to use these services, customers can end up locked out of support.

In 2026/27 we will explore the role of digital exclusion in shaping the problems people face. This work will look cross market, building on issues we already see on the frontline, where digital exclusion means people face difficulties with tasks like managing their energy bills, applying for water support, switching broadband suppliers, applying for council tax support, banking online, claiming support and accessing redress.

We will conduct research to understand how this problem manifests and who it affects the most, and propose practical solutions to overcome these challenges.

This project will also map areas of existing good practice from across regulated markets, looking at how sectors can learn from each other.

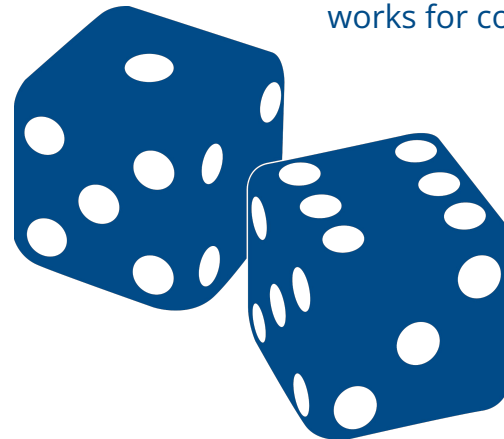


Understanding consumer experience of flexibility and smart products and services

As flexibility becomes central to the energy system, households will have increasing incentives to shift their energy use to support the grid. For some, this brings opportunities for lower bills and greater comfort, but others may struggle with complex systems or have concerns about control over their technology in their homes.

In 2026/27 we will explore the experiences of consumers who have smart technologies in their home, such as heat pumps, home energy management systems and batteries. This research will help us to identify what factors help or hinder participation in using flexibility-enabled technology, with a particular focus on accessibility and inclusion.

Findings will inform our engagement with the government, Ofgem, energy suppliers, and load controllers to ensure the flexibility and smart technology markets develop in a way which works for consumers.





Next steps on a more accessible parcels market

Citizens Advice began highlighting the additional barriers faced by disabled people in the parcels market more than 6 years ago. Since then, Ofcom introduced a new accessibility condition in 2023, aiming to address some of the challenges we highlighted. However, our latest parcels league table reveals that, 2 years on, accessibility remains the poorest performing metric, with 37% of people with additional needs unable to share these with their delivery company and over half (56%) experiencing a problem with their most recent delivery. With disabled people more reliant on parcel delivery for many essential day to day items, the lack of progress they are seeing in tackling these issues is concerning.

In 2026/27, we will revise our Parcels League Table to look more closely at these accessibility questions. We want to better understand the impact of Ofcom's new condition, where there are still gaps and to consider best best and worst practice amongst carriers.



Providing clients with tailored energy advice

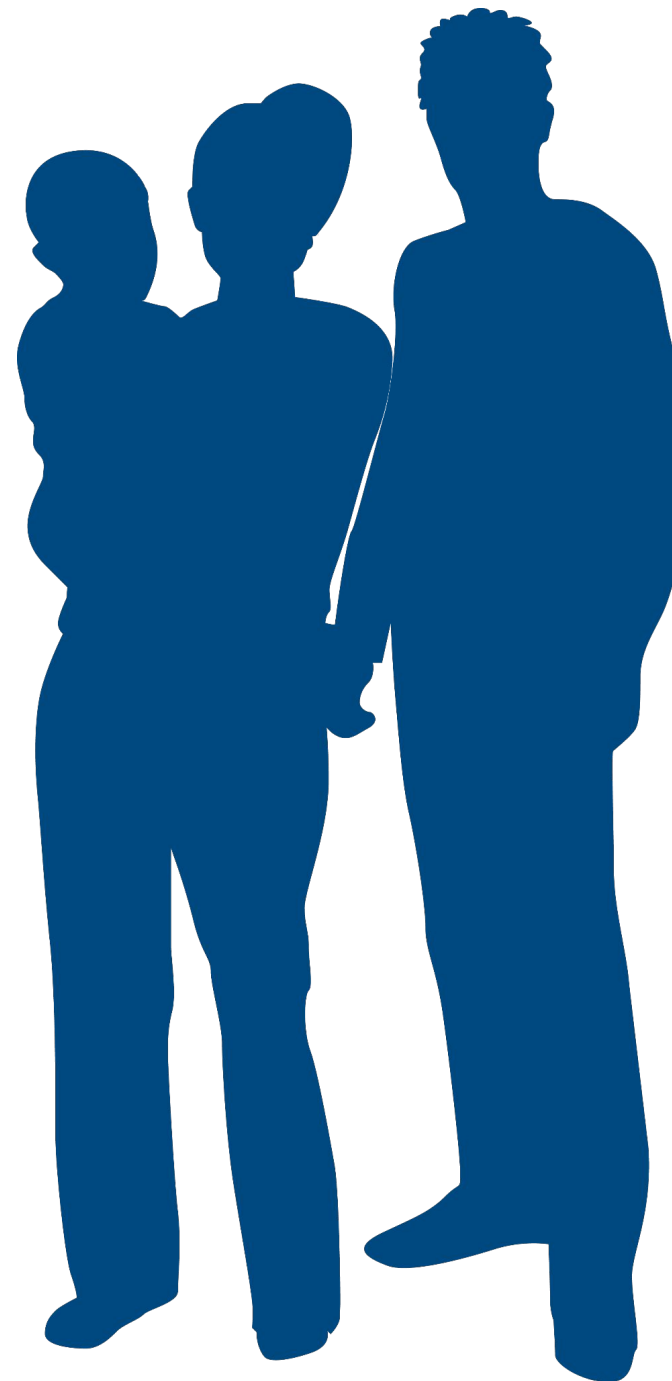
Our data indicates the cost of living crisis is far from over.

The reality remains that problems are becoming more entrenched and we're facing the downstream effects of the crisis. It's surfacing as greater energy debt and this is spiralling into other parts of people's lives, whether that's problems with debts in other markets, reliance on food banks or housing crises.

Our advisers are still telling us that these problems are getting more complicated to fix and we know this is worse for those with disabilities or long term health conditions. As a charity, we know more detailed advice will be needed to pull people out of their problems.

Next year, we will continue to focus our efforts on closing the advice gap for marginalised communities through local outreach advice and partnerships. This will build on the work we have done this year to refine our outreach model and the improvements we've made in collecting client demographic data.

We will also refine the statutory advice offer for heat networks customers, which was successfully launched this year. When the authorisation conditions come into effect from January 2026, we expect increased engagement. We'll seek to continuously improve the service, keeping up to date with changing regulation as well as strengthening signposting and referral pathways for more help across the service.



Improving access to debt advice

Our aim is for every household and small business with energy debt to receive the right support, at the right time, through a service designed around their full financial needs, not just their energy bills.

Through clear routes into advice and tailored solutions, the Consumer Energy Debt Advice (CEDA) service will increase consumer resilience and ensure people can afford both their past debt and future energy use and reduce bad debt in the energy market.

A growing number of households are struggling to set up sustainable repayment arrangements. There is currently an approximate £4.43 billion of debt in the energy market. Suppliers estimate that approximately £1.1 to 1.7bn of this (up to a third) is 'bad debt' meaning that it never gets paid and is written off.

Total debt for customers who are not repaying increased 21% in the year to September 2025. Suppliers can recover the 'bad debt' via the price cap's debt allowance. Currently, this adds £52 to every household bill making energy more expensive for all.

Ofgem are making positive steps to reduce the level of debt in the system, through the Debt Relief Scheme and the Debt Code of Practice. While these are welcome steps, they do not go far enough to properly support people who are falling deeper into debt because they can't afford their energy bills.

To tackle this problem we worked with government and industry to develop a new telephone-based debt advice service for England and Wales. This builds on the existing statutory energy advice framework with FCA- regulated advice.

Alongside Money Advice Trust (MAT) and Stepchange, we will support households and businesses with different debt solutions to tackle immediate energy debt and break the continuous cycle of debt some consumers experience. These improvements to debt advice are also happening for consumers in Scotland.

It combines the specialisms of the 3 organisations to optimise service outcomes and deliver a better experience for energy consumers in debt.

The service will enable greater energy market stability through supporting the reduction of bad debt and improving consumer resilience.

The preparations we put in place ahead of mobilisation meant we were able to start helping clients just 5 weeks after final approval. At the end of November 2025 we had helped 1242 clients with a recorded total of £1.6 million in energy debt.

The service builds on the Citizens Advice Consumer Service helpline, which is signposted on all energy bills and supplier websites. It will be available to households and businesses who are identified as having energy debt following triage by the Consumer Service. The service complements the existing Extra Help Unit (EHU) for people in vulnerable circumstances, with appropriate integration and referral between the services.

Within the second year of mobilisation, we plan to continue our engagement with suppliers to pilot and scale a direct referral pathway. We will continue to review how the service can support the aims of Ofgem's [proposed debt relief scheme](#) (DRS), specifically the objective to facilitate improvements in the culture of debt management and to build positive relationships between customers and suppliers.

CEDA will be one tool to re-engage consumers who may not have repayment plans in place, and provide a supportive environment to explore their debt and put in place sustainable solutions. By doing so, it will help consumers to be eligible for the proposed DRS and to have their eligible debt written off, and Ofgem to achieve its desired outcomes.

The service will also aim to help consumers with onward access to schemes for energy efficiency or low carbon heating, exploring how much more impact these interventions can have once a consumer's more pressing financial situation is resolved. We will continue scoping, designing and piloting advice in this area.

Overall, the service will reduce the cost of bad debt in energy bills by engaging people who can repay some of their debt and removing the administrative burden of chasing people who will not otherwise engage. We estimate this will return a saving to the energy bill payer of £300 per client once our costs are accounted for.

Financial instability impacts all areas of life, worsening health issues, threatening employment, and leading to homelessness. We'll deliver value by reducing the demand for public services - by the third year the service will return £1000 per client to the public purse.

As importantly, we will reduce the human cost involved in problem debt and its effects - delivering value direct to clients who will be free to live a healthy and productive life. This is valued at £4,300 in public value per client.

Subject to further agreement, the service will ramp up delivery over time, with the ability to support 150,000 people with energy debts each year by the third year of operation. We have included proposed expenditure for the second year, though this is dependent on when agreement is reached and mobilisation of the new service starts.

Year 2 of the CEDA service will mobilise more advisers, ensuring we can help and support many more people

Representing energy consumers in the policy development process

Energy policy is developed in a range of different arenas and it is essential that the consumer voice is represented. To give a sense of the breadth and depth of where we represent consumers' interests, here are some of the working groups, taskforces and panels we expect to participate in the year ahead. This is not an exhaustive list, and we expect it to evolve over the year in line with policy developments.

Fuel poverty

Welsh Government: Fuel Poverty Advisory Panel
NEA Cymru: Fuel Poverty Coalition Cymru
Fuel Poverty Senedd Cross-party Group
Fuel Poverty Strategy Working Group

System and consumer flexibility

Clean Flexibility Roadmap Industry Meeting
Elexon Market Facilitator Stakeholder Advisory Board
Smart and Secure Electricity System (SSES) Licensing Working Group
SSES Energy Smart Appliances (ESA) technical working group
FlexAssure Oversight Committee

Retail market standards

Energy UK Expert panel and stakeholder panel for Vulnerability Commitment
Energy UK Compliance Panel for Switch Guarantee
Ofgem Small to Medium User Group
Retail Tripartite meeting
DESNZ working group: Consumer Protection
DESNZ working group: Supporting growth in Innovation
Consumer and Supplier Working Group
Consumer Groups and Charities Stakeholder meetings

Codes

Balancing and Settlement Code (BSC) panel
Uniform Network Code (UNC) panel
Connection and Use of System Code (CUSC) Panel
Smart Energy Code (SEC) Panel, SEC Change Board and SEC Change Sub-Committee
Retail Energy Code (REC) Change Panel, REC Performance Assurance Board, and REC Change Issues Group
Performance Assurance and Change Panel Boards

We will continue to engage with Energy Code Governance Reform to ensure consumer interests are central to the future operation of codes and Code Managers.

Energy efficient, low carbon homes

Future Homes Standard Implementation Board
Renewable Energy Consumer Code Supervisory Panel
Sustainable Homes & Buildings Coalition Working Group
MCS Consumer Protection Panel
Retrofit System Reform Advisory Panel
Smart and Fair? Advisory Board
MHCLG advisory group for the establishment of a single construction regulator
Green Home Finance Strategic Partnership

Smart metering

Smart Metering Delivery Group (SMDG)
Smart Metering Operations Group (SMOG)
Consumer Reference Group (CRG)
Smart Meter Installation Schedule (Subset of REC)
Observer on Smart Energy GB Board
Smart Energy Code Privacy Sub-Committee
Radio Teleswitch service (RTS) Taskforce

Heat networks

Heat network quadripartite
Heat network market intelligence
Heat network comms and engagement group
Heat Trust Committee meeting
Heat network stakeholder advisory group meeting

National Energy System Operator (NESO)

As part of our Strategic Partnership with NESO we anticipate that we will represent consumers on a number of different forums and councils covering the energy system and building on our membership in 2024 of NESO's Clean Power 2030 Societal Delivery forum.

Energy networks

National Energy System Operator (NESO) RIIO Stakeholder Group
National Energy System Operator (NESO) Performance Panel
Connections Reform Steering Group
Ofgem Connections Delivery Board
Marketwide Half Hourly Settlement Programme Steering Group
Capacity Market Advisory Group
Electricity & Gas Resilience Interactions Task Group (EGRIT)

RIIO-GD2: Vulnerability and Carbon Monoxide Allowance Steering Group

RIIO-3: Cross-sector policy group

GD3 - Gas Distribution Working Group
GT3 - Gas Transmission Working Group
ET3 - Electricity Transmission Working Group
RIIO-3 consumer group
ED3 working groups

Provisional expenditure 2026-27

We have requested an ongoing increase of £669,250 in 2026/27. This increase mostly relates to energy, with other areas broadly flat in real terms.

This increase is largely to maintain energy activity at current levels, reflecting inflationary pressures and the full-year impacts of new roles phased in during 2025/26, primarily developing a regional advocacy model.

There is a small amount of additional funding for us to build our capacity in areas where we have identified, as demands for our specialist input continue to emerge, our expertise is likely to deliver significant value for consumers. This includes enhancing our analytical capability, across data and economics.

The total energy funding is equivalent to approximately 15p per GB household (an increase of around 1p).

The specific allocations in this work plan are necessarily provisional, and subject to change if we have to adapt our work in response to external developments during the year.

	Staff and related costs	Programme	Total
Energy	£ 7,172,980	£652,190	£7,825,170
Post	£1,020,300	£145,200	£1,165,500
Cross-sector	£838,080	£166,970	£1,005,050
Directorate	£207,000	£0	£207,000
Total			£10,202,720

This budget reflects funding allocated by the Department for Business and Trade (DBT) to advocate for consumers in England and Wales.

We expect to receive a further £286,090 in funding from Consumer Scotland to ensure we are able to reflect the interests of Scottish consumers in GB-wide decision-making. This would take our total 2026/27 advocacy budget to £10,488,810.

Our CEDA debt advice service, delivered with Money Advice Trust and Stepchange will significantly improve support for people who have fallen behind on their energy bills, and help them find sustainable solutions.

In Year Two, the CEDA service is expected to deliver £40 million in net savings on energy bills through reduced bad debt costs. This would return around £3 for every £1 spent.

We’re also pleased to oversee the Energy Outreach Programme (formerly known as the Big Energy Saving Network) and Energy Savers Campaign, with the budget rising with inflation only.

² Energy cost per household based on the approximate contribution made by household energy consumers only (by volume). Non domestic consumers also contribute towards the levy.

Consumer Energy Debt Advice Budget 2026/27

Total
Consumer Energy Debt Advice
£ 20,808,110

The total funding is equivalent to approximately 40p per GB household.²

Energy Outreach Programme Budget 2026/27

Total
Energy advice programmes
£ 3,059,450

The total funding is equivalent to approximately 6p per GB household.²

Citizens Advice helps people find a way forward.

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

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

We're here for everyone.

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