

Response to Ofgem's Call for Input on Reselling gas and electricity

Citizens Advice response



About us

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

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

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

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

Executive summary

Citizens Advice welcomes the opportunity to respond to Ofgem's Call for Input on the Maximum Resale Price (MRP) direction. The MRP is an important protection for specific groups of domestic end-users, and we believe that there are several key changes Ofgem could make to ensure that the MRP delivers fair pricing and empowers consumers. We consider that Ofgem should introduce changes to the MRP to encourage resellers to get an appropriate deal for their consumers. Changes such as those suggested by Ofgem, such as a mechanism for enabling consumers to challenge excessive MRP charges, and a requirement for resellers to demonstrate their search for competitive rates, would have positive impacts on the ability of consumers to get a fair price for their energy.

We also think Ofgem should expand the MRP to small and micro-businesses. Small businesses are at risk of poor outcomes due to the fact that they are not protected by the MRP. They are exposed to overcharging by resellers, resulting in financial difficulties for consumers, and resale energy arrangements may become unnecessarily complex and opaque. This would also engage these consumers in the net zero transition whilst offering protection from poor outcomes.

However, we believe that in the absence of an enforcement mechanism for re-sale arrangements, changes made to the MRP may be hard for consumers to enforce. Accordingly, we consider that re-sale arrangements should be avoided where possible, given their inherent reduction in consumer choice and protection (including access to affordability schemes such as the Warm Home Discount), and the lack of transparency and oversight engendered by re-sale arrangements.

We are concerned about the use of prepay sub-meters by some resellers, which can have expensive metering charges and leave people disconnected with no access to support if they can't afford to top up. Ofgem should consider whether it has powers to limit the use of prepay sub-metering through the resale direction given the significant risk this can pose to vulnerable consumers.

Ofgem should also consider it would be possible to build on changes that enable metering beyond the boundary point for balancing markets as a route to providing consumers with sub-meters more control and choice about their energy supply.

Some growth of re-sale arrangements in recent years has been driven by Permitted Development Rights conversions of commercial buildings to residential.¹ Whilst outside the scope of this call for input, we would also like to flag that we believe the Government should look at rules related to metering under Permitted Development Rights, as well as introduce rules to limit the use of sub-metering arrangements where possible.

In our response to the DESNZ Review of Ofgem we called for the Government to enable Ofgem to authorise energy services, including the resale of energy.² Though it is positive that Ofgem are considering changes to encourage the dual use of MRP as a mechanism for consumer protection whilst enabling investment in net zero, its impact will be curtailed by the practical difficulty of ensuring resellers are following the rules. Without a route to redress and enforcement, consumers are exposed to poor outcomes, and there are few repercussions for resellers who break the rules. Ofgem could draw lessons from the recent regulation of Heat Networks in order to inform the future regulation of a diverse sector.

1. What should be the purpose and objective(s) of the MRP? What risks should it protect resale consumers from?

The purpose of the Maximum Resale Price (MRP) should be to protect domestic consumers who are resold energy from unfair pricing and poor practices by resellers. While larger domestic households of non-domestic energy consumers - and those with higher energy consumption - may benefit from lower tariffs, energy prices are volatile and set to remain so.³ The main objectives should be:

- **Accountability and transparency:** The MRP rules should hold resellers to account for the prices they charge and terms they offer, with clear requirements on transparency and information sharing.
- **Fair pricing and competition:** As many resellers are not currently incentivised to shop around for cheaper energy deals, resale consumers may end up paying higher prices than those supplied directly under a domestic contract. Ofgem should introduce consumer challenge mechanisms for the MRP, and requirements upon resellers to prove they have searched for competitive prices.
- **Consumer protection:** Those who are resold their energy are more likely to live in rented accommodation, including temporary, housing association and

¹ Citizens Advice (2022) [Room for Reform: Embedding fair outcomes for tenants in tomorrow's retail energy market](#)

² Citizens Advice (2025), [Citizens Advice Response to DESNZ's 'Review of Ofgem'](#)

³ Cornwall Insight (2023), [New forecast warns power prices to remain elevated until late 2030s](#)

privately rented accommodation, as well as park homes and caravans. Those living in HMOs are also disproportionately represented within this group.

- This consumer group is more likely to be on a lower income and to be affected by financial and other vulnerabilities. These consumers also often have no choice over their energy supplier, effectively locking them into a potentially unattractive energy deal. Therefore it is crucial that the protections afforded to domestic consumers are extended to this particularly vulnerable consumer group.
 - We believe that the government should urgently review the rules around metering under Permitted Development Rights, and that Ofgem should take steps to reduce the reliance on MRP and introduce rules which avoid sub-metering where possible. The MRP inherently reduces consumer choice and protections. Sub-metering, especially prepayment sub-metering, can leave tenants who cannot afford to top up without supply and without the support offered to domestic consumers, such as Additional Support Credits.⁴
- **Access to redress:** Consumers of resold energy should have accessible routes to resolving disputes and seeking redress where they might have been overcharged or treated unfairly. This is crucial in order to ensure that this group of domestic consumers is protected at the same level as domestic consumers not supplied under resale agreements, and to hold suppliers to account for protecting vulnerable consumers from detriment.
 - With the Government confirming their intent to regulate the Third Party Intermediary and load-controller markets, and heat network regulation being introduced, we are concerned that consumers who are resold energy risk being left behind. Over the longer term we think the Government should enable Ofgem to introduce a flexible authorisation regime, in order to ensure there are no protection gaps where key activities are not directly regulated. This includes re-sale activities, as well as the unregulated use of sub-metering.⁵ As part of this, we would expect to see consumers provided with access to independent redress, as opposed to the current requirement to pursue matters in court.
- **Unlock innovation for disadvantaged consumers:** There is an opportunity to ensure that this group of largely vulnerable consumers is able to access some of

⁴ Citizens Advice (2022) [Room for Reform: Embedding fair outcomes for tenants in tomorrow's retail energy market](#)

⁵ Citizens Advice (2025), [Citizens Advice Response to DESNZ's 'Review of Ofgem'](#)

the benefits associated with new technologies, schemes and services that are offered to domestic energy consumers more broadly. Examples include:

- **Smart prepay:** remote top-ups, more transparency over energy use, and the protections built into this technology, such as low-credit alerts for suppliers, triggering contact with the consumer - although consumers should be protected from disclosure of financial issues or vulnerabilities to their landlords;
- **Time of Use tariffs:** enabling consumers to take control of their energy consumption and make use of cheaper energy at off-peak times of the day to reduce their energy bills. However, any use of time of use tariffs should take account of end-user needs. For example, complex or dynamic time of use tariffs agreed by the landlord may not be suitable for the tenant, or they might not have an appropriate sub-meter for end-use to be half-hourly billing. This risk could grow if time of use tariffs become the default for non-domestic in the future.
- **Balancing and Settlement Code modification P375:** BSC code modification P375 goes some way towards putting in place the key practical steps from a system perspective to remove the need for a continued reliance on MRP, particularly with regards to the development of innovative technologies which would rely on re-sale arrangements. This code modification allows for secondary meters to be used for the purpose of settling balancing services. Allowing secondary metering reduces the possibility of settlement being impacted by other metering points within the site boundary, reducing the inaccuracy of settlement. Though it is evident that there remain key considerations (e.g. do meters meet relevant requirements? Are supplier systems capable of enabling accounts to be set up for these meters?), we believe that Ofgem should consider building from this code modification to avoid sub-metering and re-sale arrangements where possible.

Risks that the MRP should protect against:

- **High costs/lack of choice:** Domestic consumers who are resold their energy are not currently protected by the price cap so they are at risk of paying more for their energy despite largely representing lower income and vulnerable consumers, and being unable to switch between energy suppliers.

CASE STUDY: Tom's story

Tom is being supplied energy through his landlord. On agreeing the housing contract, Tom agreed with his landlord that the bills should be split 30/70, with Tom paying 30% of the energy bill as the property is connected to the landlord's commercial meter, which doesn't only power Tom's property. However, this energy bill still seems high to Tom, and he feels this may be because the bill is based on commercial energy rates. Tom is not protected by the price cap and is unable to shop around for a better deal. The landlord is not incentivised to shop around for cheaper deals so that Tom can pay less for his energy bills. The landlord has never provided a breakdown of how Tom's share of the energy bill has been calculated, so this could well be more than 30% of the landlord's energy bill. Tom feels he has no choice but to continue to pay this bill to his landlord.

- **Limited protection:** Since these consumers often fall into the “commercial supply trap” category of consumer (domestic consumers supplied under non-domestic energy contracts) they are excluded from protections for domestic consumers provided by the standard licence conditions (SLCs). Condition 0 of the SLCs, ‘Treating Customers Fairly’ states that “The objective of this condition is for the licensee and any Representative to ensure that each Domestic Customer, including each Domestic Customer in a Vulnerable Situation, is treated Fairly (“the Customer Objective”).” However, consumers who are re-sold their energy via a business contract are not defined as domestic consumers, and are not protected by this SLC. This risks exposing vulnerable consumers living in resale arrangements to detriment.
- **Limited access to redress:** They are also unable to escalate complaints through the Energy Ombudsman, and therefore are often powerless to resolve issues impacting their energy supply. The only option available is to make a court claim for money owed - an arduous, inaccessible, and potentially unaffordable option for many.

CASE STUDY: Stephanie's story

Stephanie lives in a privately rented property above a business. On moving into the property, she discovered that the bills were being paid by the tenant of the business downstairs, and the meter was in the business' property. This meant Stephanie built up a debt she was previously unaware of. She attempted to resolve the matter through the landlord, and the landlord, through the letting agent, demanded £150 to be paid each month to repay the

outstanding debt and ongoing bills. Stephanie could not afford to pay £150, and requested to pay £50 per month. The agency suggested £100 per month instead - to cover the monthly bill of £50 per month and the further £50 to repay the outstanding amount. The agency has not provided a breakdown of how these energy costs have been calculated and Stephanie does not have access to redress beyond making a small court claim, which would be an arduous and potentially expensive process for her. Furthermore, she is not protected by the price cap, nor is she eligible for any further financial support offered to domestic consumers who are not being resold energy.

- **Unequal outcomes:** Certain groups, such as traveller communities, are disproportionately affected by commercial supply traps and resale agreements. (2.83% of all commercial supply trap consumers according to [Age UK's response Ofgem's non-domestic energy market consultation](#)). Other protected characteristics may also be indirectly and disproportionately impacted due to the correlation between low income, minority ethnic and households with disabilities.

2. What approach(es) should we use to set the MRP and deliver “fair prices”?

To deliver genuinely fair prices for consumers who are resold energy, the MRP should be informed by both the current cost pass-through approach, with the introduction of consumer challenge mechanisms and a requirement upon resellers to prove they have sought competitive rates. In addition to this, the MRP could be informed by the price cap, though not tied to it directly.

Historically, the rationale for domestic customers on non-domestic contracts having fewer protections than traditional domestic consumers was based upon the trade-off that the average non-domestic tariff was lower than the average domestic tariff. However, this no longer holds true, as a result of the energy crisis. Domestic consumers, protected by the price cap, are not as closely exposed to the soaring costs of energy as non-domestic consumers are.

Based on our analysis, while some low-use households (such as single person, low-income households) may appear to be better off on [non-domestic energy rates](#), this is unlikely to remain the case once standing charges are factored in. For domestic consumers on non-domestic energy contracts, standing charges are more difficult to determine and can vary widely depending on supplier and often negotiated on a contract level - which means they may be higher than domestic standing charges. This could mean that low-use or single-person households may end up paying more overall

than they would under a capped tariff, were they supplied under a domestic contract (dependent upon how many properties the overall standing charge is split between). From April, domestic energy costs are also set to fall due to changes recently announced by the Chancellor in the Autumn Budget, which will close the historic gap between domestic and non-domestic prices.⁶

Unlike the domestic market, where standing charges are regionally structured and regularly published, domestic households on non-domestic contracts are exposed to pricing structures that are not transparent or subject to the cap. In addition to the issue of resellers breaking MRP rules and exploiting potentially vulnerable consumers for profit, consumers are also faced with uncapped energy costs.

For this reason, we recommend that the MRP be informed by the price cap. Tying the MRP directly to the price cap is likely to present an administrative challenge, and may encourage landlords or re-sellers to shift the costs that may not be recovered through energy to rent, or another utility. Instead, we think that Ofgem should introduce its proposals in paragraph 2.7 of the call for input. The introduction of rules which require the re-seller to demonstrate that they have sought competitive rates may go some way towards encouraging re-sellers to seek appropriate tariffs for their consumers.

The consumer challenge mechanisms should be tied to the price cap, enabling consumers to challenge the price they pay for their energy (including metering fees) should it rise above the price cap. This will likely encourage more competitive price comparison by resellers.

Furthermore, Citizens Advice's Consumer Service has seen examples of Climate Change Levy (CCL) fees being passed on to domestic consumers by resellers. As recognised by Ofgem, the CCL should only be paid by businesses, not the domestic end-consumers who may already be paying above the price cap for energy for the reasons already mentioned.⁷ We would therefore encourage Ofgem to reiterate this in any guidance produced.

3. Do you believe that some or all non-domestic end consumers should be protected by the MRP? Please provide reasons for your answer.

Yes, we believe that small and micro businesses should be protected by the MRP because they are at risk of poor outcomes and would benefit from protection offered by the MRP in several ways. It would offer protection from overcharging by landlords and protect consumers from fraud, it could enable these consumers to engage with flexible

⁶ HM Treasury (2025), [Budget 2025 in full](#)

⁷ Ofgem (2005) [The resale of gas and electricity: Guidance for resellers](#)

tariffs and increase competitiveness, and increase the transparency of re-selling arrangements in the non-domestic market.

We do not advocate on behalf of large firms, so cannot provide a firm view as to whether or not we think they should be protected by the MRP. However, we think it is important that this protection is applied to small businesses. As will be explored in further detail in response to the below question, there are several key risks posed to non-domestic consumers who buy their energy from a re-seller.

We know from contacts to our Consumer Service that non-domestic consumers who are re-sold their energy have extremely limited capabilities to ensure that they are paying a fair price for their energy. The method by which the MRP is applied to non-domestic consumers must be aligned with the approach taken to domestic consumers, though not tied to the price cap. Instead, perhaps consumer challenge mechanisms could be introduced and tied to the level of an average non-domestic tariff, based upon Ofgem's proposed 'benchmark' tariff methodology, 2.6.

4. Do you think there is currently the risk of poor outcomes for non-domestic consumers because the MRP does not apply? If so, why?

Yes, we believe that small and micro businesses consumers currently lacking MRP protections can put them at risk. Any reference to 'non-domestic consumers' within the response to this question should be understood to mean small and micro businesses, in line with our statutory remit.

Non-domestic consumers who are re-sold their energy by an intermediary face several key risks that could lead to poor outcomes. All risks identified are drawn from cases coming through our Consumer Service. Some non-domestic consumers are at risk of paying an unaffordably high price for their energy, as a result of increased charges applied to bills by their landlord. Re-selling arrangements are often opaque and difficult for consumers to understand, resulting in them not understanding who is responsible for their energy and why. Finally, sub-leasing their energy prevents non-domestic consumers from switching their energy supplier, limiting competition in the market and reducing their ability to engage with net zero initiatives such as flexible tariffs. Resellers may also not be motivated to find a good deal for end users, and may seek to profit from reselling energy.

Underscoring these issues is the fact that when non-domestic consumers do experience an issue, they have no recourse. We believe that over the longer term a more flexible approach should be adopted towards regulation of the energy retail market, enabling

an authorisation regime which ensures key activities do not remain unregulated and place consumers at risk. We believe that an independent route to redress for MRP consumers should be introduced, to empower consumers when something goes wrong. We believe this is equally applicable to non-domestic consumers coming under the protection of the MRP.

Under the current rules, there is nothing preventing a commercial landlord to charge their tenants more for their energy than they paid, which can result in the end user paying unreasonably high bills.

CASE STUDY: John's story

John is re-sold his energy by his landlord. Recently, his landlord has increased the unit price John pays by 10p/kwh. John has asked his landlord several times why the price has increased so much, and his landlord has not told him, or produced a bill. John has refused to pay the increased rate. John's landlord is now threatening to disconnect him.

Because non-domestic consumers are not protected by the MRP, John's landlord can re-sell to their tenants at the price they decide, rather than the same cost they paid.

In some cases which have come through the Citizens Advice Consumer Service we have seen examples of landlords charging 'administration charges' which artificially inflate the cost of bills.

CASE STUDY: Gutek's story

Gutek is re-sold his energy by his landlord. He was eligible to receive the Energy Bill Relief Scheme in October 2022. In October, the way his bills were calculated changed. His standing charge was increased, whilst his unit rate was decreased. However, the standing charge increase, in combination with a new 'landlord administration charge', effectively increased the rate Gutek pays for his energy. Despite being in receipt of bill relief, Gutek found himself paying his landlord more for his energy.

Because there are no rules governing the re-selling of energy to non-domestic consumers, there are no guidelines as to what constitutes reasonable recovery of costs.

Sometimes, overcharging can result in financial difficulty for consumers.

CASE STUDY: George's story

George is re-sold energy by his landlord, along with several other tenants. George pays his energy bill via bank transfer to his landlord. Other tenants in the building have had higher than usual energy bills, and asked the landlord to produce the bill. The landlord has refused to show any tenants the bill, but has given George a new energy contract with an increased unit rate. The landlord has now told George he owes £7500 for the energy bill, over three times what George usually pays.

Because there is no obligation for re-sellers to produce a bill for non-domestic end users, it is difficult for business consumers to know if they are paying a reasonable price for their energy.

Arrangements may also be unnecessarily opaque, and difficult for consumers to understand. This has a detrimental effect upon business consumers, who are often operating with extremely tight budget considerations.

CASE STUDY: Penny's story

Penny is re-sold energy by her landlord. The energy bills her landlord provides to her are not in the name of Penny's business, and Penny is unable to access the meter. Penny feels she is paying too much for her energy, and wants a better rate. Her landlord refuses to tell Penny the name of the energy supplier.

Because there is no obligation for re-sellers to non-domestic end users to provide them with relevant information and breakdowns of bills, Penny's landlord does not have to tell her the name of her supplier, or allow her to switch.

Not being able to predict how much they will need to pay for their energy can pose budgetary challenges for business consumers, or threaten the viability of their business. In addition, consumers who find the energy market difficult to navigate are unlikely to adopt the kinds of practices necessary to complete the net zero transition, such as engaging with flexible technology for their business.

At present, when business consumers who are re-sold energy face an issue with their energy supply, they have very little recourse. There are no rules laying out what a re-seller must or must not do, as in the domestic market. Specific terms should ideally be clearly laid out in the lease agreement, but this is not always the case. This makes it difficult for business consumers to take action when they do experience a poor outcome, as challenging their landlord may put the stability of their business in jeopardy. The lack of oversight in this market makes it difficult for suppliers to know when consumers are being exposed to harm.

CASE STUDY: Pam's story

Pam moved her business into a property 18 months ago. Pam is re-sold energy by her landlord. Pam was paying the landlord directly, but later discovered that the landlord was not paying the energy supplier.

Pam has now been sent a bill which charges her for more energy than she has used. She has tried to complain to her landlord, but they have threatened to evict Pam if she does not pay.

Because there is no oversight or enforcement of re-sellers, and because there are no rules protecting consumers like Pam, her landlord can charge her what they want.

Small businesses are at risk of experiencing poor outcomes due to the lack of protection by the MRP. Though we have called in this response for stronger enforcement powers with regards to resellers, even the current level of recourse provided to domestic MRP consumers would benefit small businesses.

5. Are you aware of barriers to resellers offering flexible tariffs (e.g., time or type of use tariffs) to domestic and non-domestic tenants?

Yes, we are aware of barriers to resellers offering flexible tariffs to domestic and non-domestic tenants. Based on people we've supported who are acting as resellers, a barrier may be that resellers find it difficult to understand the energy retail market themselves, and are not always clear on their responsibilities.

CASE STUDY: Jaz's story

Jaz recently became a part owner of a private residential caravan site. There is only one meter supplying all properties. Jaz is currently on a variable tariff, but recently received a bill for over £17,000. The bills are addressed to the previous owner, and because all caravans are supplied by one meter, all usage is lumped together. This makes it difficult for Jaz to know how to calculate what individual tenants owe.

Jaz is in debt, and his supplier has threatened to disconnect the property, and to take legal action against him. Many of Jaz's tenants have disabilities or long-term health conditions, and cannot afford to be off-supply. Jaz is in the process of installing individual meters in the properties, but this is a lengthy process.

For landlords like Jaz, it's difficult to understand the bills they receive. Many properties which rely on the MRP as a form of price protection are not set up to facilitate simple

engagement with flexible tariffs and other net zero products, often due to shared metering arrangements.

In order to ensure re-sellers have the opportunity to engage in the flex market, it is important that the regulator and Government work together to clarify the rules re-sellers are expected to follow, and produce guidance for suppliers on promoting flexibility to re-sellers and other intermediaries.

Another barrier, as seen in Jaz's story, is the physical infrastructure with which re-sellers may be operating. Energy resale arrangements which are in scope of this consultation may often be operating with complex or outdated metering equipment, which makes gauging their usage very difficult. As demonstrated in Jaz's case study, many consumers may be tied to one singular meter. This can make it difficult to assign usage. Many consumers protected by the MRP also do not have smart meters or sub-meters, making identifying consumption and engaging with flexible products even trickier. This can make it challenging for re-sellers to identify usage, and pass through savings of time-varying tariffs.

We have also seen evidence of situations where a tenant protected by the MRP does not want a smart sub-meter or a flexible tariff. They may not feel it is the best choice for them. It is important that consumers be provided with adequate choice, and that any flexible tariffs engaged with by the re-seller meet end-user needs. It is also unclear from current MRP guidance how estimates of a ToU tariff would be calculated for domestic consumers without sub-meters in place.

In general we think the best way to support flexibility is for re-sale arrangements to be avoided where possible, due to their inherent impact upon consumer choice around what tariffs will work for them. In contrast it is likely to be very challenging for a reseller to purchase a flexible energy tariff that works well for a number of different end users with different needs and characteristics.

6. Does the current MRP strike the right balance between capping prices and facilitating investment to deliver net zero and lower energy bills? Please explain your answer and provide evidence where possible.

At the moment, we do not think the MRP is effectively striking the correct balance. The present form of the MRP is neither capping prices, nor adequately facilitating investment to deliver net zero and lower energy bills. In addition, we are of the opinion that the emphasis within the MRP should be placed in favour of its function as a form of price protection.

CASE STUDY: David's story

David lives in a lodge freehold owned by a private company who supply all utilities. To pay for his gas and electricity, David pays the intermediary. The site was sold several months ago, and the new owners have increased the costs David is paying them for gas by 30%, and for electric by 60% with no prior notice.

Upon contacting them, the new owners told David that there had been no contract in place with a supplier, meaning they were likely paying deemed rates, explaining the spike in the cost. However, this means that there is little David can do about this situation. If the owners produce a bill which demonstrates this increase in costs, according to the rules of the MRP, despite not being responsible for the contracting lapse, David must pay these increased prices, putting him in financial difficulty.

In cases where the MRP has been breached, it remains practically very difficult for consumers to understand what their rights are.

CASE STUDY: Ashwin's story

Ashwin lives in a flat above a shop, and pays the letting agent for his energy usage. He has been paying £20 monthly, but this has recently increased to £420. When he asked the letting agent how the bills were being calculated, they were very reluctant to provide them. The bills are also very confusing, as they are produced for the entire property, which contains 3 flats and 2 shops. Ashwin cannot access his meter, but he knows he is with a non-domestic supplier.

It is likely that Ashwin's letting agent is in breach of the MRP. However, it is practically very difficult for Ashwin to understand what steps are necessary to take in order to set this right.

CASE STUDY: Leah's story

Leah lives in a caravan park, and is re-sold her energy by her landlord. The owner of the caravan park has recently increased the price of energy, and has not yet provided evidence of the increase being a pass-through cost from their supplier. Like many other residents in the park, Leah is disabled. There are also many residents who are retired and elderly. They are now receiving very extreme bills, up to £800. Leah is attempting to charge her landlord for failure to produce evidence of this increase, but she is confused about how the rules work.

The guidance that exists is inadequate, and targeted predominantly at resellers.

We also have seen multiple cases in which a consumer who is re-sold their energy has enquired why they are paying more than the price cap for their energy. As the MRP is not tied to the price cap, so long as their landlord can produce legitimate proof of this being a cost pass-through change, they have no choice but to pay.

Finally, when rules are broken, there is little practical recourse for consumers.

CASE STUDY: Sammy's story

Sammy is a tenant in a block of flats, who is re-sold her energy from her landlord. Each flat has its own meter. In the past they were coin-operated, but her landlord replaced them with digital prepay meters. Since the replacement, Sammy has noticed her electricity has become significantly more expensive, and she finds herself running out of credit very quickly. Whenever she purchases a top-up online, a 10% VAT service fee is deducted. This means Sammy is paying roughly 31.0p/kwh for her energy. This is over 5p/kwh more than the Ofgem price cap for July - September 2025.

Sammy contacted the platform, who confirmed that the 10% VAT added to every top-up are borne by the landlord, and can only be removed with the landlord's permission. Sammy believes her landlord is making a profit on reselling electricity through this percentage-based fee.

Sammy has tried to raise this issue with her landlord, but he refuses to discuss her concerns. He has also refused to allow Sammy to have a smart meter installed. Sammy has contacted Ofgem about this issue, who confirmed they cannot investigate individual resale disputes. This situation has caused Sammy and the other tenants in the building significant financial strain.

Consumers have the option to take their landlord to court, but practically this is very difficult. Often tenants will not have the requisite resources or knowledge to successfully navigate these systems. Due to the power imbalance which exists between a tenant and a landlord, it is also very difficult for a tenant to risk the stability of their living situation by pressing regarding an energy issue, or withholding payment.⁸

In addition to this, for the reasons addressed above, the MRP at present is not an adequate facilitator of the net zero transition. There are no incentives for resellers to seek competitive deals for their consumers, which can include flexible tariffs. It is also practically difficult for re-sellers to understand the flexibility market, and sometimes

⁸ Citizens Advice (2022), [Room for Reform: Embedding fair outcomes for tenants in tomorrow's retail energy market](#)

difficult due to physical metering arrangements. It is for this reason we believe that priority should be given to ensuring that the MRP functions as an effective form of price protection for consumers. It is especially important given that a high degree of consumers who experience energy re-selling arrangements are likely to be vulnerable.

7. What changes should we make to the MRP to facilitate investment? Please explain your answer and provide evidence where possible.

We are of the opinion that Ofgem should not rely upon the MRP as a method of facilitating investment in the net zero transition, where possible. The creation of new sub-metering arrangements and inherent reliance upon the MRP for protection creates unfavourable outcomes for consumers, and attention should instead be given to other methods through which the net zero transition may be facilitated.

There are some steps Ofgem could take to facilitate investment in the net zero transition via the MRP. Firstly, Ofgem should take steps to produce and renew guidance. Existing guidance is outdated, and there is no existing guidance for consumers living in these arrangements. Ofgem must produce updated guidance for re-sellers and should also produce new guidance for consumers, recognising that the MRP encompasses a wide range of domestic end-use scenarios.

Ofgem should also explore methods of incentivising re-sellers to safely engage with flexible tariffs for their tenants. We support Ofgem making the change flagged in the call for input to update the MRP to include standardised tools to enable resellers to estimate consumption and ensure they can pass on time-varying prices. Ofgem should work with industry to create common load profiles for different types of consumers. This will then make it simpler to produce tailored guidance for these consumers. Though further information is needed about the types of tools being proposed, we would support the introduction of these under the MRP as a facilitation tool for resellers to engage with flexible products.

Ofgem's suggestion for incentivising landlords, allowing them to retain a small margin if they engage with flexible tariffs, is something that should be approached with caution. It is true this would provide an incentive for landlords to engage with flexible tariffs, but it is critical that this does not penalise the end consumer with unaffordable energy, or negligible benefit from engaging with a flexible tariff. Ofgem should consult with industry to understand what solutions are being explored across the current market. But in the absence of an enforcement body or mechanism when it comes to resellers, there are multiple ways that consumers protected by the MRP can be exposed to harm.

Where possible, we believe that Ofgem should not rely upon the MRP to facilitate net zero investment. This is due to the inherent risks posed to the end-user consumer as a result of an overreliance upon re-sale and sub-metering arrangements. Consumers are exposed to high metering costs, as these are excluded from MRP and may be recovered by a reseller. This may be particularly risky for sub-metered prepayment users as metering costs can accrue as debt, putting them at risk of self-disconnection. Sub-metering, as explored above, necessarily restricts consumer choice and protection. As well as this, it prevents them receiving energy affordability measures such as Additional Support Credit or the Warm Home Discount. It also makes it very difficult for re-sellers to pass through any savings from engaging with flexible tariffs.

CASE STUDY: Lucy's story

Lucy rents a flat, and pays for her energy via a prepayment sub-meter which she tops up online. Lucy is running low on her electricity supply, with only 88p remaining on the meter. Lucy cannot afford to top up her meter, and will soon go off supply. She has asked her landlady for possible support, but her landlady has assisted Lucy once before and has said she will not help again.

Because Lucy's landlady is the account-holder, Lucy cannot be provided with Additional Support Credit. Lucy has been advised to approach her local council for assistance, but there is no guarantee there will be any available.

Instead of a reliance upon sub-metering arrangements, we would call attention to BSC code modification P375, which enables secondary meters behind the meter boundary to be used for balancing and settlement. Ofgem should explore whether it is possible to build on this to enable consumers with resale arrangements more control over their energy. This could enable consumers to have a direct relationship with their energy supplier, and the concomitant protections of being a domestic consumer. This would provide much greater protection for consumers, and incentives to engage with net zero technologies than they currently experience.

Finally, where possible, we would reiterate our call to avoid reliance upon the MRP in situations which would be more adequately attended to by a light-touch authorisation regime. This decision sits with the government, but is appropriate to raise in this response as a result of the fact that many of the suggested changes, which are broadly positive, will be ineffective without appropriate enforcement. In the absence of a body which provides access to independent redress and holds enforcement capabilities for resellers, it is likely that the MRP will continue to function less effectively than it could. Many of the changes, without enforcement and communication, will depend upon how engaged a consumer's landlord or reseller is with the process of regulation. Resellers

who are highly engaged are likely to be the ones to make the change, and less engaged resellers will not. This will result in unequal outcomes for consumers engaging with the retail market via an intermediary.

8. What evidence is there of domestic households in shared and multiple occupancy settings with dedicated EV infrastructure (namely tenants and leaseholders) being overcharged as a result of the resale of electricity?

We do not have case evidence to evidence whether this is an issue, and if so, to what scale. However, we would like to flag that we are in favour of tenants and leaseholders being able to access cheap overnight rates for EV charging. The application of the MRP in this situation may make this more difficult, due to the inherent difficulty of passing through time of use savings via a re-seller without appropriate sub-metering in place.

Questions 9 - 15 not answered.

9. What evidence is there of non-domestic EV users experiencing harm due to the resale prices being charged in private business tenancy settings?

10. Do you have evidence of the impact of Ofgem's 2014 decision to disapply the MRP on EV infrastructure investment and roll-out? If Ofgem introduced MRP protections for dedicated EV infrastructure in domestic resale settings, what impact would this have on landlords' ability to invest and future chargepoint rollout?

11. Should we consider adopting a segmented approach to the MRP? If so, are there EV charging situations where the MRP exemption should no longer apply? In addition, what other methodologies for setting the MRP should we be considering?

12. Given the focus on marine decarbonisation, should we reconsider how the MRP is applied in marine charging scenarios? If so, should this apply to all charging scenarios or only some?

13. If the MRP protections should apply in some situations, which scenarios should be considered for inclusion? What criteria should we use in defining/identifying the types of marine craft where MRP exemptions should apply?

14. Do you see the alternative ways of recovering costs mentioned as potentially effective? What would be other non-MRP ways of recovering costs?

15. Should power for domestic purposes be treated differently from propulsive power? Are there ways to distinguish between these uses at the point of charging?

16. What evidence is there of batteries being used in reselling arrangements? What are the benefits and risks of this approach for consumers, and is further consideration of this use-case by Ofgem and DESNZ warranted in the near term?

We do not have case evidence to evidence whether this is an issue, and if so, to what scale. However, the case for introducing a rule within the MRP to specifically exclude or include batteries from re-sale arrangements risks creating an unnecessary level of complexity. This option better lends itself to regulation under a light-touch authorisation regime than an alteration of MRP rules, which are necessarily prescriptive. As the net zero transition continues, and there is increased use of net zero technologies such as batteries, it is important that Ofgem have the ability to respond to such changes in a flexible manner, adapting to market conditions and changes as they arise.

17. Does the MRP strike the right balance between empowering the end consumer to exercise their right to transparency versus not placing an undue burden on the reseller? How do you think we could improve transparency?

We believe that the MRP in its present form does not strike the correct balance. In practice, it leaves consumers vulnerable to the adherence of their reseller to the rules. Many cases which come through our Consumer Service involve consumers being resold their energy, who either find it very difficult to receive a bill from their reseller or are refused one. In some cases, the reseller will not even tell the consumer the name of the supplier. Though the current rules set out the consequences of failing to provide accurate, timely information - i.e. the ability for a consumer to deduct from money due from this point - they are not always practically enforceable. In the absence of an independent route to redress for these consumers, it can be very difficult for them to exercise their right to transparency.

We are of the opinion that consumers' ability to exercise their right to transparency should take precedence over the risks of placing undue burdens on resellers. Though this is an important consideration to take, given that many resellers themselves are lacking in knowledge and are time-poor, the risks of harm posed to consumers should they be unable to exercise their rights to transparency are much greater.

In order to strike the correct balance, we would encourage Ofgem to introduce tools into the MRP which could ease the burden of navigating flexible tariffs for resellers. Any tools used or developed should have an emphasis placed on easy generation of bills for end users to see. We would also encourage Ofgem to consider reviewing the rules on how consumers can calculate the interest they should deduct from a bill, and introduce guidance. The present rules are difficult for consumers to understand, when they are aware of them at all, so they should be reviewed to test for fitness.

Finally, this should all be considered in line with our previous suggestions over the longer term to introduce a more flexible, light-touch authorisation regime for regulation of key activities in the retail market, of which re-selling energy would form a part. In addition, it should be considered alongside our proposals to consider BSC code modification P375 and its enabling of secondary metering. In order to ensure that as far as possible these issues are minimised for consumers, reliance upon sub-metering should be avoided wherever possible.

18. Do you believe the current penalties for breaching the reselling rules are an adequate deterrent?

The current deterrents that may influence a reseller to abide by reselling rules are listed below. Their impact is not only negligible but also difficult to monitor given the lack of requirement for the reseller to declare the resale of energy or redress options available to the consumer, and the absence of any requirement for resellers to register before reselling energy:

1. **Request evidence of energy costs to the reseller:** in order to prove that reselling rules have been broken and back up a request for bill deduction from the reseller. However, as outlined by this call for input, this will not always be provided by the reseller, particularly where rules have been broken, and the consumer may not feel empowered to request this evidence. There is likely to also be a lack of clarity available to resellers on how to calculate the cost of the energy that they are charging their tenants or those they are reselling energy to. This process may be complicated and they may require support, and it is unclear where they can go for support with this.
2. **Deduct the overpaid or overquoted sum from the bill:** the consumer may only attempt to do this where evidence of broken reselling rules has been provided by the reseller, which, as above, is unlikely. Even with such proof, the consumer may not feel empowered to deduct the interest from the bill due to the power imbalance that is likely to exist between them and the reseller, who is likely to be their landlord/housing provider.⁹ Furthermore, this process can be arduous and potentially inaccessible for many domestic tenants who are resold energy.
3. **File a civil court claim against the reseller:** to reclaim the amount overpaid for their energy consumption. This is an arduous, time consuming and costly

⁹ Citizens Advice (2022), [Room for Reform: Embedding fair outcomes for tenants in tomorrow's retail energy market](#)

process that many consumers, particularly those who are vulnerable, will be unable to complete without significant practical support, and legal aid is not available unless the issue presents the risk of homelessness. Furthermore, consumers may be unlikely to begin this process due to the power imbalance between them and the reseller, who is likely to be their landlord/housing provider, and for fear of the negative consequences of doing so - namely, eviction or rent increases.

Therefore the current penalties for breaching the reselling rules are not an adequate deterrent, and more needs to be done to improve enforcement and accountability of the rules, as will be laid out in our response to Q19.

19. Do you have any suggestions on measures that could be taken to improve enforcement and accountability?

We think the suggestions laid out by Ofgem in paragraph 2.7 would be positive first steps towards improving the transparency of reselling arrangements, and improving accountability for resellers. Requiring re-sellers to provide evidence that they have sought competitive rates, as well as clarity over any agreement of any tenancy contract/reselling agreement and when any change is made to these is a positive step towards empowering MRP consumers to engage with their energy supply. As well as this, we think introducing mechanisms by which consumers can challenge the price they are paying for their energy, particularly where it rises above the price of the domestic price cap. Both measures when taken together will improve the enforcement and accountability aspects of MRP, though only to a point.

Without regulation of the energy re-sale market, enforcement and accountability for situations encompassed by the MRP are likely to continue to be problematic. As such, we reiterate the importance of the MRP coming under the umbrella of a light-touch authorisation regime. Without a flexible, forward-looking approach to regulation, key activities such as the resale of energy will continue to put consumers at risk of poor outcomes.

CASE STUDY: Ahmed's story

Ahmed's landlord is reselling energy to him as part of his housing agreement. He has been charged £3,118 for 152 days, which Ahmed believes is too high for his level of energy consumption. The landlord has threatened eviction for non-payment of this outstanding energy fee. At no point did the landlord provide any information regarding the energy costs in the tenancy agreement, nor a breakdown of how these have been calculated.

Ahmed has limited access to redress, and his only option is to make a court claim for money owed to reduce the outstanding bill. However, this is an arduous and potentially inaccessible and costly process for Ahmed, and due to the amount of time required to complete the process, he may risk being evicted by the landlord before the situation is resolved. Furthermore, Ahmed is hesitant to challenge the bill due to the power imbalance between himself and the landlord.

In addition, the MRP should not be relied upon to govern metering arrangements. Sub-metering, particularly prepayment sub-metering, puts consumers at risk of poor outcomes, exposes them to energy costs they cannot afford to pay, and limits choice.

CASE STUDY: Alessandro's story

Alessandro lives in a park home property and pays for their electricity through a management fee paid to a management company. The management company has provided a breakdown of how the energy costs have been calculated. However, this includes the Climate Change Levy (CCL), which is only supposed to be charged to non-domestic consumers. As a domestic energy consumer, the client believes he should not be responsible for paying this fee.

Alessandro is unable to access any redress, or escalate this matter beyond querying it with the management company, unless he were to make a small court claim for money owed - which could be an arduous, costly and timely process that may be inaccessible for Alessandro without legal support, which he cannot afford.

Given the limited options available to consumers who are mis-sold energy by resellers, it is crucial that sufficient deterrents for resellers are introduced, and consumers are empowered to hold resellers to account without any subsequent negative consequences. This is only likely to be possible under an authorisation regime, with re-sale expressly regulated.

20. Is there anything else we should be considering with respect to the MRP?

We would like to take this opportunity to reiterate what we have called for throughout our response to Ofgem's call for input. The high burden of metering costs, not currently included under the MRP, can be too much for end-use consumers to bear. Plus, on prepayment sub-meters, metering costs may accrue as debt, leading to an increased risk of self-disconnection. The government should consider bringing metering costs within the scope of the MRP, or produce guidance for re-sellers as to what constitutes a 'reasonable' metering cost recovery charge. Consumer challenge mechanisms should

also be introduced for the use of consumers who feel they may be paying too much for their energy.

Where possible, we consider that the MRP should not be relied upon. Re-sale arrangements, by their nature, limit consumer choice and protection, inhibiting their ability to engage in the retail market. In particular, looking forward to 2030, sub-metering is likely to prevent meaningful engagement on the part of re-sellers with net zero initiatives such as flexible tariffs, due to the difficulty of passing any savings on to the end user. Guidance should be produced to assist re-sellers with this, such as the creation of common 'user load' profiles unique to different types of domestic consumer who may be re-sold their energy, in order to make it more simple to pass through savings of time of use tariffs. However, where possible we think the MRP should not be relied upon as adequate protection for domestic consumers on non-domestic contracts. The same goes for sub-metering. We would encourage the government and Ofgem to take steps towards limiting the use of submeters, and in particular prepayment sub-meters. This is because prepayment sub-metering puts domestic consumers at the risk of self-disconnection if they cannot afford to top up, and without access to affordability support such as ASCs or the WHD which other domestic consumers may receive.

We would also like to flag the opportunity presented by this call for input to consider introducing rules for non-domestic suppliers where they supply domestic end-users. There may be no re-sale arrangement under this contract, but the consumer's end-use is domestic. For example, a shop or a pub may have a non-domestic contract for the business, which the owner lives above. The solutions to these issues could be to introduce a requirement on non-domestic suppliers to consider the end user of a contract, whether they are supplied via MRP or directly.

Instead, we would encourage Ofgem to consider to what extent BSC code modification P375 lays groundwork for the use of secondary metering in place of sub-metering. This would enable domestic end-users to form a direct relationship with their energy supplier, and engage in flexible offerings as savings could be passed through.

Finally, we would like to encourage Ofgem to work together with the Department for Energy Security and Net Zero to ensure that this workstream on the MRP is aligned with other ongoing changes being considered for the retail market: updated Guaranteed Standards of Performance; the Consumer Outcomes Framework; plans for the non-domestic smart meter rollout post-2025 framework; TPI regulation; load controller regulation. In order for the changes to function as effectively as they might, particularly with regards to the MRP, it is crucial that these workstreams are aligned. We would thus

encourage the government and Ofgem to introduce a light-touch authorisation regime which would regulate key activities, including the re-sale of energy, and ensure there are no gaps in protection for consumers at the end of the ongoing work to ready the retail market for net zero.

Please feel free to contact me if you have any further questions about this response.

Regards

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