

# **Heat Trust MOD032**

## **Facilitating a smooth Scheme transition to Ofgem regulation**

Consultation response



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.

As part of our new role as the consumer watchdog for heat network consumers, we'll apply our expertise and insights to highlight the issues consumers face and ensure their voices are heard as the sector develops. We're pleased to see such a clear commitment to supporting Heat Trust members achieve a smooth transition to Ofgem's regulatory framework. The proposed timelines and framework are well considered. The continuation of the Scheme until January 2027 helps reduce the risk of gaps in consumer protection and supports members in becoming regulation ready.

# Question 1

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## **Do you agree with the Committee's initial view that MOD032 would better facilitate the achievement of the Scheme Objectives and should be approved?**

Yes, we agree.

The transitional arrangements support continuity of minimum standards for consumers on Heat Trust-registered sites during the registration period of Ofgem's new regulatory framework. The proposals give due care and attention to interactions and potential conflicts with Ofgem's regulations during the transition period when the scheme operates in parallel. The criteria and process for making Permitted Variations support the outcomes of being flexible enough to adapt to Ofgem's developments while also providing certainty about the transition to scheme stakeholders.

We welcome the introduction of clear deadlines for new entrants to join the scheme and for existing members to add new sites. Setting a defined cut-off date, removing public access to application forms, and clearly signposting this on the website will help ensure a smooth and transparent transition. We also welcome the arrangements for informing consumers about the scheme's termination, including the requirement for members to issue the 'Scheme termination sheet'. This will help consumers understand what the changes mean for them and where to find further information. The 8 week period strikes the right balance between giving consumers enough time to make enquiries and avoiding the risk of confusion if the termination date changes.

As the proposals state, Ofgem may extend their registration period beyond January 2027, up to a month before the deadline, with no set timeframe for approval on any extension's duration. We therefore support the Heat Trust's decision not to automatically align the scheme's extension with any potential Ofgem registration extension. We welcome the requirement to make any decision to extend no later than 8 weeks before the scheme end date. This allows for a clear timeline for communicating the end of the scheme to consumers and should encourage members to complete registration with Ofgem.

## Question 2

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**Do you agree that the draft legal text delivers the intention of MOD032?**

Yes, we agree.

## Question 3

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**Do you agree with the proposed implementation date for the legal drafting of two working days after Board approval of MOD032 (so 19 September 2025 if approved at the 17 September Board meeting)?**

Yes, we agree.

The timetable allows time for feedback and revisions ahead of the Board's decision. There is a month to incorporate any amendments following the consultation, and another month to address any recommendations from the Committee. The legal drafting should be final by the time it reaches the Board, so an implementation of 2 working days later should not present any issues.

## Question 4

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**Do you have any other comments about MOD032?**

No.

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

We're here for everyone.

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Published July 2025.

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.