

Heat Networks Regulation: consumer protection guidance consultation (Ofgem)

Response from Propertymark

October 2025

Background

1. Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.¹

Consultation – overview

2. Ofgem's *Heat Networks Regulation: consumer protection guidance* consultation asks for views on Ofgem's proposals for consumer protections for heat networks in Great Britain (England, Scotland and Wales) for heat networks. The consultation seeks views on complaint handling, billing practices and protections for vulnerable consumers. This arises from Ofgem's duties under the Energy Act 2023 and Heat Networks (Scotland) Act 2021 to regulate heat networks in England, Scotland and Wales from 2026.

Propertymark response – summary

3. Thank you for the opportunity to respond to the consultation on consumer protection guidance for heat network customers. Propertymark has made a number of suggestions for additional clarity in future iterations of the guidance, and in the main, agrees and welcomes this guidance. One particular area of concern is that council house tenants appear to have a more complex route of redress than private sector tenants, and that local authorities have greater lengths of time to issue back-bills than private sector landlords.

Questions

Q1. Do you find our proposed guidance on the Standards of Conduct relevant to the corresponding authorisation condition, and useful?

¹ <https://www.propertymark.co.uk/>

4. Propertymark agrees that the proposed guidance on the Standards of Conduct is relevant and useful, and the table of broad principles and consumer outcomes is helpful. There are some suggestions for improvements set out in response to the following question.

Q2. What should we consider including in a future iteration of the guidance on the Standards of Conduct, to make it more useful?

5. In respect of the reasonable expectations set out for respectful, considerate interactions with consumers on the part of the authorised person, we agree that authorised persons should not demonstrate hostility, be unprofessional or refuse to engage with consumers. However, there will be occasions where a consumer behaves in a hostile and unreasonable manner, and it may be reasonable for an authorised person to refuse to engage with such a customer except in writing, for example. It may be helpful for Ofgem to provide guidance on the circumstances where this is appropriate and the appropriate forms of communication with a hostile and unreasonable customer making vexatious or unfounded complaints.
6. In respect of customer service processes, Propertymark notes the second example of poor behaviour set out in section 1.22 where a consumer was advised they were only able to contact a supplier by web chat or web form, and no record of the conversations was provided following the web chat. Propertymark notes that some customers may prefer to speak to someone by telephone, or correspond in writing, either by post or by e-mail. Propertymark suggests that a clear list of forms of communication which customers can reasonably expect be set out in future guidance.

Q3. Can you share some examples of how you have approached consumer engagement practices, where this has improved your understanding of consumer needs?

7. Propertymark does not hold any evidence from members on this topic.

Q4. Do you find our proposed guidance on complaints relevant to the corresponding authorisation condition, and useful?

8. Propertymark agrees that the proposed guidance on complaints is relevant and useful. There are some suggestions for improvements set out in response to the following question.

Q5. What should we consider including in a future iteration of the guidance on complaints, to make it more useful?

9. Propertymark does not agree that authorised persons subject to Schedule 11 of the Commonhold and Leasehold Reform Act 2002 should be able to charge an administration fee for providing a copy of their Complaints Handling Procedure as set out in section 2.33. It is not clear that law as written allows for this; but if it is the case that this law does allow for the charging of an administration fee for provision of a copy of the Complaints Handling Procedure, Propertymark encourages Ofgem to remove suppliers and operators to work with the UK Government to remove this possibility. Charging a fee for a complaints process is likely to be viewed by the prospective complainant as antagonistic behaviour on the part of the supplier designed to hinder the process of complaining. Costs of providing the complaints handling procedure, particularly in digital format, ought to be negligible. This seems particularly incompatible with 2.15 'Consumers must be made aware of the authorised person's complaint handling procedure not less than annually.'

Q6. Do you find our proposed guidance on assistance and advice information relevant to the corresponding authorisation condition, and useful?

10. Propertymark agrees that the proposed guidance on assistance and advice information is relevant and useful. There are some suggestions for improvements set out in response to the following question.

Q7. What should we consider including in a future iteration of the guidance on assistance and advice information, to make it more useful?

11. It may be helpful for Ofgem to be more prescriptive about the sources of assistance and advice information they consider important. It may also be helpful to clarify the regularity with which assistance and advice is provided if it is conducted through a means other than a website; for example, suppliers might be expected to provide a certain level of advice and assistance once a year, and that advice should include steps customers can take if they struggle to meet the cost of their bills.

Q8. Do you find our proposed guidance on billing and transparency relevant to the corresponding authorisation condition, and useful?

12. Propertymark agrees that the proposed guidance on billing and transparency is relevant and useful. There are some suggestions for improvements set out in response to the following question.

Q9. What should we consider including in a future iteration of the guidance on billing and transparency, to make it more useful?

13. In respect of the regularity of bills issued as set out under 3.6, it may be helpful in future to provide additional guidance in respect of properties where the relevant consumer is not reasonably able to provide a meter reading, either as a result of vulnerability or the location of the meter. In those circumstances, it would seem reasonable to require the heat supplier to make arrangements to take annual meter readings on behalf of the relevant customer to ensure their bills are accurate and they do not suffer detriment as a result of estimated bills. Equally, it would ensure that the heat network supplier is adequately remunerated if the estimation is too low.

14. In the interests of transparency, Propertymark suggests that future guidance on minimum requirements for billing information should include a requirement for the bill to be broken down into unit charges and standing charges, and that information should be provided on the formation of the standing charge- for example, bad debt or infrastructure costs.

Q10. Can you share some examples of best practice for billing, including any examples of templates or bills currently sent to consumers?

15. Propertymark does not have any such examples.

Q11. Do you have any views on non-domestic billing guidance?

16. Propertymark notes that draft authorisation condition 13 in respect of the provision of billing and price transparency of information does not apply to non-domestic customers. However, non-domestic customers are not immune from the issues which domestic customers face, and similar protections should be put in place for non-domestic customers. In particular, non-domestic

customers should have the same billing information provided as domestic customers. Given that the Energy Ombudsman is now open to small businesses, defined as having fewer than 50 employees or an annual turnover of at most £6.5 million, or a balance sheet total of £5.0 million, it would be sensible to bring the same billing protections in for non-domestic customers.

Q12. Do you find our proposed guidance on back-billing relevant to the corresponding authorisation condition, and useful?

17. Propertymark is less confident in the guidance on back-billing. However, Propertymark acknowledges that the complications in the guidance arise from the existing legislation in the Landlord and Tenant Act 1985. There are some suggestions for improvements set out in response to the following question.

Q13. What should we consider including in a future iteration of the guidance on back-billing, to make it more useful?

18. As implied above, Propertymark does not think it is satisfactory that different rules apply in respect of back-billing depending on whether a property is in scope of the Landlord and Tenant Act 1985. It does not seem reasonable that council house tenants should have a more complex route of redress than private sector tenants, or that local authorities should have greater lengths of time to issue back-bills than private sector landlords. Indeed, this could provide cover for those local authorities with lax or disorganised billing practices.

19. Propertymark therefore suggest that Ofgem work with MHCLG to ensure all domestic customers of heat networks have equal rights and redress, regardless of the type of tenure of the premises.

Q14. Do you find our proposed guidance on heat supply contracts relevant to the corresponding authorisation condition, and useful?

20. Propertymark agrees that the proposed guidance heat supply contracts is relevant and useful.

Q15. What should we consider including in a future iteration of the guidance on heat supply contracts, to make it more useful?

21. Propertymark has no suggestions at this time for future guidance on heat supply contracts.

Q16. Can you provide any examples of best practice for heat supply contracts/agreements?

22. Propertymark does not have any such examples.

Q17. Do you agree with our use of “deemed contract”?

23. Propertymark agrees with the use of deemed contract for circumstances where a consumer is supplied with energy after moving into a heat network property or when a heat supplier is not made aware of a new resident moving into a property it supplies.

Q18. Can you provide any examples of best practice for termination of contract, including scenarios where a consumer terminates the contract or disconnects but continues to live in the property?

24. Propertymark does not have any such examples.

Q19. What are your views on transitional arrangements and timelines for implementing heat supply contracts?

25. As a matter of best practice, Propertymark would encourage suppliers to replace existing contracts as soon as reasonably practicable. By way of comparison, letting agents who are Propertymark members are already changing their contracts with tenants in anticipation of the Renters' Rights Bill becoming law in England, and the transitional arrangements which Ofgem has set out risk creating a confused picture for suppliers, where some customers are on old contracts and some on new contracts.² Given that all heat networks must be authorised by 26 January 2027, Propertymark recommends that all heat network customers should be issued with new contracts by that date.

² <https://bills.parliament.uk/bills/3764>

Q20. Do you have any views on interactions between the protections for heat network consumers in vulnerable situations and existing regulations in housing, such as the social housing, leasehold and freehold, and private rental sectors?

26. In respect of the private rental sector, the UK Government has announced that a Private Rented Sector Landlord Ombudsman will be set up in due course for landlords in England, and provisions have been made for this in the Renters' Rights Bill. The UK Government intend for the details of the scheme to be published with significant lead-in time and to be piloted before landlords are required to be members, so Ofgem may wish to monitor the creation of the new Ombudsman to avoid any duplication.

Q21. Do you find our proposed guidance on priority services registers relevant to the corresponding authorisation condition, and useful?

27. Propertymark agrees that the proposed guidance on priority services registers is relevant and useful. There are some suggestions for improvements set out in response to the question 25.

Q22. Do you find our proposed guidance on security deposits, payment difficulties, disconnections and direct debits relevant to the corresponding authorisation condition, and useful?

28. Propertymark agrees that the proposed guidance on security deposits, payment difficulties, disconnections and direct debits is relevant and useful. There are some suggestions for improvements set out in response to the question 25.

Q23. Do you find our proposed guidance on prepayment meters relevant to the corresponding authorisation condition, and useful?

29. Propertymark agrees that the proposed guidance priority services registers is relevant and useful. There are some suggestions for improvements set out in response to the question 25.

Q24. Do you find our proposed guidance on self-disconnection relevant to the corresponding authorisation condition, and useful?

30. Propertymark agrees that the proposed guidance on self-disconnection is relevant and useful. There are some suggestions for improvements set out in response to the question 25.

Q25. What should we consider including in a future iteration of the guidance on protections for consumers in vulnerable situations, to make it more useful?

31. In respect of priority service registers, as set out by the Standards of Conduct which provide guidance on the definition of vulnerability, some vulnerabilities will be circumstantial and therefore time limited. 6.8 notes that 'vulnerability is not static'. However, there is no current reference to reviewing the priority service register to make sure that the circumstances which may make a person vulnerable remain. The risk of not doing so is that a subset of those who could be considered vulnerable on a time-limited basis (for example, in the months following a family bereavement) continue to benefit from the priority service register on a time frame beyond what is reasonable.

32. In respect of debt recovery, 6.37 refers to the use of debt collection agencies. It may be helpful to provide additional guidance on the steps suppliers should reasonably take before engaging a debt collection agency, as suppliers may consider it more straightforward to engage a debt collection agency more quickly in the absence of such guidance.

Q26. Do you find our proposed guidance on the security of supply relevant to the corresponding authorisation condition, and useful?

33. Propertymark agrees that the proposed guidance on the security of supply is relevant and useful.

Q27. What should we consider including in a future iteration of the guidance on the security of supply, to make it more useful?

34. Propertymark has no suggestions at this time for future guidance on security of supply.