

Consumers dependent on commercial energy contracts still face risk of gas supply being cut-off and huge price increases

3 years ago



Hundreds of thousands of households are at risk of being cut-off from their heating and hot water due to inadequate regulations - with vulnerable customers most exposed, according to a leading national consumer protection scheme.

[Heat Trust](#), the consumer champion for people living on heat networks in the UK, has urged the government to close a loophole in the law which leaves vulnerable customers at risk of losing heating and hot water when their building has its gas supply disconnected.

Such customers will also not be protected by any price cap once the temporary Energy Bills Discount Scheme (EBDS) runs out in March 2024, which could leave them once again exposed to huge price rises in the event of further volatility in the wholesale markets. This follows some heat network consumers reporting price rises exceeding 700% during the recent energy crisis.

Up to 900,000 heat network customers in the UK rely on non-domestic energy supply contracts - where a building owner or building management company has a commercial contract with the energy supplier and then passes the costs on to domestic consumers living in their buildings.

These non-domestic contracts offer far less protection than domestic utility contracts where homeowners are protected by Ofgem license conditions. This has led to cases where entire blocks of flats have faced

disconnection from their gas supply due to payment issues from a building management company.

Responding to the government's call for evidence on domestic customers reliant on non-domestic energy contracts, Heat Trust makes a number of key demands in its response, including:

- An ongoing price ceiling for non-domestic supplies serving residential buildings, to give customers equivalent protection to the price cap for domestic energy contracts;
- Protection from disconnection of whole residential buildings in the case of an owner or manager not paying bills on time; and
- A new national register of residential buildings served by non-domestic energy contracts.

Heat Trust also raised in its response the lack of access that communal electricity customers have to the Warm Homes Discount Scheme. Such support schemes provide a vital lifeline to many vulnerable consumers by offering a reduction in costs. Heat Trust is urging the government to establish a pathway to allow communal electricity consumers access to this scheme.

Stephen Knight, Director of Heat Trust, said: "As heat networks become more common, we need to ensure that regulations offer equivalent protection to their customers to those afforded to the customers of traditional domestic energy suppliers.

"Whilst the government is separately looking at regulating the operators of communal and district heating systems, which is great news, customers are also impacted by the lack of regulation of the energy supply to these operators.

"Heat Trust therefore welcomes the government's call for evidence and hopes that the issues we have raised in this response are addressed to ensure that customers are treated fairly."

Heat Trust is committed to continuing its work with the government and Ofgem to establish a more trusted and regulated sector, and ensuring heat network consumers are protected at every stage.

Heat Trust's full response can be found [here](#).

The call for evidence can be found at

<https://www.gov.uk/government/calls-for-evidence/domestic-consumers-with-non-domestic-energy-supply-contracts-call-for-evidence> and ran until 18 September 2023.