

“Regulation of heat networks will fail consumers unless it delivers lower prices, increased reliability and fairer practices”, cautions national consumer champion

3 years ago



The 900,000 heat network consumers in Great Britain will judge regulation to have failed if it does not deliver cheaper, fairer and more reliable heating systems that are fit for the future.

This is the warning from Heat Trust to government and Ofgem (the future statutory regulator for the sector).

Responding to a joint consultation by Ofgem and the Department for Energy Security and Net Zero on their planned statutory protections, the national heat networks consumer champion outlined the areas in which it intends to hold regulation to account on behalf of consumers.

These areas include ensuring consumers do not pay an unaffordable price premium for being on a heat network - requiring transparency, monitoring and regulation of the root causes of high heat bills.

Additionally, driving improved heat network reliability on both new and existing networks through requiring minimum technical standards with a clear assurance and enforcement framework to deliver them.

Ensuring heat suppliers are held to account for standards of fair, transparent and good-value customer service is also an area flagged by Heat Trust - requiring informed, timely and targeted enforcement action where these aren't met, as well as providing consumers with independent dispute resolution to the Energy Ombudsman when things go wrong.

Heat Trust's key demands also included ensuring that:

- There is a clear regulatory culture of compliance from the very start
- Housing and energy regulations work in harmony, not conflict, to protect consumers (critical because the vast majority of heat suppliers are landlords)
- The most expensive and inefficient heat networks are targeted for accelerated remediation to improve their efficiency
- Where penalties or compensation are payable for service failures, heat suppliers cannot simply recover these costs from consumers

Stephen Knight, Director of Heat Trust, said: "Since our launch in 2015, Heat Trust has consistently called for government intervention in ensuring that heat network consumers have equivalent rights and protections to traditional gas and electricity consumers. We have continuously advocated for statutory regulation of heat networks and believe this can't come quickly enough.

"Consumers must be able to have confidence in heat networks, if these networks are to help decarbonise heat through the government's target of serving 20% of homes by 2050.

"Many heat network consumers get a reliable and value-for-money heating system. But sadly too many suffer high prices, unreliable systems and poor customer service. The experience of consumers facing huge, uncapped, price rises during the energy crisis has been especially difficult. Because heat network consumers cannot switch supplier, it's vital that regulation delivers tangible improvements in terms of price protection, reliability and service quality.

"Our voluntary consumer protection scheme continues to lead the way in heat networks best practice and we're delighted that the proposed statutory protections recognise this by building on our own standards of customer service. As a voluntary scheme, we cannot regulate price or technical standards and so it's crucial that regulation addresses the root causes of consumer detriment in these areas.

"As experts in heat network consumer protection, Heat Trust is committed to continuing its work with government and Ofgem to establish a more trusted and regulated sector - ensuring that heat network consumers are protected at every stage."