

Ofgem's fair pricing plans still fall short for heat network customers

11 months ago



[Heat Trust](#) – the national consumer champion for people living on heat networks – has warned that Ofgem's latest proposals for 'fair pricing' protections risk failing the 500,000 households reliant on communal and district heating across the UK.

Responding to Ofgem's consultation on future pricing rules for heat networks, Heat Trust said the current plans do not go far enough to tackle unregulated energy costs facing heat networks and leave heat network consumers without the same level of protection enjoyed by gas and electricity customers.

Stephen Knight, Chief Executive of Heat Trust, said: "Forthcoming regulation of heat networks is great news for consumers, but Ofgem's proposals around price regulation do not yet deliver the level of fairness or price protection that heat network customers deserve. Many households are still paying twice as much for heat as those using gas boilers – and that simply isn't sustainable.

"We need urgent action from government to rein in unregulated costs and reduce unacceptable levels of heat loss from poorly performing systems.

"Unless these issues are addressed, we risk undermining public confidence in heat networks at a time when they need to be a key part of our low carbon future."

Heat Trust's response raises several key concerns, including:

- A lack of firm proposals to tackle volatile and excessive commercial energy costs faced by heat suppliers, which are often passed directly onto consumers.

- The need for cost allocation rules from the outset to prevent operators from passing inappropriate charges to consumers, including maintenance costs that landlords should cover.
- High standing charges and heat prices that are often opaque, unpredictable, and – in some cases – unaffordable.
- A missed opportunity to implement full transparency through a public register of heat network prices – a measure strongly supported by consumer groups but opposed by some suppliers.

The organisation also called for a greater voice for consumers in the regulatory design process to provide a counterweight to the multitude of suppliers being engaged in consultations.

“We’ve heard from residents on heat networks paying up to 77p per kWh for heat – ten times the cost of heating a home with a gas boiler,” added Knight.

“We urge government to go further than these proposals, engage more closely with consumers and their representatives and deliver the strong, enforceable protections that heat network users urgently need.”

Heat Trust continues to operate Britain’s only independent consumer protection scheme for heat networks and is calling on more heat suppliers to register as a step towards compliance with forthcoming statutory regulation due to be phased in from January 2026, a call endorsed by government and Ofgem.

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