



CORNWALL INSIGHT

CREATING CLARITY

Alert – Ofgem publishes approach and consults on implementation for Consumer Outcomes Framework

Headline assessment	
Documents:	Strategic Direction ; Implementation consultation
Consultation dates:	23/06/26 – 22/07/26
Impact classification:	High: Domestic Suppliers; Non-Domestic Suppliers
Action if desired:	Respond to the consultation

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1 Assessment and recommendation

On 23 June, Ofgem published its [strategic direction for its new Consumer Outcomes framework](#), confirming its final seven over-arching outcomes for domestic and non-domestic suppliers to focus on achieving.

Alongside this, a [consultation](#) was published seeking views on how the framework can be implemented into the licence, shifting regulation from prescriptive to more outcomes-based. Ofgem has chosen billing as the first area for consideration and sets out three options to introduce the framework:

- Outcomes-only delivery of billing standards.
- Outcomes-led framework with targeted protections for highest-risk harms.
- Mixed approach of billing outcome and prescriptive rules.

We recommend that suppliers and other interested stakeholders respond to the consultation to provide a view of what the most effective route for regulation would be. Responses are requested by 22 July 2026.

Cornwall Insight comment: While some options are more radical than others, any taken forward will represent a significant shift in Ofgem's approach to regulation. Choosing billing as the 'test' area for this new approach comes with some risk, though is arguably the area that consumers would see most benefit from should suppliers deliver against these new outcomes.

2 Background

In late 2025, Ofgem [published a call for input](#) on developing a new Consumer Outcomes framework for the retail energy market. The framework forms part of Ofgem's wider [Consumer Confidence programme](#), which aims to improve confidence in the sector, with the regulator reconsidering how it uses its regulatory tools to best achieve this. It therefore sought to introduce a framework that provides a clear structure for assessing how well the market delivers for different groups of consumers while supporting economic growth and the transition to net zero.

The framework in call for input proposed refocusing regulation on tangible results for consumers through a set of 24 Consumer Outcomes across five domains: debt, fair prices, quality and standards, low-cost transition, and resilience. Ofgem presented four implementation routes for consideration including:

- Incorporating outcomes into existing Standards of Conduct guidance (Standard Licence Condition (SLC) 0 and 0A).
- Creating hybrid licence conditions combining outcomes-based and rule-based requirements.
- Introducing reputational incentives such as including publication of supplier performance data.
- Developing annual Consumer Outcomes reports issued by suppliers or Ofgem.

Ofgem stated that these options aimed to simplify regulatory requirements, reduce administrative burden on suppliers, and make consumer expectations clearer. Below discusses the outcome of this consultation, and how it may be implemented.

3 Strategic direction

The strategic direction outlines Ofgem's plan to transition to a more outcomes-based form of regulation in the retail sector, and sets out seven specific consumer outcomes, applicable to both domestic and non-domestic consumers, that it seeks to meet:

1. Consumers are charged energy prices that represent fair value.
2. Consumers receive accurate, timely, accessible and understandable energy bills.
3. Consumers struggling to pay for their energy receive flexible payment options and proactive, tailored interventions.

4. Consumer concerns and complaints are addressed fairly, effectively, and promptly.
5. Consumers get clear, accurate, and timely information to help them make informed choices.
6. Consumers can switch providers and contracts without unnecessary barriers.
7. All products and services should be reliable and perform as intended.

Against these seven outcomes, Ofgem considers that consumers will get better real-world experiences, with future-proofed and trust-worthy protections, and that new innovations with suppliers being less restricted by prescriptive requirements will be beneficial. The potential monitoring capabilities of Ofgem are discussed below, but some examples of evidence that might be required from suppliers to demonstrate they have delivered on these outcomes include a random sample of customer-level dataset on tariff/energy prices paid for fair value; quantitative data on complaints volumes, resolution timescales, repeat complaints, and complaints escalated to the Energy Ombudsman; and supplier product and service design reports for a measure of reliability.

4 Implementation: Billing

Alongside this strategic direction, Ofgem published a consultation looking at how it can implement the new framework into the supplier SLCs. It considers a phased approach is necessary to integrating the framework into existing requirements and has chosen billing as an area across the licence that could transition from prescriptive to more outcomes-based regulation.

The regulator considers a number of SLCs that are in scope for change or amendment including: **SLC 21B** on billing based on meter readings; **SLC 21BA** on backbilling; **SLC 26.5(c)** on Priority Service Register meter reads; **SLC 27.17** and **27.18** on final bills; **SLC 31H** on relevant billing information; and the **Guaranteed Standards of Performance (GSOP)** for final bills and credit refunds.

These all relate to either the accuracy and timeliness of bills or the consumer understanding of bills, noting all apply to domestic consumers, SLC 21B applies to all non-domestic consumers and SLC 21BA on backbilling applies to microbusinesses.

4.1 Options

Ofgem proposes three options that range in flexibility:

Option A: Outcomes-only delivery of billing standards; complete replacement of prescription, maximum reliance on billing outcome.

Billing would be regulated solely through the requirement to deliver a good billing outcome, removing all prescriptive requirements including the GSOPs. Suppliers would be responsible for determining how they deliver bills, with Ofgem maintaining a role in setting expectations via guidance and engagement, as well as monitoring whether those outcomes are achieved. Ofgem noted this would be the most radical of the options presented and would create a fundamental shift in how it regulates the market, relying heavily on effective data gathering and monitoring.

Option B: Outcomes-led framework with targeted protections for highest-risk harms; replacement of most prescription, retaining provisions offering key consumer protections.

This option would involve introducing a good billing outcome as the primary requirement, however, would maintain a small number of prescriptive safeguards where failure may lead to significant consumer harm. Thus, it would replace prescriptive rules where doing so could introduce flexibility for suppliers. The key prescriptive requirements it would look to retain include:

- The 12-month restriction on backbilling under SLC 21BA.
- Providing enhanced meter read services for those on the Priority Services Register (PSR) under SLC 26.
- The GSOP setting out timeframes for issuing final bills and credit refunds.

Again, this would require a shift in Ofgem's approach to regulation, moving from rule-checking towards assessing consumer outcomes. This would demand greater supervisory judgement, stronger data capabilities and clearer escalation frameworks to address poor performance.

Option C: Mixed application of billing outcome and prescriptive rules; replacing prescription for flexibility where current performance is good, retaining prescription for consumer protection and standardisation.

The third option is less radical and sets the good billing outcome as a broader expectation, while maintaining a number of the existing prescriptive requirements. The requirements to be retained under this include those mentioned under Option B, but would also include:

- Suppliers taking all reasonable steps to reflect accurate meter readings in the next bill and to retrieve a reading at least once a year under SLC 21B.
- Requiring suppliers to provide basic billing information to help consumers understand and manage their bills under SLC 31H.

This is a more blended approach than Options A and B, with Ofgem highlighting that the need for stakeholder engagement becomes more critical, with ongoing dialogue needed to explain how flexibility should be used, to build shared understanding of what a "good billing outcome" looks like.

4.2 Monitoring

The consultation sets out Ofgem's view of what would be needed to ensure accurate monitoring for delivery of the good billing outcome. It presents these against the three outcome elements of accuracy, timeliness and understandability/accessibility. Ofgem would need suppliers to:

- Test regular energy bills to ensure actual meter readings match real consumption, and charges and/or fees are applied correctly to bills – this would be collected through quantitative analytical exercise to produce key metrics on bill accuracy.
- Survey customers with different bill frequencies/arrangements on whether they are satisfied with when their regular energy bills are delivered to produce a set of timeliness metrics – this would be done through a quantitative consumer survey with a supplier's customers.
- Test whether a supplier's customers understand their regular energy bills and that bills are accessible for them, broken down by sub-groups. This would require experiment-based consumer comprehension testing of bill content and accessibility.

4.3 Compliance and stakeholder engagement

Ofgem notes there will be a greater need for collaborative engagement with suppliers to understand how consumer billing outcomes are being delivered in practice, and how suppliers intend to address issues where poor outcomes are identified.

Ofgem also set out that it would look to compile all its existing guidance on billing, which is currently spread across a number of documents that have been published over the last few years, and simplify this into one single guidance document.

4.4 GSOP

As noted above, the GSOP also falls within scope for review as part of the changes to outcomes-based regulation. Ofgem discussed the [call for input](#) previously issued in November 2025. This looked more broadly at the role of the GSOP and how it can tie in with the work on consumer outcomes. Following stakeholder feedback, Ofgem is further aligning the GSOP review with the phased implementation.

As new GSOPs are drafted or assessed, Ofgem sets out key considerations for their design: clear, customer-centric rationale; ease of understanding and administration; evidence-based and achievable; measurable and enforceable; prevents detriment; identifiable customer; ability to improve; compensation not already provided; and mitigated risk of gaming.

Mixed feedback was received regarding Ofgem's thinking on how the scope of the GSOP framework and standards could change to meet objectives, including considerations for new areas of supplier services and greater inclusion of non-domestic consumers. Overall, the regulator considers that non-domestic consumers can be in scope of GSOPs where appropriate, particularly microbusiness consumers. This is already the case for appointments and the smart metering GSOPs. Though it does not rule out potential changes in future for small non-domestic consumers, it recognises a one-size-fits-all tool like GSOPs may be unsuitable for these consumers.

On design of the GSOP, Ofgem is consulting on two proposed changes to the GSOP payment mechanism:

- Introducing an automatic inflation uplift mechanism for the payment level.
- Repeating compensation payments for two GSOPs which relate to consumers being off-supply.

Stakeholders indicated that simplicity should be maintained within the GSOP mechanism to ensure that the automatic nature of the payments is not compromised. On the automatic inflation uplift, Ofgem proposes payment level would be updated each April based on the previous January's 12-month Consumer Prices Index including housing costs (CPIH) inflation rate published by the Office for National Statistics (ONS), rounding the payment level to the nearest £5 increment. Based on the current forecast, this would see the current £40 compensation level remain in place until 2029, where it would increase to £45.

On the repeated compensation payments, Ofgem explains that currently suppliers' payment obligations are explicitly limited to one payment per breach, even if the breach is ongoing. It considers that repeating payments would only be appropriate for the most serious breaches, and is considering two specific GSOPs (Regulations 5 and 6). The regulator wants to minimise complexity, thus is proposing two potential approaches to repeating payments: setting a uniform deadline of a repeated payment every 12 hours following the original deadline; and placing a cap on the number of repeated payments.

Feedback also indicated areas for Ofgem to improve its approach to supplier compliance under the GSOP, thus will be taking forward work on collection and transparency of GSOP compliance data.

4.5 Licence simplification

On the same publication date as this consultation, Ofgem also published another consultation on the simplification of the electricity and gas supply licences. The consultation aligns with the wider work to introduce a more outcomes-based approach to regulation with less focus on detailed rules and more focus on ensuring suppliers deliver results for consumers. The current SLCs for gas and electricity suppliers have grown to over 1,000 pages and Ofgem intends to progress changes to shorten the SLCs ahead of the reforms discussed above, thus has moved immediately to a statutory consultation on the changes. Feedback is specifically sought on the proposal to remove out-of-date licence conditions and the consolidation of definitions within the conditions, with views sought until 22 July.

5 Next steps

The responses to this call are requested by 22 July, after which the responses will be examined and Ofgem will publish a statutory consultation on finalised proposals to take forward. There is currently no indication of when the next consultation is expected to be published.



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