



National Audit Office




REPORT

Regulating water, energy and broadband to protect consumers in vulnerable circumstances

Ofwat, Ofgem and Ofcom

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Ofwat, Ofgem and Ofcom

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

2 June 2026

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Contents

Key information 4

Summary 5

Part One

The regulatory framework for protecting consumers 16

Part Two

Consumer experience: expectations and outcomes 21

Part Three

Addressing barriers for consumers in vulnerable circumstances 34

Appendix One

Our audit approach 53

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Key information

Consumer debt levels are substantial

£7.2bn

total debt owed by customers to energy supply companies and water companies by March 2025



118%

real-terms increase in customer debt to energy supply companies from March 2021 to March 2025



Customers with repayment plans have, on average, lower debt than those without plans in place

£1,000

energy customers on repayment plans owe around £1,000 less than those without one in place



£140

water customers on repayment plans owe around £140 less than customers without one in place



The take up of repayment plans is low

25%

of total customer debt to energy supply companies is held by customers who have repayment plans in place



22%

of total customer debt to water companies is held by customers who have repayment plans in place



Awareness of social tariffs is low, and customers can find it difficult to contact their companies

34%

only 34% of eligible broadband customers were aware of social tariffs in April 2026



64%

of broadband customers who complained to their provider in the last six months were satisfied with the ease of finding their contact details



Consumers in financially vulnerable circumstances report lower than average satisfaction

4

percentage points lower



consumer satisfaction for broadband customers in financially vulnerable circumstances was four percentage points lower compared with consumers overall in 2024

10

percentage points lower



consumer satisfaction for energy consumers in financially vulnerable circumstances was 10 percentage points lower compared with consumers overall in July/August 2025

Proportion of consumers registered on a Priority Services Register (PSR) has risen but is still below eligibility estimates

34%

of energy consumers registered on their energy company's PSR in 2024-25, compared with 16% in 2016-17



13%

of households registered on their water company's PSR in 2024-25, compared with 2% in 2019-20. Ofwat estimate half of households could be eligible



Summary

Introduction

1 Water and energy supplies are essential for daily life and public health, and broadband services allow citizens to access a range of services in the modern economy. Yet, millions of people across the UK experience permanent or temporary circumstances that can create barriers to engaging confidently or effectively with these services. These circumstances can increase the risk of detriment to the consumer when things go wrong.

2 Ofwat, Ofgem and Ofcom are the main regulators for the water, energy and broadband sectors, respectively. Each regulator has statutory duties to protect or further the interests of consumers. We reported on regulators' consumer protection work in 2017 and 2019. We found that none of the regulators had been specific enough in defining the overall outcomes they wanted to achieve for consumers or had translated high-level aims on vulnerability into detailed objectives.¹ In 2019, affordability and debt were among the most common consumer challenges that regulators were seeking to address.²

3 Vulnerability is not straightforward to define. Anyone can find themselves at greater risk of harm when personal circumstances change, for example as a result of ill health or temporary challenges such as job loss or bereavement. Consumers in financially vulnerable circumstances are disproportionately affected by the recent increases in utility bills, which have raised the cost of essential services. Consumers can also experience non-financial vulnerability, arising from factors such as mental health conditions, dementia and other long-term health conditions. These consumers can face additional barriers accessing services, understanding bills or contacting companies. Some consumers may experience both financial and non-financial vulnerability at the same time.

4 Ofwat, Ofgem and Ofcom all adopt definitions and frameworks that treat vulnerability as a spectrum rather than something affecting a discrete group, reflecting the reality that consumer needs can change over time. This perspective shifts the focus from reacting to consumer circumstances to ensuring systems are proactive and inclusive by design.

¹ Comptroller and Auditor General, *Vulnerable consumers in regulated industries*, Session 2016-17, HC 1061, National Audit Office, March 2017.

² Comptroller and Auditor General, *Regulating to protect consumers in utilities, communications and financial services markets*, Session 2017-2019, HC 1992, National Audit Office, March 2019.

Scope of this report

5 The report examines the work done by Ofwat, Ofgem and Ofcom to ensure that residential consumers of water and energy supplies and broadband services receive good consumer outcomes, with a particular focus on the experience of consumers in vulnerable circumstances. Some regulatory actions relate specifically to suppliers' actions for consumers known to be in vulnerable circumstances. Other regulatory actions, for example setting minimum service standards, are intended to apply for all consumers, to ensure systems are proactive and inclusive by design. The report considers how the regulators are:

- setting expectations for consumer experience and outcomes;
- monitoring consumer experience and communication;
- responding to challenges for customers in financially vulnerable circumstances; and
- addressing barriers for customers with extra access, communication or safety needs.

6 The scope of the report does not extend to the following: pricing or related methodology; service quality (for example, drinking water quality, storm overflows, broadband speeds); investment in, and the maintenance and resilience of, physical networks; environmental change and impact on the supply of services; online safety for internet users; and the financial resilience of companies in each sector.

7 This report is published at a time of change in water and energy regulation. The government has announced plans to abolish Ofwat and create a new single regulator for water by 2030. We would expect the recommendations we make to be carried forward in the new regulatory regime. In April 2026, the Department for Energy Security & Net Zero (DESNZ) published proposals for changes to Ofgem's remit, powers and regulatory approaches. The proposals followed a review of whether Ofgem remains fit for purpose in the context of transition to net zero and the UK's exposure to volatile energy prices, highlighted by Russia's invasion of Ukraine in 2022.

Key findings

Regulators' expectations and actions to improve consumer experience and outcomes

8 Since 2019, regulators have set out their expectations for good consumer outcomes and strengthened their ability to intervene when needed. Since our last report in 2019, all three regulators have set out intended consumer outcomes, and expectations for the treatment of all consumers. For example, in 2024, Ofwat introduced a customer-focused condition in the operating licences of water companies and has published guidance setting out its expectations. This filled a gap in its powers to act when water companies' treatment of consumers falls below Ofwat's expectation. Similarly, Ofgem has introduced licence condition changes that make it easier for customers to contact their energy supply company, and Ofcom has introduced mandatory end-of-contract notifications (paragraphs 2.4 to 2.7 and Figure 3).³

9 Regulators are using existing tools and new powers to improve consumer outcomes. Through its Innovation Fund, Ofwat provided funding for a company-led pilot to improve the registration process for customers in vulnerable circumstances through better data sharing. Ofgem has set financial incentives for Distribution Network Operator companies to engage with customers in vulnerable circumstances, to anticipate their needs and deliver a consumer-focused service. Ofcom has called on broadband providers to voluntarily offer social tariffs. In 2024, Ofwat introduced a customer-focused licence condition and, in January 2026, used it to open an investigation into whether a company supported customers during supply interruptions beginning in November 2025. In May 2026, Ofgem concluded British Gas had failed to meet the standards required for energy suppliers when installing prepayment meters without customers' permission. In recognition of Ofgem's findings, British Gas had agreed to a settlement package which included paying £20 million into a redress fund, paying compensation to affected customers, and writing off up to £70 million of debt for energy customers in vulnerable circumstances. In December 2025, Ofcom fined Virgin Media £23.8 million for failing to protect consumers in vulnerable circumstances who rely on telecare devices, such as personal alarm systems in case of emergencies, during a programme to migrate from analogue to digital landlines (paragraphs 2.6, 2.8, 2.23, 3.7 and 3.36, and Figure 4).

³ Further examples of interventions are provided in Part Two.

Consumer experience and communication

10 Consumers in financially vulnerable circumstances report lower-than-average consumer satisfaction. Ofgem's data show that, while overall consumer satisfaction has risen in recent years, satisfaction among financially vulnerable energy consumers remained lower. In 2025, it was 10 percentage points lower compared with that of consumers overall. Ofcom's data show overall consumer satisfaction for broadband customers remaining broadly stable in recent years, but satisfaction for the most financially vulnerable was lower. In 2024, it was four percentage points lower compared with consumers overall. Ofwat does not collect equivalent data on the satisfaction of customers in financially vulnerable circumstances (paragraphs 2.10 to 2.12).

11 Consumers recorded on energy supply companies' Priority Services Registers (PSRs) report higher satisfaction than customers not on the register. Ofgem introduced the PSR to encourage companies to identify and support customers who have extra communication, access or safety needs. Ofgem's data show satisfaction for customers on a PSR is five percentage points higher compared with satisfaction for customers not on the PSR. Services include proactive communication, updates for planned and unplanned power outages and regular meter readings. Energy and water companies maintain PSRs, aimed at ensuring specific service support for registered individuals. Ofwat does not collect equivalent data on satisfaction, but a December 2025 Consumer Council for Water (CCW) survey found that 60% of customers on the PSR were fairly or very satisfied (paragraphs 2.11, 2.13 and 3.24).

12 Broadband consumers with a limiting condition reported lower consumer satisfaction than average in 2024. Ofcom requires companies to give consideration to services for people in vulnerable circumstances, for example making bills available in accessible formats. However, in 2024, the overall satisfaction for customers with a limiting condition was five percentage points lower than consumer satisfaction overall. Ofcom told us this is a statistically significant difference (paragraphs 2.13 and 3.30).

13 Regulators have not fully resolved the problem of customers finding it difficult to contact companies supplying them. Research commissioned by Ofgem indicates that poor communication experiences with companies make customers less likely to seek help when they face difficulties in the future. Regulators set expectations for suppliers in how they communicate with customers. In October 2023, Ofgem introduced changes to company licences to make it easier for customers to contact their energy supply company. Consumer satisfaction with ease of contact has increased from 60% in 2023 to 76% in 2025. However, Citizens Advice told us that some energy customers still find it difficult to know how to contact their companies by phone when things go wrong. Ofcom monitors consumer satisfaction with how easy it is for customers to find contact details when raising complaints with their broadband provider. This was 64% in 2024. The Communications & Internet Services Adjudication Scheme (CISAS) told us that it often receives a high volume of enquiries from customers asking for their communications provider's email address (paragraphs 2.15 to 2.17).

14 Consumers are often not directed to the relevant dispute resolution service, and billing continues to be a consistent cause of complaints to dispute resolution services. Ofgem and Ofcom both mandate that customers are signposted to a dispute resolution service if a customer is not satisfied with how their energy or broadband provider handles a complaint. In 2025, only 55% of cases were correctly signposted to the Energy Ombudsman. Ofcom currently approves two Alternative Dispute Resolution (ADR) schemes for the telecoms sector, with both schemes collecting signposting data. Only one ADR provider publishes signposting data, and it reported that in 2024 only 58% of communications consumers were correctly signposted. This suggests that not all companies are fulfilling their obligations to signpost consumers to the ombudsman/ADR provider in the event of an unresolved complaint. The water sector does not have an ombudsman; however, companies are expected to signpost customers to CCW in the event they are not satisfied with how their company resolves their complaint. The most recent data show that, of the complaints reported, billing accounted for 63% of customer complaints referred to CCW, over half of the disputes to the Energy Ombudsman, and a quarter of complaints to the ADR providers in telecoms (paragraphs 2.14, 2.20 and 2.21, and Figure 2).

Responding to challenges for consumers in financially vulnerable circumstances

15 Awareness of social tariffs among water and broadband customers remains low. Social tariffs, for broadband and water, provide services at a discounted price for consumers on lower incomes. Eligible water consumers saw their bills cut by an average of between £27 and £314 for water in 2024-25, depending on the company. Ofcom told us that it does not estimate a comparable range, because savings vary by provider, price, speed and customer circumstances. For example, for one large provider currently in the market, customers on a social tariff could expect to save between £60 and £144 over 12 months by switching from the provider's equivalent commercial tariff, depending on broadband speed and the customers' circumstances. Regulators estimate that 34% of eligible broadband customers and 39% of water customers struggling to pay their water bills are aware of social tariffs. This means that consumers in financially vulnerable circumstances may be missing out on financial support. Awareness of social tariffs has risen for water customers since 2023. For broadband customers, awareness of social tariffs has remained relatively stable since 2023. The energy sector does not have a social tariff; instead, DESNZ sets the Warm Home Discount that provides eligible customers with a £150 discount on their annual energy bill (paragraphs 3.5 to 3.12, and Figures 7 and 8).

16 Customer debt in the energy sector has more than doubled since 2021, but repayment plans have not kept pace despite regulatory requirements to offer them. In March 2025, approximately 1.9 million households were in debt on their electricity accounts, and 1.6 million were in debt on their gas accounts. Customer debt to energy supply companies, at the time, totalled £4.3 billion. Customer debt has more than doubled in real terms, increasing by 118%, since March 2021. The pace of increase has accelerated markedly following the Russian invasion of Ukraine. Ofgem requires energy supply companies to identify customers who are struggling to pay and offer support, including repayment plans. Energy customers in debt and on repayment plans typically owe approximately £1,000 less than those without repayment plans. Just over 40% of households with energy debt have repayment plans in place. These households account for a lower percentage (just 25%) of the total customer energy debt because customers on repayment plans typically owe less. Citizens Advice told us that energy supply companies often redirect customers needing financial support to them, but often do so without first informing customers of repayment plan options (paragraphs 3.3, 3.13 and 3.18 to 3.19, and Figures 10 and 11).

17 There is a risk that water debt levels will rise following significant water bill increases from April 2025. Ofwat only began monitoring the amount owed by customers to water companies in 2023-24. In March 2025, customer debt to water companies totalled £2.9 billion, and just over 4 million household accounts were in debt on their water bills. Ofwat has not commissioned research to understand the factors that contribute to customer debt in the water sector. Approximately 26% of the households in debt have repayment plans in place. These households account for a lower percentage of total customer water debt (22%) because customers on repayment plans typically owe less. However, Ofwat expects significant bill increases from April 2025 to have an impact on the level of debt for 2025-26. Ofwat requires companies to offer support to customers struggling to pay, including repayment plans. Water customers on repayment plans typically owe approximately £140 less than customers without one in place (paragraphs 3.13, 3.18, 3.19 and 3.23, and Figure 10).

18 Ofgem is taking steps to help customers reduce their debts but has further to go to address some of the industry practices contributing to rising debt. Ofgem estimates that industry practices, including inaccurate bills and delays when people move homes, contribute to 35% of customer debt. Energy customers who owe more than £500 in debt face additional barriers because they are prohibited from switching to a lower tariff offered by a different energy supply company, and their provider is not compelled to offer a matching tariff. Ofgem is taking actions to address certain industry processes and help people who are falling behind on their energy bill payments. These include setting out its expectations of suppliers when working with debt advice providers, issuing a call for input to tackle the build-up of customer energy debt associated with moving home, and proposing a Debt Relief Scheme. Ofwat has introduced minimum standards for supporting customers in debt to their water company. Neither Ofwat nor Ofgem specifically monitor whether companies identify and address the barriers that stop customers taking up repayment plans (paragraphs 3.15, 3.16 and 3.21 to 3.23).

Addressing barriers for consumers with greater access, communication or safety needs

19 There is a risk that PSRs may not be able to prioritise support to water and energy consumers in the most vulnerable circumstances in the event of an emergency. Ofwat has estimated that approximately half of all households are likely to be eligible for the PSR. Ofgem and Ofwat have encouraged companies to do more to identify and register eligible consumers and households, though a survey reported by Citizens Advice in 2026 found that public awareness of the PSR remains low. Take-up in energy increased from 16% of customers in 2016-17 to 34% in 2024-25. In water, take-up increased from 2% of households in 2019-20 to 13% in 2024-25. Ofgem has noted that the broad eligibility criteria risk diluting the principal safeguarding purpose of the register. In addition, customer data are recorded based on characteristics rather than need, which may not always support an effective service (paragraphs 3.27 to 3.31, and Figure 12).

20 There is no requirement for broadband providers to operate a PSR. Ofcom requires companies to give consideration to services for people in vulnerable circumstances, and to register customers based on needs. It routinely gathers intelligence on issues that arise for consumers in vulnerable circumstances. As part of Ofcom's customer satisfaction survey, Ofcom seeks to understand affordability issues for consumers with limiting conditions. However, Ofcom does not estimate the number or proportion of households that could be eligible for additional support from their broadband provider due to additional access, communication or safety needs. Ofcom does not routinely monitor take up or awareness of this support. Ofcom does not routinely review what data companies record regarding consumers' needs (paragraphs 3.25, 3.29 and 3.33).

21 The effectiveness of the PSR is hampered by weaknesses in data quality and data sharing, and the Department of Business & Trade's (DBT's) commitment to develop a multi-sector 'Share Once Support Register' has made limited progress. Individual companies are responsible for holding their own PSRs. Ofgem and Ofwat have taken steps to improve data sharing between energy and water companies, to enable consumers in vulnerable circumstances to register on a 'tell us once' basis. A pilot exercise led by Northumbrian Water highlighted that there are substantial weaknesses in data quality. It identified 350,000 missing customers and found that 110,000 registered customers did not have their needs consistently reported. In May 2024, following consultation, DBT committed to developing a multi-sector 'Share Once Support Register', bringing together the current PSRs and similar telecoms registers, to provide extra help for consumers. DBT told us that it maintains this commitment, although practical barriers (legal and implementational) have meant that it has made limited progress (paragraphs 3.24, 3.26 and 3.34 to 3.37, and Figure 13).

Regulators' measurement and reporting of their performance

22 Despite regulators setting out their expectations for companies to protect consumer interests, regulators' own performance measures do not reflect consumer outcomes. Our 2019 report noted that regulators monitored data on consumer experience and outcomes, but do not routinely use this information to assess their own performance. This is still the case. In their 2024-25 annual reports, Ofcom and Ofgem reported performance indicators relating to their activities, while Ofwat did not publish key performance indicators. None of the regulators have aligned their performance to consumer outcomes. Public performance reporting does not, therefore, provide a clear line of sight between what regulators are trying to achieve, what they have done to meet these objectives, and what the actual outcomes are for consumers. Ofgem is currently consulting publicly on a framework to align its performance to consumer outcomes (paragraphs 2.24 and 2.25).

Conclusion on value for money

23 The three regulators have undertaken a wide range of actions regarding protection for consumers, and particularly consumers in vulnerable circumstances, since we last reported. The regulators have made clearer their expectations of companies in providing services to consumers. They have encouraged companies to support customers in vulnerable circumstances, and they have taken action when companies have exposed these consumers to potential harm.

24 Changes in the external environment mean that the need to ensure that consumers in vulnerable circumstances are protected has become more acute. Issues persist, including communication challenges, lower satisfaction among consumers in financially vulnerable circumstances, limited take-up of social tariffs, growth in customer debt, and inconsistencies in how companies address barriers to access for consumers with additional access, communication and safety needs. While regulators in every sector have made tangible improvements, there is more for regulators to do to support consumers in vulnerable circumstances. In addition, in the absence of outcome-focused performance metrics, there is a risk that regulators continue to judge their own performance based on activities rather than consumer outcomes.

Recommendations

In the next six months (unless otherwise specified) outline how each regulator will:	Ofcom	Ofgem	Ofwat
Customer experience and communication			
a Review or evaluate options for making it easier for consumers to contact their company using communication channels that meet their needs.	✓	✓	
b Take steps to increase the percentage of consumers being effectively signposted to the relevant ombudsman in the event of an unresolved complaint.	✓	✓	
Responding to challenges for consumers in financially vulnerable circumstances			
c Increase awareness among consumers of the availability of social tariffs, particularly among those with the greatest need for them. This should include reviewing which actions are most effective in raising awareness, encouraging innovation by companies and publicising good practice.	✓		✓
d Improve understanding of consumer outcomes, such as satisfaction, among people in financially vulnerable circumstances, and those with greater access, communication or safety needs.			✓
e Refine the regulator’s debt strategy to target known issues with industry processes such as billing practices, changes when people move homes and switching. Review how effective companies are in offering affordable repayment plans to consumers in debt.		✓	

In the next six months (unless otherwise specified) outline how each regulator will:	Ofcom	Ofgem	Ofwat
f Drawing on Ofgem’s experience, improve its understanding of why different water customers fall into debt. This should include reviewing potential barriers to reducing debt or preventing it from increasing, for example any barriers to customers taking up repayment plans.			✓
Addressing barriers for customers with greater access, communication or safety needs			
g Promote consistency of customer registration and identification that enables targeted and consistent support and communication for customers with similar needs or circumstances. Provide a steer as to how and when companies can prioritise consumers registered, given the diversity of needs it captures.		✓	✓
h Evaluate evidence and its approach to understanding the experiences of broadband consumers with limiting conditions, and collect additional evidence if needed.	✓		
Aligning performance with consumer outcomes			
i (a) Establish, as part of their own performance measures, key performance indicators that reflect the range of consumers’ experience and outcomes, including for those in vulnerable circumstances.		✓	✓
i (b) Provide a clearer account of the range of broadband consumer outcomes in their planning and reporting, including analysis demonstrating the impact of their activities on those outcomes’.	✓		

25 In addition:

- j** Over the next 12 months the Department for Business & Trade, working jointly with other departments and regulators, should outline how it will take forward the commitment to develop a multi-sector approach to bring “together the current PSRs and similar telecoms registers”.

Part One

The regulatory framework for protecting consumers

Introduction

1.1 Water and energy supplies are essential for daily life and public health, and broadband services allow citizens to access services in the modern economy. Yet millions of people across the UK experience permanent or temporary circumstances that can create barriers to engaging confidently or effectively with these services. When problems arise, these circumstances can increase the risk of detrimental impacts to the consumer.

1.2 Vulnerability is not straightforward to define and not always a fixed state. Anyone can find themselves at greater risk of harm when personal circumstances change, for example as a result of ill health, or temporary challenges such as job loss or bereavement. Consumers in financially vulnerable circumstances are disproportionately affected by the recent increases in utility bills, which have raised the cost of essential services. In 2025, the Money and Pensions Service reported that one in five adults living in the UK was borrowing to pay bills or buy food, and one in four could not pay an unexpected £300 expense without borrowing.⁴

1.3 Consumers can also experience non-financial vulnerability, arising from factors such as mental health conditions, dementia and other long-term health conditions. These consumers can face barriers such as accessing services, understanding bills or contacting companies. Some consumers may experience both financial and non-financial vulnerability at the same time. To avoid implying that vulnerability is inherent, we use the terms 'consumers in vulnerable circumstances', acknowledging that no single term fully captures the complexity involved.

1.4 Ofwat, Ofgem and Ofcom are the main regulators of the water, energy and broadband sectors, respectively. Each regulator has statutory duties to protect or further the interests of consumers, and all adopt definitions and frameworks that treat vulnerability as a spectrum rather than a discrete group, reflecting the reality that consumer needs can change over time. The government has announced plans to abolish Ofwat and create a new single regulator for water by 2030. In April 2026, the Department for Energy Security & Net Zero (DESNZ) published proposals for changes to Ofgem's remit, powers and regulatory approaches.

4 Money and Pensions Service, *MoneyView 2025: How people in the UK feel about money*, September 2025.

1.5 This report examines the work of Ofwat, Ofgem and Ofcom to ensure that residential consumers of water and energy supplies and broadband services receive good consumer outcomes, with a particular focus on the experience of consumers in vulnerable circumstances. This part sets out the regulatory and wider consumer protection landscape for energy, water and broadband.

The regulatory and wider consumer protection landscape

1.6 The water, energy and broadband sectors have different market structures and levels of competition. Water companies are regional monopolies, and consumers cannot switch between companies without moving home. Energy consumers are able to choose between supply companies but can be exposed to substantial volatility in prices. Broadband consumers benefit from choice and also technological advances, with increasing network coverage and speeds over time. These sectoral differences determine regulators' approaches and powers. For example, Ofwat has licensing powers, and dedicates substantial activity to protecting consumers through price controls, while Ofcom focuses on encouraging competition and investment. However, each regulator has statutory duties to protect consumers (**Figure 1** overleaf). These include a duty to consider the needs of consumers with low incomes or disabilities, and those of pensionable age or who reside in rural areas.

1.7 Regulation is often designed by individual government departments and implemented by regulators. Departments can set expectations for regulators operating in their policy areas through strategic steers. The Department for Environment, Food & Rural Affairs (Defra) sets policy for the water sector.⁵ The Department for Energy Security & Net Zero (DESNZ) sets policy for the energy sector. The Department for Science, Innovation & Technology (DSIT) sets policy for the telecommunications industries.

1.8 The consumer protection landscape in the water, energy and broadband sectors includes a range of organisations that provide advice, support and redress to consumers, (**Figure 2** on pages 19 and 20) including:

- companies, which provide direct support to customers;
- independent ombudsman and Alternative Dispute Resolution (ADR) schemes, which provide dispute resolution services in energy and broadband;
- charities, such as StepChange Debt Charity, which provide broader support to consumers across these regulated sectors; and
- Citizens Advice, the statutory consumer advocate for the energy sector, and the Consumer Council for Water (CCW) for advice on rights, complaints and billing issues in the water sector.

⁵ Water is a devolved policy area, and the Welsh Government is responsible for water policy in Wales.

Figure 1

Regulators' statutory duties concerning consumer protection

Ofwat's, Ofgem's and Ofcom's statutory duties are broadly aligned in terms of the different groups of people they specify who may be in vulnerable circumstances

Ofwat	Ofgem	Ofcom
Primary statutory duty relating to consumer protection		
<p>"... the Authority shall exercise and perform the powers and duties ... in the manner which he or it considers is best calculated</p> <p>a to further the consumer objective ...</p> <p>The consumer objective ... is to protect the interests of consumers, wherever appropriate by promoting effective competition ..."</p>	<p>"The principal objective of ... the Gas and Electricity Markets Authority ... is to protect the interests of existing and future consumers."</p>	<p>"It shall be the principal duty of Ofcom ...</p> <p>a to further the interests of citizens in relation to communications matters; and</p> <p>b to further the interests of consumers in relevant markets, where appropriate by promoting competition."</p>
Primary statutory duties relating to consumers in vulnerable circumstances		
<p>"... the Authority shall have regard to the interests of:</p> <ul style="list-style-type: none"> ● individuals who are disabled or chronically sick; ● individuals of pensionable age; ● individuals with low incomes; ● individuals residing in rural areas; and ● customers, of companies holding an appointment under Chapter 1 of Part 2 of this Act, whose premises are not eligible to be supplied by a licensed water supplier, <p>but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer."</p>	<p>"...the Authority shall have regard to the interests of:</p> <ul style="list-style-type: none"> ● individuals who are disabled or chronically sick; ● individuals of pensionable age; ● individuals with low incomes; and ● individuals residing in rural areas; <p>but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer."</p>	<p>"Ofcom must also have regard, in performing those duties, to such of the following as appear to them to be relevant in the circumstances:</p> <ul style="list-style-type: none"> ● the vulnerability of children and of others whose circumstances appear to Ofcom to put them in need of special protection; ● the needs of persons with disabilities, of the elderly and of those on low incomes; ● the different interests of persons in the different parts of the United Kingdom, of the different ethnic communities within the United Kingdom and of persons living in rural and in urban areas."

Notes

- 1 These are extracts from each regulator's statutory duties selected by the National Audit Office. This figure does not represent all of their regulatory duties, some of which might inform their approach to consumers in vulnerable circumstances.
- 2 "Customers, of companies holding an appointment under Chapter 1 of Part 2 of this Act, whose premises are not eligible to be supplied by a licensed water supplier" refers to how Ofwat must have regard for customers of water companies, who require supply to a household premises. Ofwat must also have regard for customers of water companies where the total quantity of water estimated to be supplied to the premises annually is less than 5 megalitres in the case of premises supplied with water using the supply system of a water company whose area is wholly or mainly in England, and 50 megalitres for water companies whose area is wholly or mainly in Wales.

Source: National Audit Office analysis of: Water Industry Act 1991; Electricity Act 1989; Gas Act 1986; and Communications Act 2003

Figure 2

Consumer protection landscape in energy, water and broadband, as at March 2026

Publicly funded, private and third-sector organisations provide advice and support to consumers in the energy, water and broadband markets

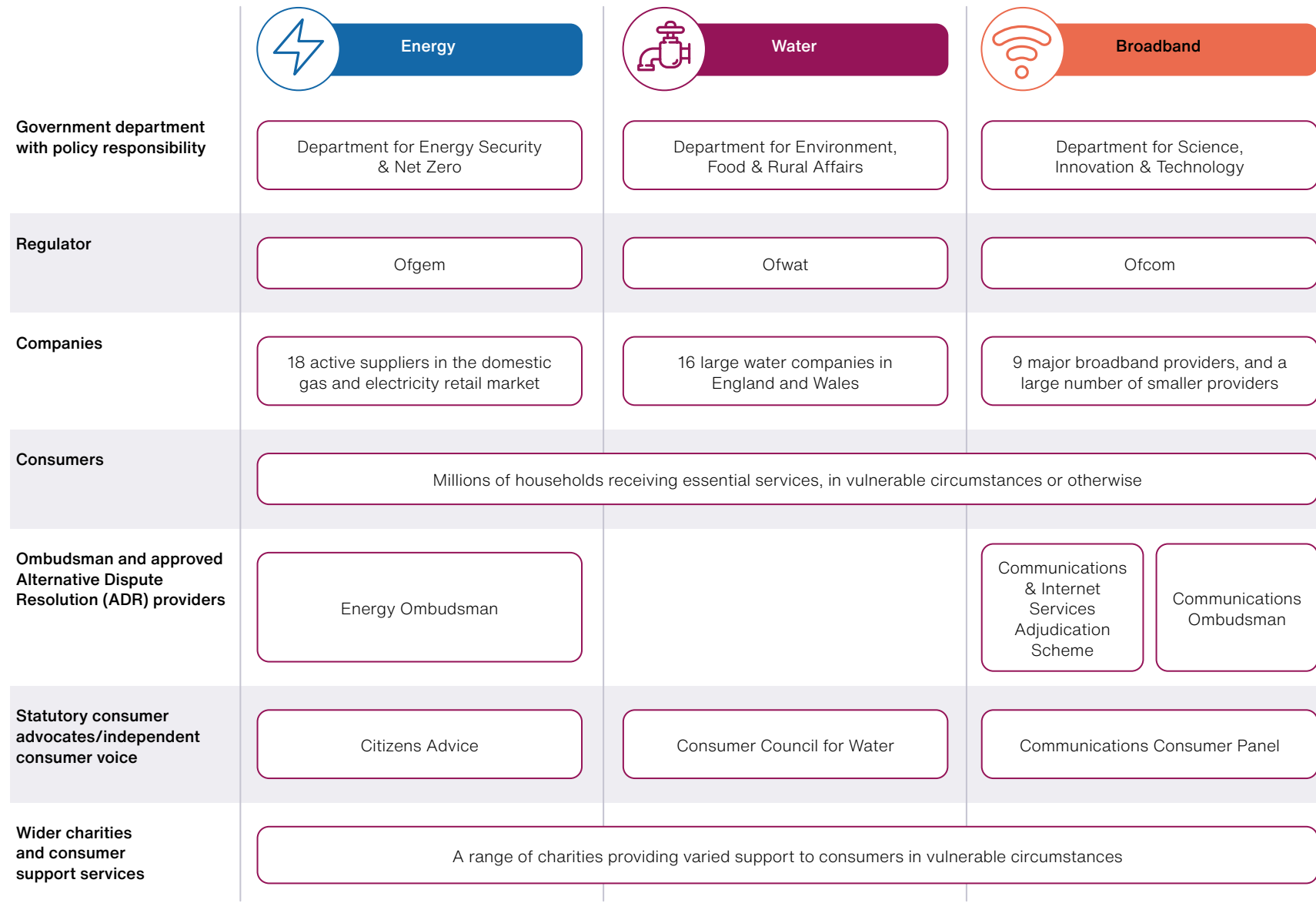


Figure 2 *continued*

Consumer protection landscape in energy, water and broadband, as at March 2026

Notes

- 1 Citizens Advice provide free, independent and confidential advice to customers across a range of areas, including guidance on their rights in energy, water and broadband markets. It is also the statutory consumer advocate for energy.
- 2 The Consumer Council for Water provides consumers with free advice and support.
- 3 The Communications Consumer Panel is a group of independent experts responsible for ensuring that the voice of citizens and consumers is represented in communications policy development.
- 4 Ofcom currently approves two Alternative Dispute Resolution (ADR) schemes for the telecoms sector. Broadband providers are required to be members of an Ofcom-approved ADR scheme and to abide by any final decision.
- 5 There is no approved ombudsman in the water sector. The Department for Environment, Food & Rural Affairs has announced its intention to create a new independent ombudsman for water. Currently all water companies are signed up to an ADR scheme operated by an independent not-for-profit organisation, that adjudicates customers' complaints against their water company.
- 6 The Department for Business & Trade leads on regulatory reform across government and UK consumer protection policy.
- 7 Water is a devolved policy area, and the Welsh Government is responsible for water policy in Wales.

Source: National Audit Office analysis of Ofgem's, Ofwat's, Ofcom's and other public documents

Part Two

Consumer experience: expectations and outcomes

2.1 Anyone can find themselves at greater risk of harm when personal circumstances change. Therefore, regulators emphasise the importance of designing markets and services that deliver good outcomes for all consumers by default. This perspective shifts the focus from reacting to consumers in vulnerable circumstances, to ensuring systems are proactive and inclusive by design.

2.2 This chapter focuses on the user experience. It covers:

- regulators' intended outcomes for, and tools to promote, a better consumer experience;
- consumer satisfaction, communication and complaints handling; and
- regulators' key performance indicators relating to consumer experience.

Regulators' intended outcomes for the consumer experience

2.3 The term 'consumer experience' describes the interactions that a customer has with a service, and the perceptions they have of that service, at the various touchpoints throughout the customer journey. In 2017 and 2019, our reports on consumer protection found that none of the regulators had been specific enough in defining the overall outcomes that they wanted to achieve for consumers, nor had they translated high-level aims on vulnerability into detailed objectives.

2.4 All three regulators have since published their intended outcomes for the treatment of consumers (**Figure 3** overleaf). They have also published guidance to help companies understand them.

Figure 3

Regulators' intended outcomes for the treatment of consumers in water, energy and broadband sectors

Each regulator has set out intended outcomes which relate to customer service, effective communication and fair treatment of consumers in all circumstances

Regulator	Intended outcomes include
Ofwat	<p>Customers are well informed.</p> <p>When something does go wrong, affected customers have confidence the company will put it right.</p> <p>The full diversity of customers' needs are identified, understood and met by companies in the services and extra help they provide.</p>
Ofgem	<p>Consumers receive accurate, timely, accessible and understandable energy bills.</p> <p>Consumers struggling to pay receive flexible payment options and proactive, tailored support.</p> <p>Consumer concerns and complaints are addressed fairly, effectively and promptly.</p> <p>Consumers receive clear, accurate and timely information to make informed choices.</p>
Ofcom	<p>Communications services are affordable and meet people's needs.</p> <p>Consumers feel supported during technology changes to mitigate the risks and embrace the opportunities.</p> <p>Consumers can contact providers easily to get issues resolved quickly and access extra support when needed.</p> <p>Consumers feel supported to make well-informed decisions to find a fair deal, sign up and switch.</p>

Notes

- 1 This table presents a summary and is not an exhaustive list of regulators' intended outcomes.
- 2 Ofgem's proposed consumer outcomes are currently undergoing public consultation. They have not been finalised and may be subject to change.

Source: National Audit Office analysis of Ofwat's, Ofgem's and Ofcom's intended outcomes for consumer protection

2.5 The regulators use a range of tools to set, and monitor compliance with, expectations of how companies should support consumers in vulnerable circumstances. These include:

- setting service standards for companies;
- providing guidance on their application and good practice;
- requiring companies to offer targeted protections such as social tariffs, debt support, accessibility measures, and to record customer-specific information;
- monitoring company compliance with standards' expectations, through performance information, insights from casework, and intelligence from a range of sources including the Alternative Dispute Resolution (ADR) schemes and consumer representatives such as Citizens Advice; and
- enforcing rules against poor treatment.

Regulatory tools and interventions to improve consumer experience

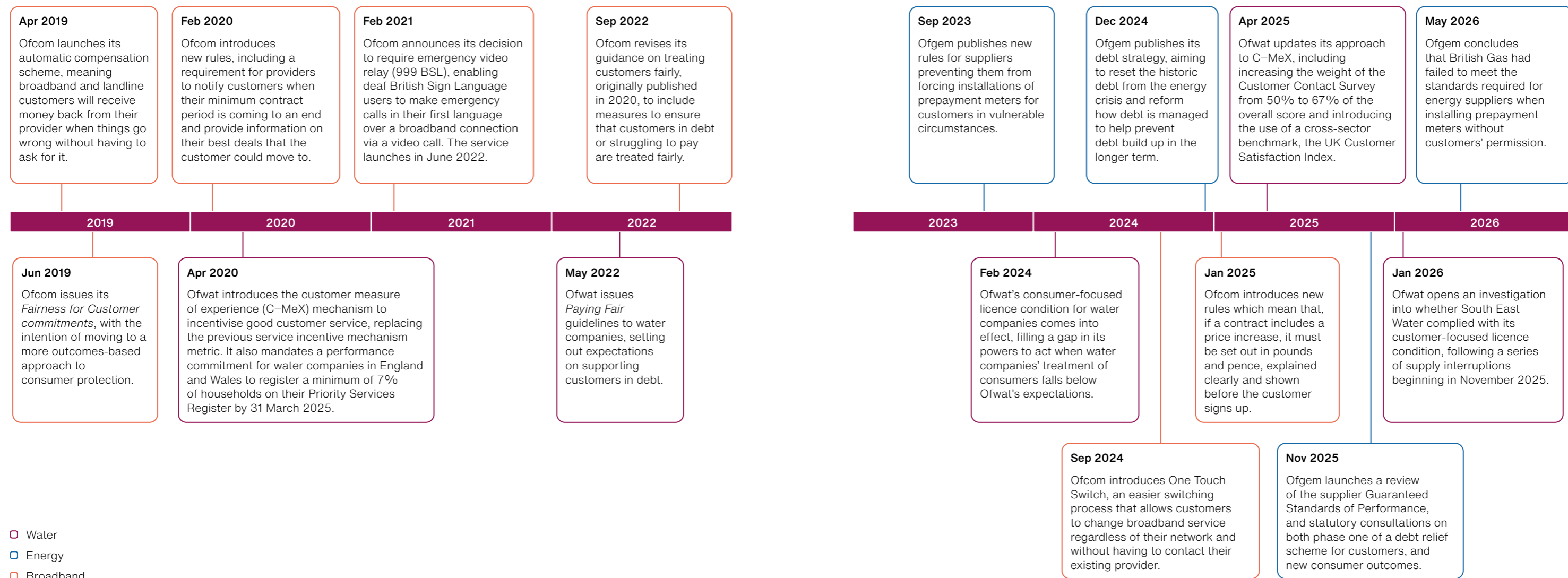
2.6 Since our 2019 report,⁶ all three regulators have expanded their regulatory toolkit to better incentivise companies to improve consumer experience and have clearly set out their expectations of company behaviour and treatment of customers, as detailed in the following examples (**Figure 4** on pages 24 and 25).

- In February 2024, Ofwat introduced a dedicated “customer-focused licence condition” for each company in England and Wales, filling a gap in its powers to act when water companies’ treatment of consumers falls below Ofwat’s expectations. This condition sets out principles each company is expected to meet, including proactively communicating with customers, providing appropriate support during incidents, and supporting customers struggling to pay.
- In October 2023, Ofgem introduced licence condition changes that make it easier for customers to contact their energy supply company. Energy supply companies must now offer a range of contact methods that reflect customer needs and prioritise consumers in vulnerable circumstances who need immediate support. Ofgem uses financial incentives to encourage Distribution Network Operator companies to deliver customer-focused support for consumers in vulnerable circumstances.
- Since 2019, Ofcom has strengthened its General Conditions of Entitlement at least six times in relation to broadband. Changes include notifying customers at the end of their contract and prohibiting mid-contract inflation-linked price rises. Ofcom’s voluntary *Fairness for Customer commitments*, introduced in June 2019, also improve how companies treat their customers.

⁶ Comptroller and Auditor General, *Regulating to protect consumers in utilities, communications and financial services markets*, Session 2017–2019, HC 1992, National Audit Office, March 2019.

Figure 4
Timeline of key events and developments in consumer protection:
water, energy and broadband, April 2019 to May 2026

Ofwat, Ofgem and Ofcom have each strengthened their regulatory toolkit and taken actions to protect consumers



Notes

- 1 Ofwat's customer-focused license condition sets out principles each company is expected to comply with to protect consumers.
- 2 This timeline is not an exhaustive list of actions the regulators have taken to strengthen consumer protection.

Source: National Audit Office analysis of public announcements

2.7 Each regulator also acts on intelligence provided from the relevant ombudsman and customer representative bodies to identify when the regulator's expectations for consumer experience are not being met, as the following examples illustrate.

- In March 2025, Ofwat released a register of guidance which sets expectations for, and provides examples on, how companies can meet the principles of customer care. This was informed by research conducted in partnership with the Consumer Council for Water (CCW), which identified good and poor company practice in terms of how customers are treated during and after incidents.
- In summer 2025, after reviewing data from the Energy Ombudsman, Ofgem initiated engagement with the Energy Ombudsman, Citizens Advice and the Extra Help Unit to investigate concerns about inconsistent back-billing practices.⁷ In light of this evidence, Ofgem is looking to revise its rules on retrospective billing, as part of its wider review on billing. Ofgem, Citizens Advice and the Energy Ombudsman have a tripartite meeting quarterly to discuss case volumes, trends and companies of concern.
- Ofcom has used intelligence gathered from the ADR providers to inform its engagement with companies. Ofcom meets with the ADR providers monthly to discuss complaints trends across the sector and at company level.

2.8 The regulators have used a combination of these new tools and existing powers to take formal action against companies that fail to protect consumers.

- In March 2026, Ofwat published the findings of its investigation into South East Water following multiple supply interruptions between 2020 and 2023, which affected more than 286,000 people. Affected customers were left without tap water and unable to shower or flush their toilets, resulting in immense stress. Ofwat found the company had failed to plan sufficiently, learn from incidents and maintain resilience of its water supply system; it proposed a £22 million fine.
- In May 2026, Ofgem concluded that British Gas had failed to meet the standards required of an energy supplier, in its treatment of customers who had a prepayment meter installed without their permission between 2018 and 2023. In recognition of Ofgem's findings, British Gas had agreed to a settlement package which included paying £20 million into a redress fund, paying compensation to affected customers, and writing off up to £70 million of debt for energy customers in vulnerable circumstances.

⁷ The Extra Help Unit is administered by Citizens Advice Scotland.

- In December 2025, Ofcom found that the broadband provider, Virgin Media had failed to protect customers in vulnerable circumstances who rely on telecare devices, such as personal alarm systems in case of emergencies, during its programme to migrate them from analogue to broadband-enabled digital landlines. Ofcom concluded that Virgin Media’s approach to identifying and managing the disconnection of known telecare customers put thousands of consumers in vulnerable circumstances at risk of direct harm. Ofcom found that, in doing so, Virgin Media had breached Ofcom’s General Conditions, and it issued a £23.8 million fine.

Consumer experience, outcomes and satisfaction

2.9 All three regulators have mapped the customer journey to understand experiences of customers in vulnerable circumstances, and inform their regulatory approaches. **Figure 5** overleaf illustrates the key stages of the customer journey when engaging with water companies, energy companies and broadband providers. Consumers in vulnerable circumstances can experience detriment at every stage of this journey.

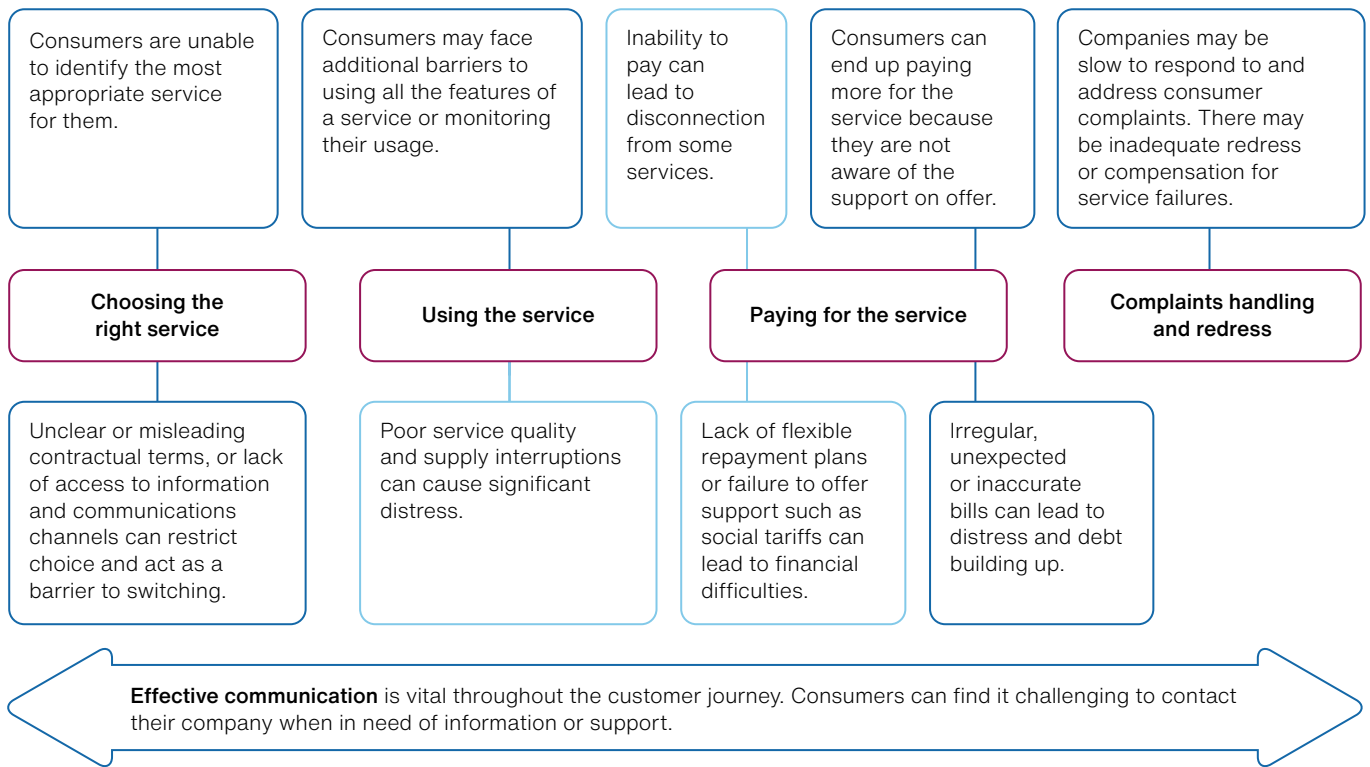
Consumer satisfaction with using and paying for the service

2.10 All the regulators monitor consumer satisfaction, which can be used to assess the overall experience across the customer journey. Consumer satisfaction varies across the three sectors. Differences in how regulators measure consumer satisfaction mean that results are not directly comparable across sectors. The measures nevertheless provide insight into consumer satisfaction trends within each sector.

- Consumer satisfaction in the broadband sector is broadly stable, with an average of 84% respondents providing a positive view in 2024.
- Consumer satisfaction with energy supply companies fell during the 2022-23 energy crisis but has since risen to the highest level recorded since tracking began in 2018, at 82% in 2025.
- Consumer satisfaction in water, as measured by a consumer experience (C-MeX) score has fallen from an average of 82 in 2020-21 to 75 in 2024-25.

Figure 5
Key elements of a customer journey

Consumers can experience a detriment at any stage of service provision



- Stages of service provision
- Consumer detriment
- Consumer detriment that relates to communication

Note

1 This figure illustrates examples of consumer harm and is not exhaustive.

Source: National Audit Office analysis of customer journeys in the water, energy and broadband sectors

2.11 Regulators have increased the range of metrics that they use to measure consumer experience for people in vulnerable circumstances.

- **For consumers in financially vulnerable circumstances:** In 2023 and 2019 respectively, Ofgem and Ofcom added profiling questions to their regular consumer satisfaction surveys to understand the experience of consumers in financially vulnerable circumstances.^{8,9} These data suggest that their satisfaction is consistently lower than that of the ‘average customer’. Ofwat does not collect equivalent data on the satisfaction of customers in financially vulnerable circumstances but conducts research to understand the proportion of water customers struggling to pay their bills and the measures customers are taking to manage them.
- **For consumers in vulnerable circumstances due to additional access, communication and safety needs:** The Priority Services Register (PSR) was introduced by Ofgem to support people in vulnerable circumstances with additional access, communication or safety needs. Services include proactive communication, updates for planned and unplanned power outages and regular meter readings. Ofgem began using surveys to assess the experience of customers on the PSR in 2023.¹⁰ Ofwat does not conduct a comparable survey, though it has conducted and commissioned research to understand the experiences of PSR customers during incidents and during the sign-up process. In December 2025, CCW published results of a survey to assess the experience of customers on the PSR.

2.12 Consumers in financially vulnerable circumstances consistently report lower-than-average satisfaction with the service they receive.

- Ofgem’s data show that, in July and August 2025, satisfaction for consumers in financially vulnerable circumstances was 10 percentage points lower compared with consumers overall.
- Ofcom’s data show that in 2024, overall satisfaction for broadband customers that Ofcom classified as most financially vulnerable was four percentage points lower compared with consumers overall.
- Ofwat does not collect equivalent data on the satisfaction of customers in vulnerable circumstances. However, Ofwat’s Cost of Living surveys suggest that, in October 2025, 17% of water customers were struggling to pay their bills, compared with 15% in March 2022.

8 Ofcom’s consumer satisfaction surveys use a combination of household income, working status and the size of the household to identify customers in financially vulnerable circumstances.

9 Ofgem’s consumer satisfaction surveys use a combination of savings, debt and ability to pay unexpected expenses to identify consumers in financially vulnerable circumstances.

10 The PSR is a free UK wide service, held by individual utility companies. The PSR helps companies identify and support customers who have extra communication, access or safety needs.

2.13 Consumers with extra communication, access and safety needs report mixed experiences depending on the sector.

- Ofgem's data show that consumer satisfaction on the PSR was five percentage points higher than for those not on the PSR.
- A survey published by CCW in December 2025 found that 60% of customers on the PSR were fairly or very satisfied.
- Ofcom's data show that the overall satisfaction for broadband customers with a limiting condition was five percentage points lower than consumer satisfaction overall in 2024. Ofcom told us this is a statistically significant difference.

2.14 Billing is a prominent cause of complaints, for all customers, across all three sectors.

- Data from CCW show that 63% of customer complaints to water companies in 2024-25 concerned billing, and that complaints to CCW relating to affordability increased by 110% in the same year.
- Data from the Energy Ombudsman show that over half of disputes in 2024 related to billing, often occurring when energy supply companies send unexpectedly large bills to customers.
- Data from the communications ADR providers show that billing is also a prominent cause for complaints in telecoms, representing a quarter of disputes in 2025.

Customer communication

2.15 Regulators set expectations for suppliers in how they communicate with customers. Clear, proactive and empathetic communication is key to promoting positive consumer outcomes. Research commissioned by Ofgem indicates that poor communication experiences with companies make customers less likely to seek help when they face difficulties in the future.

2.16 Ofwat, Ofgem and Ofcom all collect or monitor survey data on consumer satisfaction with how easy it is to contact their service provider, though the methodologies vary.

- Ofwat monitors CCW's survey of customers who have contacted their water company in the last 12 months. This indicates consumer satisfaction with how easy it is to contact someone who was able to help was 78% in 2024.¹¹
- Ofgem's survey of customers, indicates that satisfaction with ease of contact has increased from 60% in 2023 to 76% in 2025.¹² Ofgem introduced changes to company licences in October 2023 to make it easier for customers to contact their energy supply company.
- Ofcom's survey of consumers who have complained to their broadband provider in the last six months indicates satisfaction with ease of finding contact details was 64% in 2024.¹³ The Communication & Internet Services Adjudication Scheme (CISAS) told us that it often receives a high volume of email and telephone enquiries from customers asking for their communication providers' email address.

2.17 There is also variation in how easy consumers in vulnerable circumstances find contacting their energy supply company. Ofgem's recent survey data indicate the following.

- Consumers in financially vulnerable circumstances consistently report finding it harder to contact their company than the average consumer. Citizens Advice told us that some energy customers still find it difficult to know how to contact their companies when things go wrong, and that a contact phone number is not always clearly identifiable on customers' bills.
- Customers registered on a PSR often report similar levels of satisfaction, with ease of contacting their energy supply company as the average consumer.

2.18 There is evidence to suggest companies could communicate more proactively. A recent survey that CCW conducted found that only two in five people registered on their water company's PSR have been contacted by their water company since joining, and only 28% received information about all the services available.

11 CCW's survey asks customers, "thinking about the contact you made, overall how satisfied were you with... the ease of contacting someone who was able to help you?"

12 Ofgem's survey asks all respondents, "thinking about the last time you tried to contact [supplier] how easy or difficult did you find it to contact them?"

13 Ofcom's survey asks, "how satisfied were you with the following aspects of [provider]'s customer service? Ease of finding provider contact details."

Complaints handling

2.19 The regulators take different approaches to monitoring consumer satisfaction with the complaints handling process.

- Ofgem monitors overall consumer satisfaction with the complaints handling process, as well as satisfaction with the time taken to reach the end of the complaints process. Between July and August 2025, 66% of consumers were satisfied with the overall handling of complaints to their supplier.
- Ofcom's most recent data show that 58% of broadband customers who made a complaint in the last six months were satisfied with the service they received from their broadband company during the complaints handling experience.
- Ofwat does not directly monitor satisfaction with companies' complaints handling processes. However, two-thirds of its measure of consumer experience, C-MeX, are determined by a survey of customers who have had contact with their water company, which may have been due to complaints.

2.20 In the energy and telecoms sectors, if a complaint is not resolved within a given timeframe, customers can escalate disputes to the ombudsman/ADR providers, who have the power to resolve the dispute. Companies must carry out the actions listed in the ombudsman/ADR decision. This can include financial awards for customers, the most common of which are for inconvenience and distress, and are typically between £50 and £100.

2.21 Ofgem and Ofcom both mandate that customers are signposted to the relevant dispute resolution service if a customer is not satisfied with how their energy or broadband provider handles a complaint, within the given time frame. In 2025, only 55% of cases were correctly referred to the Energy Ombudsman. The communication ADR providers both monitor signposting rates, though only one publishes the data, and it reported that in 2024 only 58% of communications consumers were correctly signposted. This suggests that not all companies are fulfilling their obligations to signpost consumers to the relevant ombudsman/ADR providers. Ofcom meets the ADR providers monthly but does not analyse the signposting data itself. The water sector does not have an approved ombudsman. Companies are expected to signpost customers to CCW if they are not satisfied with how their company resolves their complaint.

Communication during supply interruptions

2.22 When people are left without essential services such as water or power for extended periods, even those who are usually resilient can be placed in vulnerable circumstances, with risks to health, safety and wellbeing. All three regulators set expectations for customer treatment in the event of a supply interruption, though they vary in their expectations on companies to communicate proactively, and the nature of support provided.

2.23 Consumer research commissioned by Ofwat and CCW found that, during incidents, customers expect clear, proactive and regular communication about the cause of the disruption, the support available, and when the issue is likely to be resolved. Following supply interruptions beginning in November 2025, Ofwat opened an investigation into whether South East Water met its customer-focused licence condition to provide information and appropriate support to affected customers, including, where appropriate, support for customers in vulnerable circumstances.

Regulators' performance and consumer outcomes

2.24 Neither Ofcom, Ofgem nor Ofwat currently align their own performance measurement and reporting with the consumers' experience. Our 2019 report noted that regulators monitored data on consumer experience and outcomes but did not routinely use this information to assess their own performance. Regulators' public performance reporting did not consistently provide a clear line of sight between what they are trying to achieve, what they had done to meet these objectives, and what the actual outcomes are for consumers. This is still the case. In their 2024-25 annual reports, Ofcom and Ofgem reported performance indicators relating to their activities. Ofwat did not publish performance indicators in its 2024-25 annual report, though its 2025-26 key performance indicators list a limited number of activities with the intent of improving customer outcomes.

2.25 None of the regulators aligned their performance to consumer outcomes. By contrast, the Financial Conduct Authority (FCA) published a set of outcomes that it expected financial services markets to deliver from 2022 to 2025, together with metrics allowing the FCA to measure how it had delivered its statutory objectives.¹⁴ Ofgem told us its performance measurement is evolving in light of the Department for Energy Security & Net Zero's review. Ofgem is currently consulting publicly on developing a framework that would align its performance to consumer outcomes.

¹⁴ Financial Conduct Authority, *FCA outcomes and metrics 2022 to 2025*, accessed 10 April 2026.

Part Three

Addressing barriers for consumers in vulnerable circumstances

3.1 Even when companies know a household is in a vulnerable situation, those consumers can still face significant barriers to accessing and affording essential services. This chapter sets out:

- the rising affordability challenges for key services;
- the regulatory activities designed to support people on low income and/or in debt; and
- the regulatory activities designed to support people with additional access, communication and safety needs.

Affordability

3.2 Affordability refers to the extent to which households can meet the cost of essential services, such as energy and water, from their income without experiencing undue financial pressure or needing to reduce spending on other essentials. When increases in energy and water bills outstrip wage inflation, affordability is reduced, increasing the risk of arrears and problem debt. Our 2019 report found that affordability and debt were among the most common consumer challenges regulators were seeking to address.

3.3 Between 2021-22 and 2025-26, average water bills rose by 20% in real terms across England and Wales. Between 2021 and 2025, average gas and electricity bills rose by 26% in real terms across the UK.¹⁵ This masks the rapid increase in average energy bills in the aftermath of the Russian invasion of Ukraine: between 2021 and 2022, average energy bills rose by nearly 60% in real terms. Average earnings increased by 2% between 2021 and 2025 in real terms.

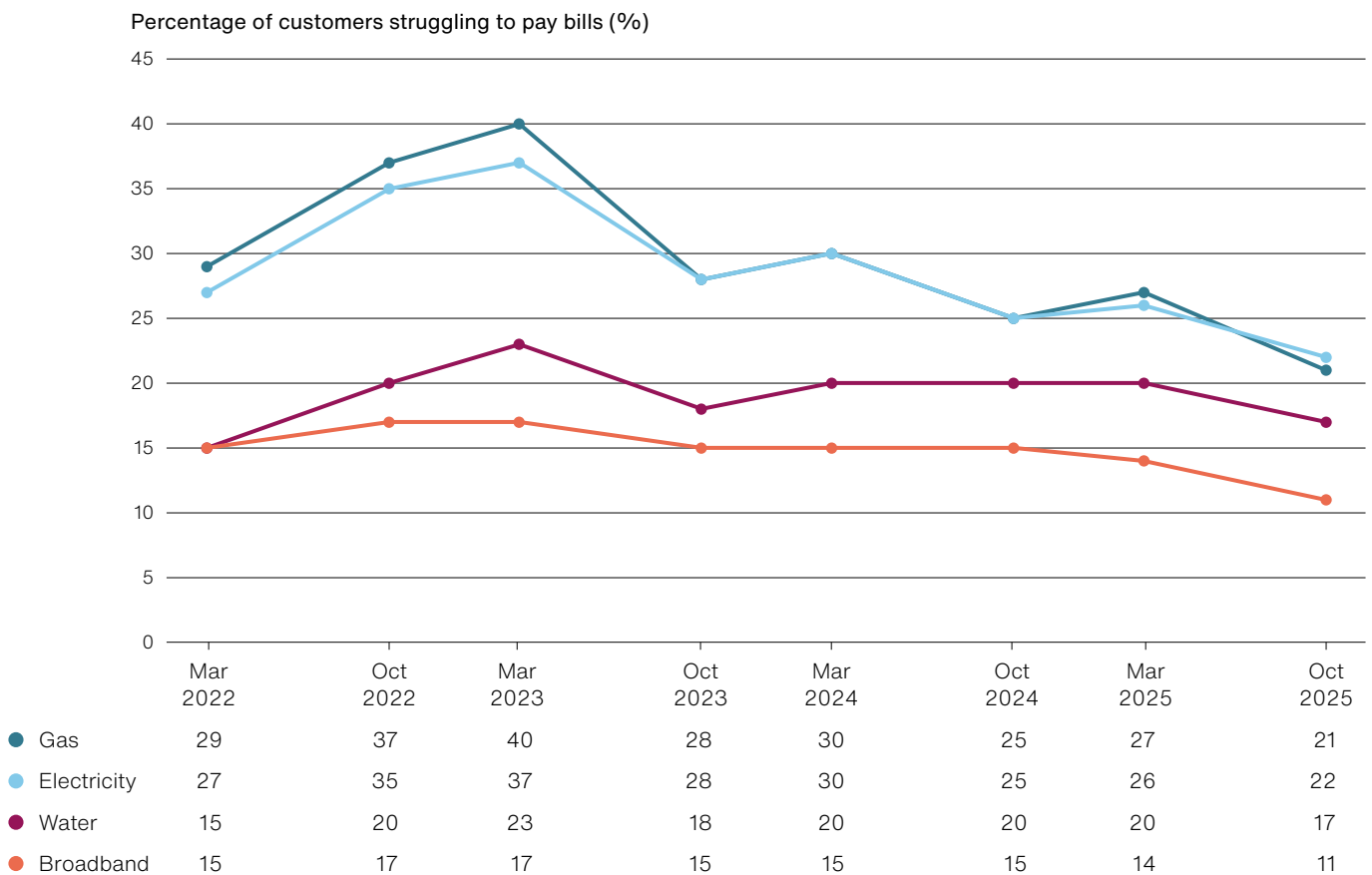
¹⁵ These price increases have been adjusted for inflation using Consumer Price Index Including Owner Occupiers' Housing costs (CPIH) data extracted as at 22 April 2026. To calculate the increase in water bills, these data have been transformed into financial years by averaging quarterly CPIH index points.

3.4 Though the proportion of customers struggling to pay bills has declined from a peak in March 2023, it remains high. Ofwat's Cost of Living survey, conducted in October 2025, indicates that one in five energy customers struggles to pay their energy bills. This falls to just over one in six for water bills, and one in nine for broadband bills (**Figure 6**). Ofcom's October 2025 affordability tracker shows that 7% of customers had taken affordability actions with their broadband services, such as missing a payment or cancelling a service, in the last month.

Figure 6

Survey data on the proportion of customers who report struggling to pay energy, water and/or broadband bills, March 2022 to October 2025

By October 2025, the proportion of customers struggling to pay bills had declined from recent peaks, but was higher than 10% in all three sectors



Notes

- 1 This chart is derived from eight surveys conducted by Ofwat between March 2022 and October 2025. The sample sizes for the surveys ranges from 2,294 to 2,430 water bill payers in England and Wales.
- 2 Respondents were asked "Are you currently struggling to pay any of the following bills?"; with water, electricity, gas and broadband among the available categories.

Source: National Audit Office analysis of Ofwat's Cost of Living survey data

Social tariffs

3.5 Social tariffs are designed to provide services at a discounted price to low-income households. Ofwat, Ofgem, and Ofcom do not have powers to set social tariffs.

- In the water sector, the Department for Environment, Food & Rural Affairs (Defra) is responsible for social tariff policy, which comprises a social tariff and WaterSure, a scheme to cap bills for customers on benefits who need to use a lot of water. Defra issues guidance setting the framework within which companies can operate social tariffs and WaterSure.
- For broadband services, the Department for Science, Innovation & Technology (DSIT) has policy responsibility for communications, and it has not set a social tariff policy.

3.6 There are no social tariffs for customers in the energy sector. Instead, the Department for Energy Security & Net Zero sets the Warm Home Discount, which provides financial support to low-income households. Companies apply it to eligible customers' bills as a fixed annual rebate, whereas social tariffs typically offer either caps or percentage discounts on total bills.

3.7 The role of the regulators flows from these policies.

- When setting price controls for water companies, Ofwat reviews each company's business plans, which include their social tariff plans. Companies need to demonstrate to Ofwat that they have had regard to Defra's guidance for social tariffs. Companies can recover the costs of social tariffs from customer bills. Ofwat reports the proportion of household customers on the social tariff and the consequences for bills for each company.
- Ofcom has called on broadband providers to voluntarily offer social tariffs since 2020, because it cannot require them to do so. The number of broadband providers offering social tariffs has increased from three in 2020 to over 30 in 2026. Ofcom sets expectations for how providers should promote social tariffs and the criteria they should meet.
- Ofgem administers the Warm Home Discount on behalf of the government. The costs of the discount are recovered in customer bills. Ofgem works with the Department for Work & Pensions, HM Revenue & Customs and the Valuation Office Agency to identify eligible households.

3.8 In the energy sector, the Warm Home Discount provides eligible customers with a £150 discount on their annual energy bill. The offer and eligibility criteria are consistent across energy supply companies. This is recovered through customer bills and results in an average extra £40 to the typical annual bill. In 2024-25, over 3 million households received the Warm Home Discount.

3.9 In the water sector, companies set their own social tariffs. Eligibility criteria and the degree of financial support vary by company (**Figure 7**). One reason for this is that bills vary by region. This can mean that customers in the same financial situation in different areas of the country can have significantly different bills, but also different levels of support. In 2024-25, 6% of household customers across England and Wales were on their water companies' social tariff. Eligible water customers saw their bills cut by an average of between £27 and £314 depending on the company, with the average social tariff discount amounting to 55% of household average bills. The average amount households contributed in 2024-25 to social tariffs ranged from £1.30 to £19.40.

Figure 7

Financial support across water, energy and broadband for those on low incomes

Consumers in financially vulnerable circumstances encounter different eligibility criteria and support across the three sectors

	Water	Energy	Broadband
Eligibility criteria for support	Vary considerably by water company. Generally, income or benefit related, though some companies determine eligibility based on how much a customer spends on their energy bill relative to their income.	In receipt of the Guaranteed Credit element of Pension Credit or low-income households that are in receipt of qualifying means-tested benefits.	All providers that offer social tariffs include those who are on Universal Credit. Other criteria vary by company. It can include Pension Credit, Employment and Support Allowance, Jobseeker's Allowance, and other means-tested benefits such as Personal Independence Payments.
Financial support available	Varies by company.	£150 annual, one-off rebate applied directly to the customer's energy bill.	Varies by company.
How support is delivered	Applied directly to bills.	Applied directly to bills by participating companies.	Cheaper broadband packages for eligible customers.
Sector coverage	Offered by all 16 large water companies and 12 New Appointments and Variations (NAV) water and sewerage undertakers in England and Wales.	There are 18 participating energy suppliers.	Offered by more than 30 communications providers, including all but one of the major providers.
Consistency across sector	Low – the level of support and eligibility requirements vary significantly by company. One reason for this is that bills vary by region.	High – the level of the rebate is the same across England, Wales and Scotland. Eligibility criteria in England and Wales differ from those in Scotland.	Medium – eligibility is largely consistent, but prices and speeds vary.

Note

- 1 New Appointments and Variations (NAVs) are limited companies appointed by Ofwat that provide a water and/or sewerage service to customers in an area which was previously provided by the incumbent monopoly provider.

Source: National Audit Office analysis of documentation on the water and broadband social tariffs, and the Warm Home Discount

3.10 In the broadband sector, companies also set their own social tariffs, and eligibility and support can vary between companies. As a result, Ofcom told us that it does not estimate a range of savings across the sector because savings vary by provider, price, speed and customer circumstances. For example, for one large provider currently in the market, customers on a social tariff could expect to save between £60 and £144 over 12 months by switching from that provider's equivalent commercial tariff, depending on broadband speed and the customers' circumstances. Due to the competitive nature of the market, it is also possible that switching to another provider may offer better value to the customer.

3.11 Ofwat and Ofcom have a role in raising awareness of the social tariffs for their sectors because customers are required to opt in. In February 2026, DSIT introduced a telecoms consumer charter which commits signatories to signposting eligible customers to social tariffs, including through websites, customer service scripts and end-of-contract notifications. Ofcom also raises awareness of social tariffs through signposting advice for consumers on its website and encouraging broadband providers to raise awareness of their social tariffs. Ofwat requires companies to make it easy for customers to find information on social tariffs online, for example some companies use videos to explain the support that is available.

3.12 Awareness of social tariffs is low (**Figure 8**). Awareness was slightly higher among customers in financially vulnerable circumstances, but most eligible households still do not know they can get financial support with their bill.

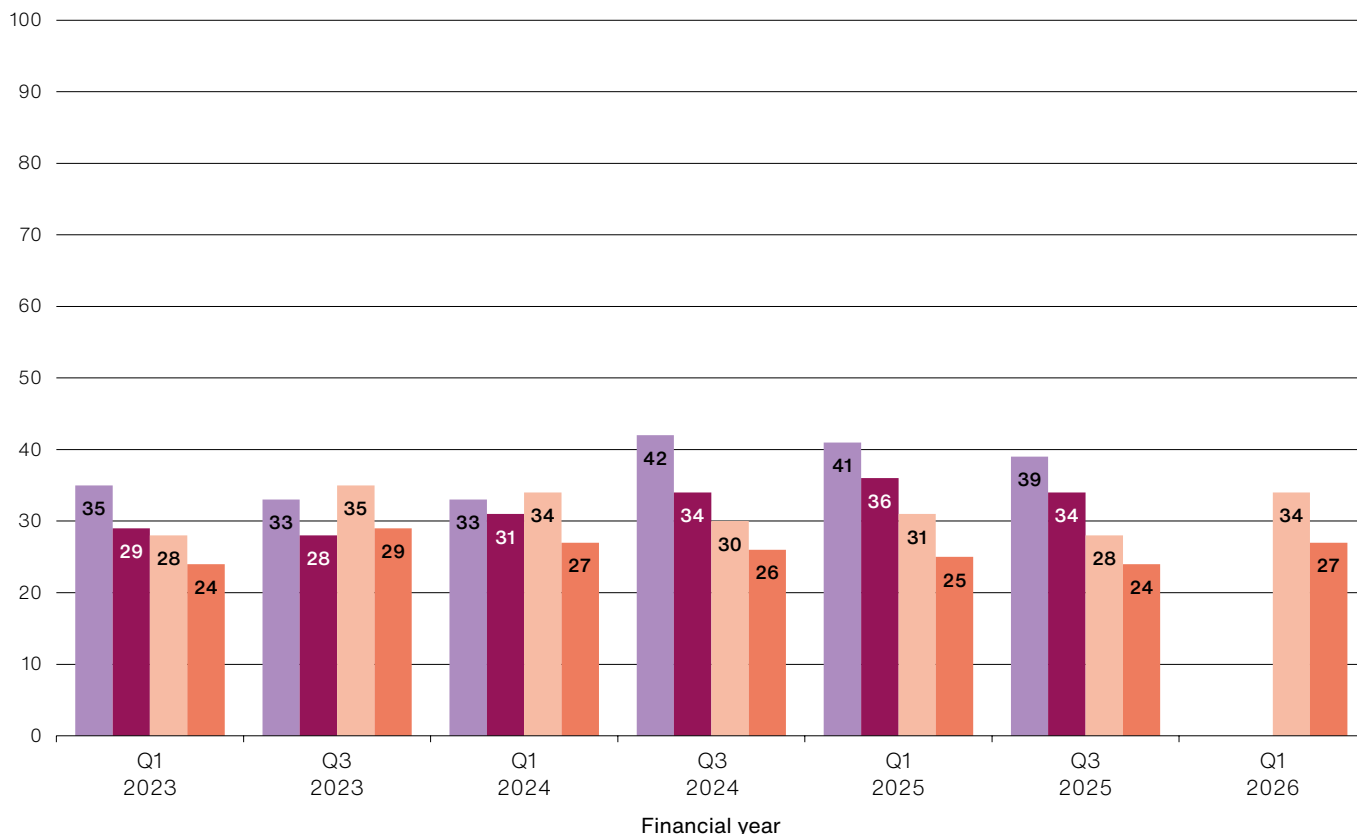
- The most recent survey data from Ofwat indicates that 39% of customers currently struggling to pay their water bills are aware of social tariffs, compared with 34% of all customers. Awareness of social tariffs has risen across both groups since 2023.
- The most recent survey data from Ofcom indicates that 34% of eligible customers are aware of social tariffs, compared with 27% of all customers. Awareness of social tariffs has remained relatively stable across both groups since 2023.

Figure 8

Proportion of customers who report being aware of water and broadband social tariffs, 2023 to 2026

Most water and broadband customers are not aware of social tariffs, although awareness is slightly higher for those in vulnerable circumstances

Percentage of customers aware of social tariffs (%)



- Water – Customers reporting struggling to pay
- Water – All customers
- Broadband – Customers eligible for social tariff
- Broadband – All customers

Notes

- 1 Broadband customers were asked “Have you heard of cheaper home broadband services (sometimes referred to as Broadband social tariffs) for people who receive government benefits before today?”. The sample size for the surveys was approximately 1,100 communication service users.
- 2 Water customers were asked, “To the best of your knowledge which of the following utilities, if any, offer financial support or reduced tariffs to those struggling to pay their bills?”. The sample sizes for the surveys ranged from 2,294 to 2,430 water bill payers in England and Wales.
- 3 ‘Customers reporting struggling to pay’ refers to those who reported currently struggling to pay their water bill in Ofwat’s survey.
- 4 Ofcom’s survey identifies respondents as eligible for social tariffs if they receive any one of the following benefits: Income Support, Income-based Jobseeker’s Allowance, Pension Credit (Guaranteed Credit), Employment and Support Allowance (ESA), Universal Credit (both codes), and Personal Independence Payment (PIP).
- 5 For water, Q1 surveys were carried out in March and Q3 surveys were carried out in October. For broadband, Q1 surveys were carried out in April and Q3 surveys were carried out in October. At the time of publication, Ofwat has not published survey data for 2026.

National Audit Office analysis of Ofwat’s and Ofcom’s customer survey data

Customer debt

3.13 Being in debt does not automatically make someone ‘vulnerable’.^{16,17}

However, it can place consumers in vulnerable circumstances by reducing their financial resilience, contribute to health issues such as stress, and act as a barrier to engaging with a company. By the end of March 2025, customer debt in the energy and water sectors totalled £7.2 billion.¹⁸

- In March 2025, approximately 1.9 million households were in debt on their electricity accounts, 1.6 million were in debt on their gas accounts, and customer debt to energy supply companies totalled £4.3 billion (**Figure 9**). Customer debt to energy supply companies has more than doubled, rising 118% in real terms since March 2021. The pace of increase has accelerated markedly following the Russian invasion of Ukraine. Ofgem told us that it expects the level of debt to “grow significantly unless new interventions are implemented to tackle debt”.
- In March 2025, just over 4 million household accounts were in debt on their water bills, and customer debt to water companies totalled £2.9 billion, which was a decline in real terms on the previous year.¹⁹ Ofwat only began monitoring customer debt in 2023-24. Ofwat expects significant bill increases from April 2025 to have some impact on the level of debt for 2025-26.
- In June 2025, approximately 143,000 landline and broadband customers were in debt to their provider and customer debt to landline, broadband and mobile companies totalled £603 million. Ofcom told us it will begin collecting data on broadband and mobile customer debt separately, for periods from July 2025 onwards.

3.14 Water companies are legally prohibited from disconnecting customers for non-payment. In energy, regulatory conditions and voluntary commitments mean supply companies are required to undertake preventative steps, prior to considering disconnection. These include offering prepayment meters and repayment plans. Disconnection is rare and regarded as a last resort. There have been no disconnections for non-payment of energy debt since 2022.

¹⁶ In energy, a customer is in debt if their bill goes unpaid for longer than 91 days/13 weeks.

¹⁷ In water, a customer is in debt where their bill is due and goes unpaid for over 31 days.

¹⁸ This debt number, and those below, have been adjusted for inflation to 2025-26 prices using the average of quarterly CPIH index points, extracted as at 22 April 2026.

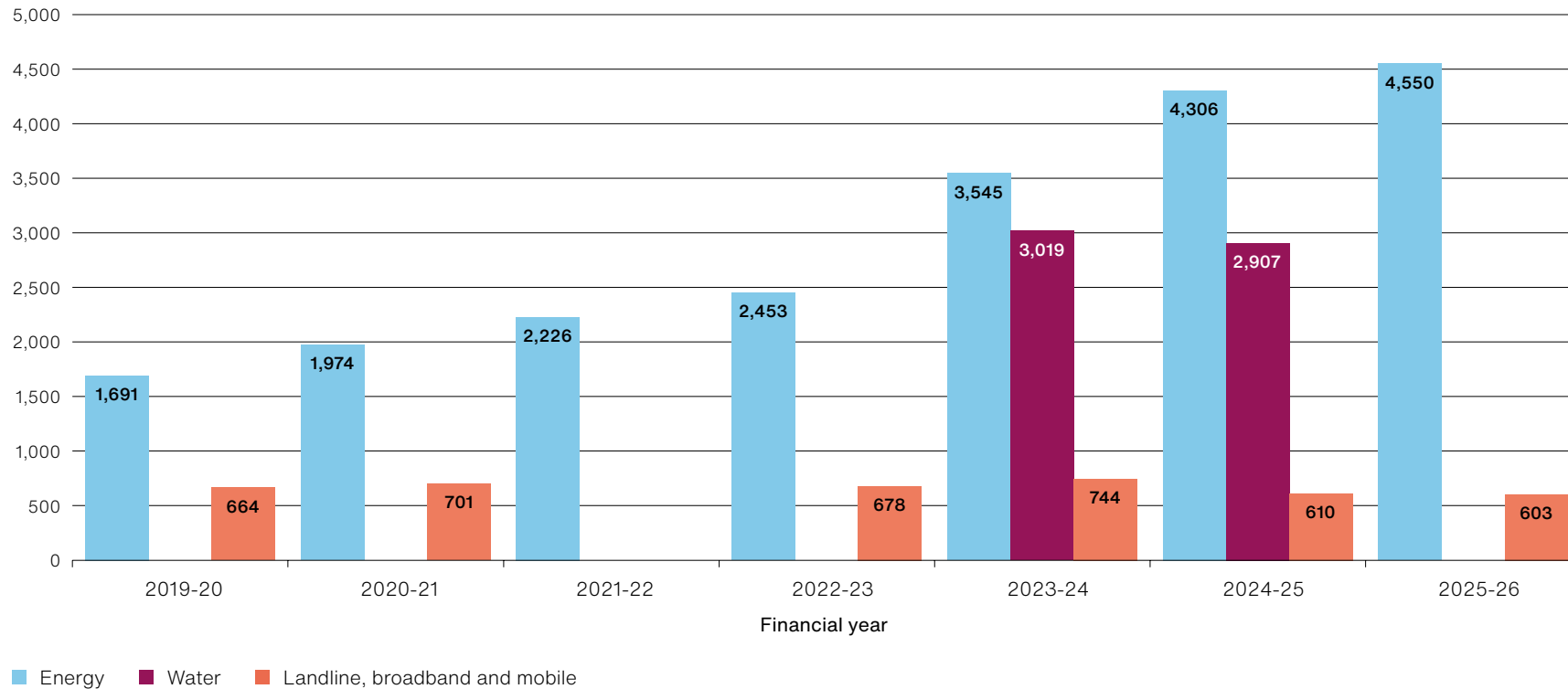
¹⁹ The number of household accounts represents the sum of the number of active and final accounts in arrears.

Figure 9

Total value of customer debt and arrears, in real terms, in the energy, water and telecoms sectors, 2019-20 to 2025-26

In recent years, household energy debt has increased substantially

Total value of debt and arrears (£mn, real terms)



Notes

- Figures are presented in 2025-26 prices. Data have been adjusted for inflation using the Consumer Price Index including Owner Occupiers' Housing costs (CPIH) data extracted as at 22 April 2026. Data have been transformed into financial years by averaging quarterly CPIH index points.
- The debt and arrears balance presented prior to 2025-26 for each sector is as at the end of March each year, except the landline, broadband and mobile data for 2020-21, which are as at January, the only month in which data were collected that year.
- The 2025-26 data represent the latest available data for each regulator. For landline, broadband and mobile this is June 2025 (Q2), and for energy this is December 2025 (Q4).
- Ofcom told us it will begin collecting broadband and mobile customer debt data separately, from July 2025 onwards. Figures from 2023 onwards capture a larger share of the market and cannot be directly compared with the pre-2023 reporting period.
- Ofwat began collecting these data in 2023-24. This figure represents the total value of water customers' debt and arrears, including active and final household accounts. Final accounts refer to customers who no longer receive services from their previous water company but still have outstanding debt. At the time of publication, there are no data available for water for 2025-26.

Source: National Audit Office analysis of Ofwat's, Ofgem's and Ofcom's data on debt and arrears

3.15 Ofwat has not commissioned research to improve understanding of the factors that contribute to customer debt in the water sector. Ofgem has commissioned research which indicates that there are three broad causes driving the recent increase to energy-related customer debt.

- Affordability pressures reflecting the fact that recent price increases have outstripped wage inflation.
- Industry practices including inaccurate or late billing of customers, and delays in establishing payment arrangements for people moving homes while they continue using energy. Ofgem commissioned analysis that found industry processes contribute to 35% of customer debt.
- Customer behaviour and circumstances, including customers who may in principle be able to pay an energy bill, but would then fall into debt on other bills. Many customers in financially vulnerable circumstances remain hesitant to contact their companies. Ofgem reports that debt advice charities have become the most contacted source of information, advice or support for paying energy bills.

3.16 Where customers owe more than £500, their energy supply company blocks them from switching to a different energy supply company that may offer them a lower tariff and save them money, and their provider is not compelled to offer a matching tariff. Such barriers do not exist in broadband. Switching is not relevant in water, unless a customer moves house.

3.17 Energy and water companies can recover costs associated with consumer debt by spreading these costs across customer bills. Higher debt levels can therefore affect the bills of all consumers, including those not in debt. The energy and water price caps include an allowance for recovery of debt. Ofgem estimates that the cost of debt adds approximately £52 to the average household energy bill.

Repayment plans

3.18 Ofgem and Ofwat require companies to identify customers who are struggling to pay bills early and to offer them support. This includes taking reasonable steps to offer repayment plans.

3.19 Customers on repayment plans typically have better debt-related outcomes compared with customers without plans in place. Customers in debt and on repayment plans for energy owe approximately £1,000 less than a customer without a plan in place (**Figure 10** overleaf). Customers on repayment plans for water owe approximately £140 less than customers without a plan in place. The total value of debt held with customers who do not have repayment plans in place has increased significantly since 2022 (**Figure 11** on page 45).

- Just over 40% of households with energy debt have repayment plans in place. The rise in energy debt has been accompanied by a declining proportion of customers taking up repayment plans. These households account for a lower percentage (25%) of total customer energy debt because customers on repayment plans typically owe less.
- Approximately 26% of households with water debt have repayment plans in place. These households account for 22% of total customer water debt, a lower percentage because customers on repayment plans typically owe less.²⁰

3.20 Ofgem requires that energy supply companies take all reasonable steps to set repayment rates based on ability to pay, including providing clear guidance and training for staff to ensure a consistent and appropriate approach. Ofgem told us that affordability can be a barrier to take-up of repayment plans. However, Citizens Advice, the statutory consumer advocate for gas and electricity supply, told us that energy supply companies often redirect customers needing financial support to them, but often refer customers without first informing them of repayment plan options. Actions that Ofgem is taking to address this include the following.

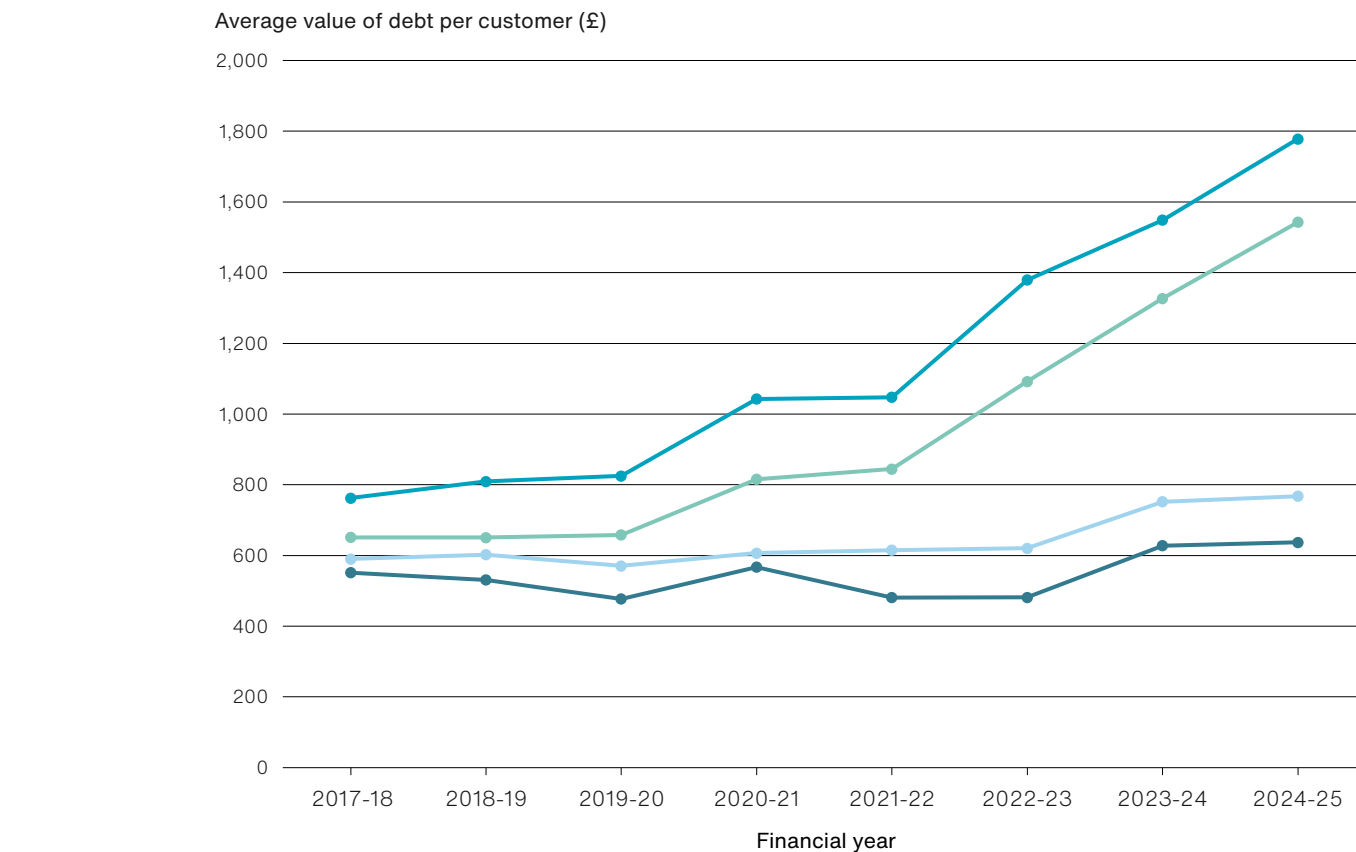
- In 2024, Ofgem's debt standards consultation included raising awareness of the importance of effective referrals to debt advice providers.
- In 2025, Ofgem worked with the University of Bristol and StepChange Debt Charity to publish research into debt referral pathways between energy suppliers and debt advice providers.
- In 2026, Ofgem published a letter and good practice guide setting out its expectations on suppliers when working with debt advice providers.

²⁰ These percentages are based on data from 15 water companies that collect arrears data consistently.

Figure 10

Average value of debt per customer with and without arrangements to repay debt in the energy sector in real terms, 2017-18 to 2024-25

The average value of debt per customer is higher, and increasing at a faster rate, for those without repayment plans in place



	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
● Electricity accounts with no arrangement to repay	762	809	825	1,042	1,048	1,379	1,549	1,778
● Gas accounts with no arrangement to repay	651	651	658	816	845	1,092	1,327	1,543
● Electricity accounts with an arrangement to repay	590	603	571	607	615	621	752	768
● Gas accounts with an arrangement to repay	551	531	477	567	481	482	628	637

Notes

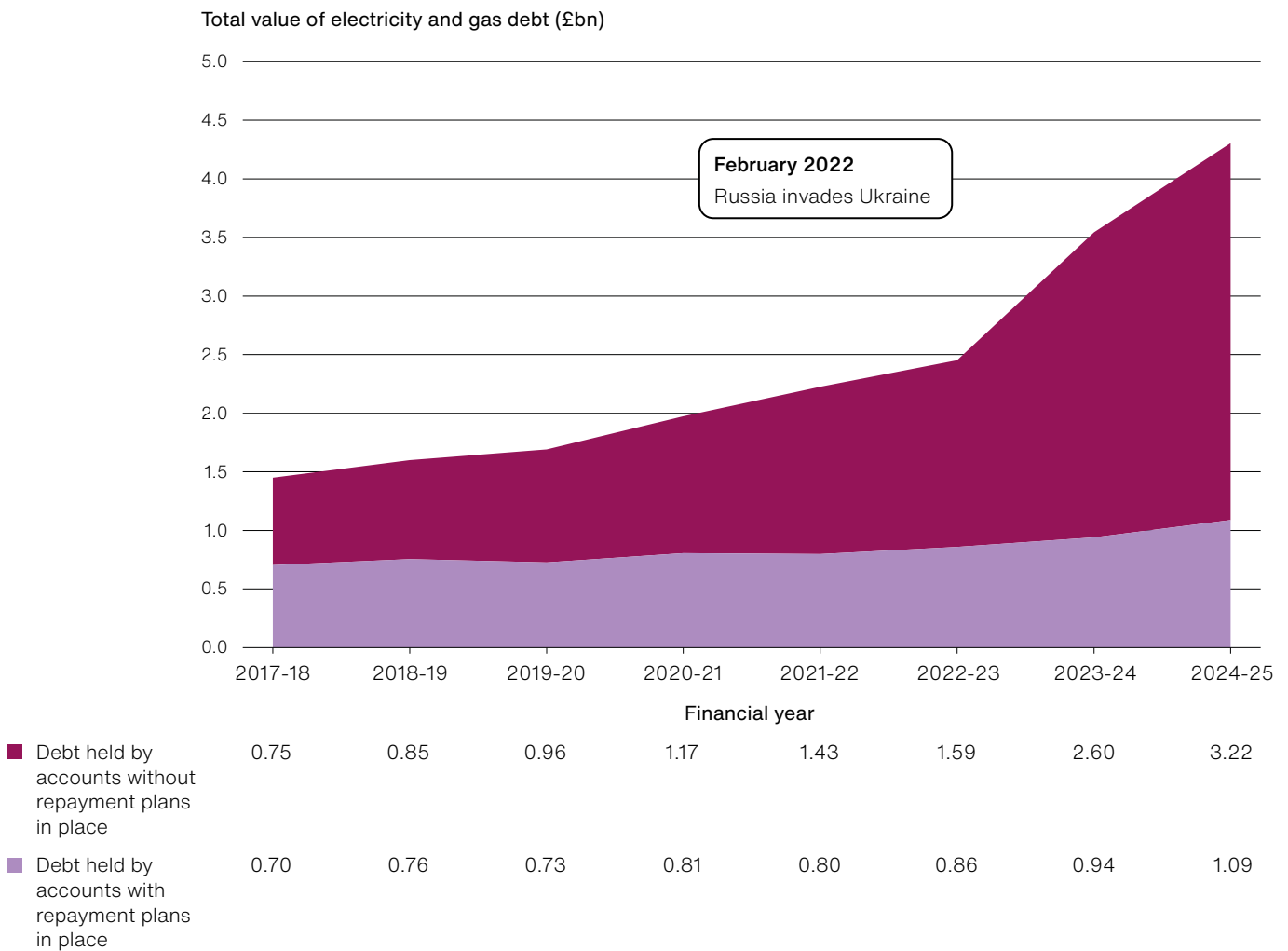
- Figures are presented in 2025-26 prices. Figures have been adjusted for inflation using the Consumer Price Index including Owner Occupiers' Housing costs (CPIH) data extracted as at 22 April 2026. The data have been transformed into financial years by averaging quarterly CPIH index points.
- The balance presented is as at each financial year, which corresponds to the end of March.
- Customers are considered in debt without a repayment plan if they have not paid a bill for longer than 91 days, and there is no formal arrangement to repay the debt.

Source: National Audit Office analysis of Ofgem's data on household debt

Figure 11

Total value of electricity and gas debt held by households with and without repayment plans in place in real terms, 2017-18 to 2024-25

The total value of debt held with customers who do not have repayment plans in place has increased significantly since 2022-23

**Notes**

- 1 Figures are presented in 2025-26 prices. Figures have been adjusted for inflation using the Consumer Price Index including Owner Occupiers' Housing costs (CPIH) data extracted as at 22 April 2026. The data have been transformed into financial years by averaging quarterly CPIH index points.
- 2 The balance presented is as at each financial year, which corresponds to the end of March.
- 3 Customers are considered in debt without a repayment plan if they have not paid a bill for longer than 91 days, and there is no formal arrangement to repay the debt.

Source: National Audit Office analysis of Ofgem's data on debt and arrears

Recent actions by regulators to support customers in debt

3.21 Ofgem's Standard Licence Conditions outline minimum standards and expectations, for energy supply companies to support customers in debt to them. In addition, Ofgem has taken or proposed actions aimed at helping people who are falling behind on their energy bills.

- It has introduced Additional Support Credit rules in 2020 that require companies to offer extra credit to prepayment consumers in vulnerable circumstances at risk of self-disconnection.
- Ofgem banned forced prepayment meter installation for some consumers in vulnerable circumstances in 2023. This followed public criticism over an increase in forced installations of prepayment meters by energy supply companies.
- In 2024, Ofgem published a *Debt Strategy* and towards the end of 2025 issued a call for input to address the build-up of consumer energy debt associated with moving home, and published proposals to reset energy debt through a one-off Debt Relief Scheme. The Debt Relief Scheme would require legislation and would write off energy debt for eligible customers in genuine payment difficulty, who accrued debt between 2022 and 2024. Ofgem told us that Phase 1 of this scheme would support up to 400,000 customers in receipt of means-tested benefits and reduce the debt stock by up to £370 million. Ofgem told us that it estimates the net costs of writing off this debt, to be recovered from energy consumers through their bills, would be between £77 million and £115 million.²¹

3.22 In 2022, Ofwat published its *Paying Fair* guidance to water companies which includes minimum standards for supporting customers in debt. It includes seven principles requiring companies to offer repayment plans, make early contact with customers, offer tailored support and empathetic communication. Ofcom's General Conditions require providers to manage debt and disconnections in a fair and proportionate way. Ofcom's *Treating Vulnerable Customers Fairly* guide sets out its expectations for how providers should support customers who are in debt or struggling to pay.

3.23 Ofgem monitors debt issues through its billing compliance work and stakeholder engagement, and through targeted research where it identifies higher risk. Neither regulator specifically monitors whether companies:

- proactively offer repayment plans to customers;
- are identifying and addressing the barriers that stop customers engaging with suppliers, and taking up repayment plans; or
- are increasing the risk of customers getting into debt through poor process, such as delays when people move homes.

²¹ The remainder of the cost would be met by supply companies' writing off of or provisions against debt.

Addressing barriers for customers with extra access, communication or safety needs

3.24 Ofgem introduced the Priority Services Register (PSR). It is a free, UK-wide service that helps utility companies identify and support customers who have extra communication, access or safety needs. This includes a broad range of people who might need additional assistance during energy disruptions, such as those with health conditions or young children, or those reliant on medical equipment. The PSR is held by energy supply companies and Distribution Network Operator companies, not the regulator, and is aimed at ensuring specific service support for registered individuals. Ofwat have also made it a requirement for water companies to adopt the PSR.

3.25 There is no requirement for broadband providers to operate a PSR. Ofcom's General Conditions require broadband companies to consider the needs of people with disabilities and people whose circumstances may make them vulnerable. They require providers to ensure that disabled people can access and use communications services, through the provision of services such as a priority fault repair service.

Arrangements in water and energy

3.26 Ofgem and Ofwat set minimum requirements that companies must deliver to customers registered on the PSR. These include:

- communicating in accessible formats appropriate to the consumer's needs;
- contacting PSR customers every two years to ensure their details are up to date;
- offering third-party nomination for account communications; this can be helpful where a customer cannot advocate themselves;
- taking meter readings at an appropriate frequency if the customer cannot, and no one else can;
- ensuring that prepayment meters are accessible; and
- delivering alternative water supplies during an interruption.

3.27 There are 30 ‘needs codes’ that would make a customer eligible for the PSR, based on consumer characteristics. Ofgem and Ofwat recognise that improvements to the way that companies record individuals’ information could help them provide more targeted and effective support. For example, companies record consumer characteristics rather than needs. There is a risk that this approach does not capture the necessary information to mitigate the risk of detriment. For example, individuals with visual or hearing impairment have differing communication requirements to help them stay up to date during an incident.

3.28 The needs codes cover a range of vulnerable circumstances and are deliberately broad to include as many consumers in vulnerable circumstances as possible. However, how companies use the needs codes to support consumers can be inconsistent. Ofgem has noted that the broad eligibility criteria risk diluting the principle safeguarding purpose of the register.

Arrangements in broadband

3.29 Ofcom’s General Conditions set out its requirements for broadband companies to record the information they need to identify and meet the needs of their customers in vulnerable circumstances. There are no codes to facilitate consistency of application, though the criteria to register a customer’s needs are narrower. Some providers ask for evidence of need for disability-specific services.

3.30 Ofcom sets requirements to specifically benefit users with disabilities. These include:

- communications in accessible formats;
- access to services to translate voice communications into text and vice versa;
- mobile SMS access to emergency organisations;
- priority fault repair services;
- third-party bill management; and
- emergency video relay access to emergency organisations for British Sign Language users.

Take-up and awareness

3.31 In 2024, Ofwat estimated that approximately half of all households were likely to be eligible for PSR services. Ofgem and Ofwat have worked with companies to increase awareness of the PSR, though a survey reported by Citizens Advice in 2026 found that public awareness remains low.

- Following Ofgem’s modification to licence conditions in January 2017, making it mandatory for companies to identify eligible customers and promote the PSR, take-up among energy customers rose from 16% in 2016-17 to 34% in 2024-25 (**Figure 12** overleaf).
- Take-up is considerably lower among water customers but has increased from 2% in 2019-20 to 13% in 2024-25. In December 2023, Ofwat set a minimum expectation that companies should raise awareness of extra-help services, such as the PSR (Figure 12).

3.32 Ofcom requires companies to register customers based on needs. Ofcom’s General Conditions mandate that broadband companies establish, publish and comply with policies that ensure the fair and appropriate treatment of consumers whose circumstances may make them vulnerable. Ofcom has issued guidance to providers asking them to raise awareness of the help, support and services available.

3.33 Ofcom routinely gathers intelligence on issues that arise for consumers in vulnerable circumstances, through third-party public sources. Ofcom has also undertaken a survey to understand affordability issues for consumers with limiting conditions. However, Ofcom does not estimate the number or proportion of households that could be eligible for additional support from their broadband provider due to additional access, communication or safety needs. Ofcom does not routinely monitor take-up or awareness of this support. Ofcom does not routinely review what data companies record regarding consumers’ needs.

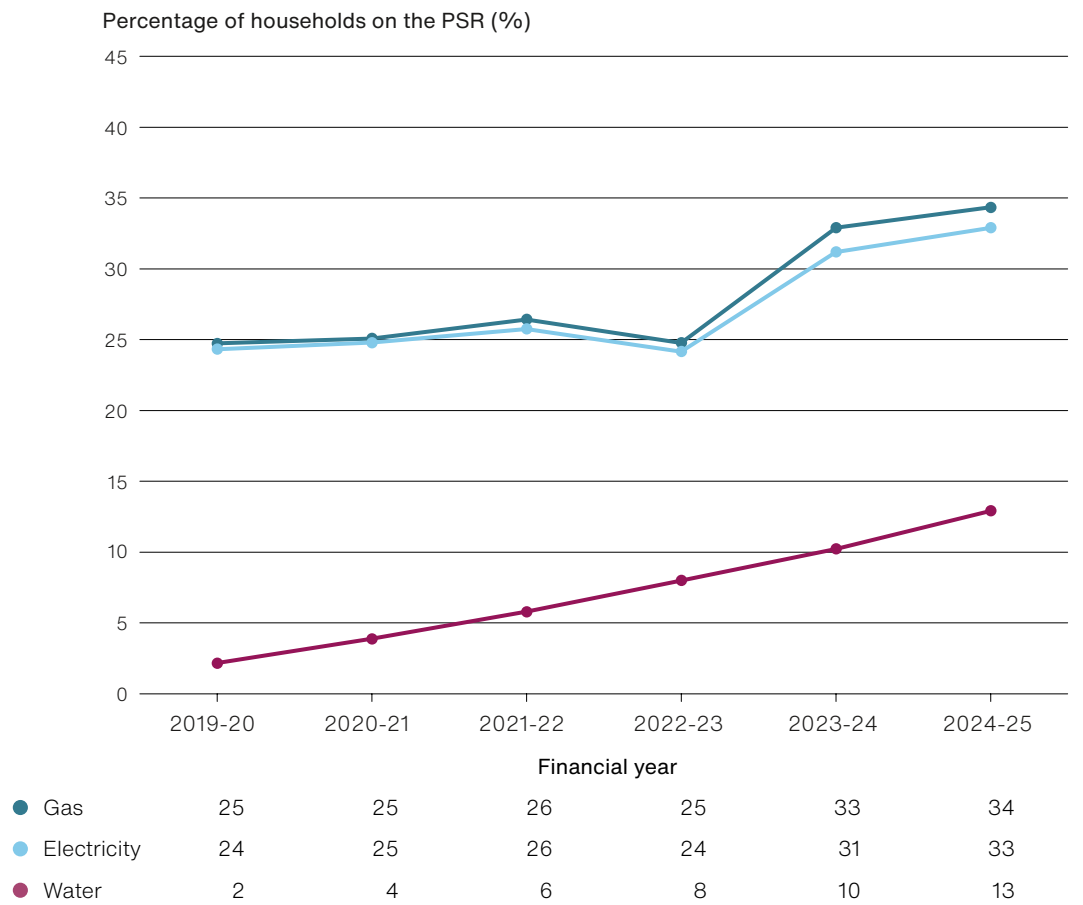
Data sharing

3.34 It is important that customer information collected by energy supply companies and water companies is shared with gas and electricity Distribution Network Operators, so that network operators can contact customers in the event of a supply interruption. Ofgem and Ofwat have worked with industry to reduce the burden on customers of having to disclose their circumstances to multiple organisations. They have encouraged companies to adopt a ‘tell us once’ model that uses cross-sector PSR data sharing between organisations.

Figure 12

Proportion of households on the Priority Services Register (PSR) in energy and water, 2019-20 to 2024-25

The proportion of customers on the PSR has increased in both energy and water, but remains significantly below estimates of those who may be eligible



Notes

- 1 Ofgem estimates that an additional 40% of households might be eligible for PSR support but have not signed up. Ofwat estimates that 52% of households in England and Wales may be eligible for PSR support.
- 2 The PSR is a free UK-wide service, held by individual utility companies. The PSR helps companies identify and support customers who have extra communication, access or safety needs.

Source: National Audit Office analysis of Ofgem's and Ofwat's data

3.35 Figure 13 overleaf shows the current data sharing arrangements between different utility companies. By 2023, legal data sharing arrangements were put in place to enable Distribution Network Operator companies to share PSR customer data with water companies. As a result, there are currently indirect data sharing arrangements between energy suppliers and water companies as the data flow through the electricity Distribution Network Operators, and not directly between suppliers and water companies. Currently, if a customer changes energy supplier or water company, the original company is not obliged to tell the new one. Where data sharing arrangements are in place, operational challenges can still prevent companies sharing data.

3.36 Where PSR data sharing does occur, up to half of the data shared are mismatched, despite fields such as 'Unique Property Reference Number'. This is because customer data are collected by each company in a different format for different IT systems, meaning data transfers are not always easy. In 2022, Northumbrian Water led a consortium of companies to conduct a £902,900 pilot, to facilitate data sharing between companies.²² The pilot was 70% funded by Ofwat's Innovation Fund and 30% funded by companies. The objectives were to improve the registration process for customers by reducing the administrative burden, and to address the low uptake in the water sector. The project shared data on 1.3 million PSR customers and revealed variations in the recording of customers on PSRs across individual companies, and in data collection approaches. The pilot identified 350,000 PSR customers not registered on every company's PSR, and 110,000 customers whose needs were not consistently recorded.

Policy ownership

3.37 While regulators and industries have made progress in aligning how the PSR is used, no single public body is responsible for the PSR, or for leading on a joint approach to change and improvement. In May 2024, following consultation, the Department for Business & Trade (DBT) committed to developing a multi-sector 'Share Once Support Register', which would bring "together the current PSRs and similar telecoms registers".²³ DBT told us that it maintains this commitment, although practical barriers (legal and implementation) have meant limited progress.

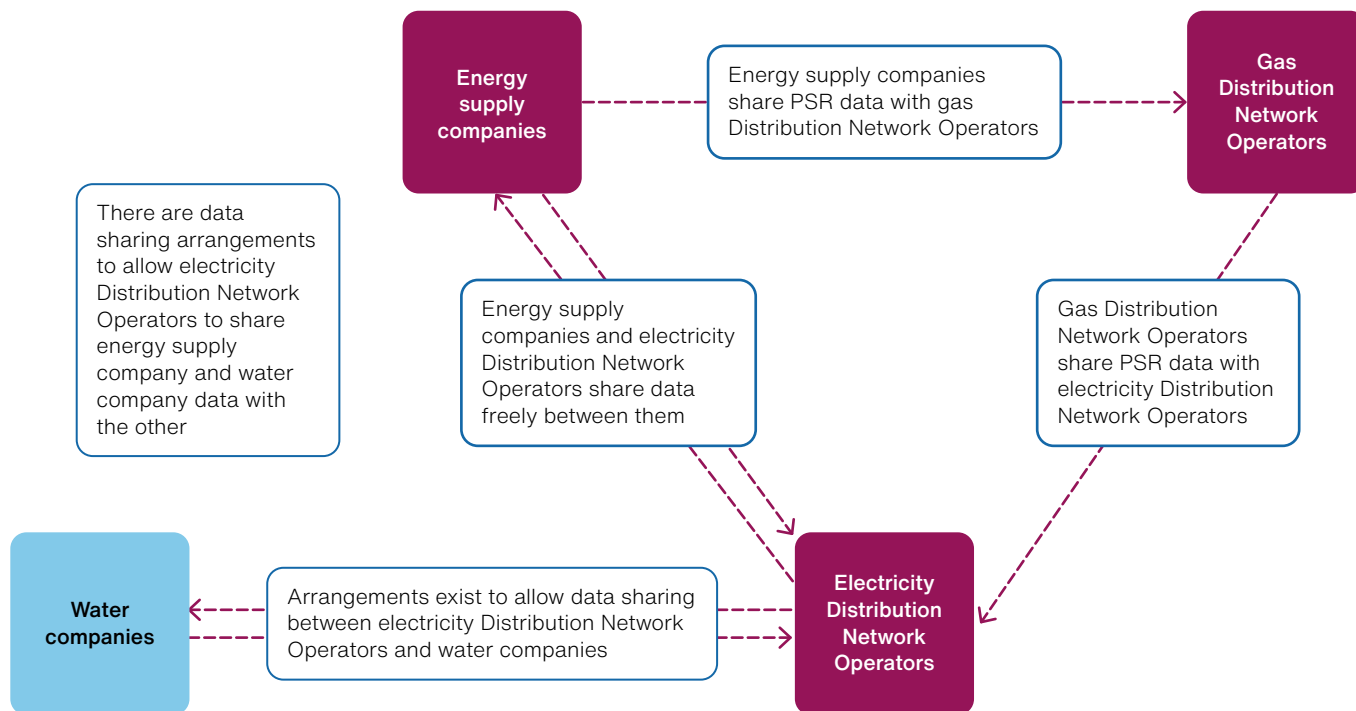
²² The organisations involved in the pilot include: Northumbrian Water as the lead; Accenture PLC; Consumer Council for Water; Microsoft PLC; Ordnance Survey Limited; UK Power Networks; Cadent Gas Limited; Northern Power Grid; Northern Gas Network; and Thames Water Utilities Ltd.

²³ Department for Business & Trade, *Smarter regulation: Delivering a regulatory environment for innovation, investment and growth*, May 2024.

Figure 13

Priority Services Register (PSR) data sharing arrangements between energy and water companies

Most electricity, gas and water companies can have data sharing arrangements in place, though operational hurdles may prevent data sharing



- Energy companies
- Water companies
- Interaction
- Data sharing arrangement

Notes

- 1 The PSR is a free UK wide service, held by individual utility companies. The PSR helps companies identify and support customers who have extra communication, access or safety needs.
- 2 PSR data is only shared at the point in which a qualifying customer makes the request to join a company’s PSR. This means that consumers must request to join the PSR again when they switch energy supply company or move to a new region where there is a different electricity and gas Distribution Network Operators, and/or water company.
- 3 Electricity and gas Distribution Network Operators manage the equipment needed to distribute electricity and gas respectively. Energy supply companies buy electricity or gas from generators, then sell it to customers at an agreed price and issue the bill based on how much energy was used in the billing period.
- 4 While there may be data sharing arrangements between energy and water companies, not all companies and not all data are being shared between water and energy companies due to various operational hurdles.

Source: National Audit Office analysis of Ofgem’s and Ofwat’s and other documents

Appendix One

Our audit approach

Our scope

1 This report examines the work of Ofgem, Ofwat and Ofcom to ensure that residential consumers of water and energy supplies and broadband services receive good consumer outcomes, with a particular focus on the experience of consumers in vulnerable circumstances. It considers how the regulators are:

- setting expectations for consumer experience and outcomes;
- monitoring consumer experience and communication;
- responding to challenges for customers in financially vulnerable circumstances; and
- addressing barriers for customers with extra access, communication or safety needs.

2 The scope of the report does not extend to the following: pricing or related methodology; service quality (for example, drinking water quality, storm overflows, broadband speeds); investment in, and the maintenance and resilience of, physical networks; environmental change and impact; online safety for internet users; and the financial resilience of companies in each sector.

3 The government has announced plans to abolish Ofwat and create a new single regulator for water by 2030. We would expect the recommendations we make to be carried forward in the new regulatory regime. In April 2026, the Department for Energy Security & Net Zero (DESNZ) published proposals for changes to Ofgem's remit, powers and regulatory approaches. The proposals followed a review of whether Ofgem remains fit for purpose in the context of transition to net zero and the UK's exposure to volatile energy prices, highlighted by Russia's invasion of Ukraine in 2022.

Our evidence base

4 We conducted our fieldwork between 14 October 2025 and 31 March 2026. Our independent conclusions are based on a combination of document review, interviews, workshops, teach-ins and data analysis. Our analysis is based on data available up to May 2026.

Document review

5 We reviewed a range of departmental documents to support our understanding of Ofgem's, Ofwat's and Ofcom's approaches to regulating to protect consumers in vulnerable circumstances. We reviewed each document against our overarching audit questions. This was used to refine the scope of the study, including defining our more detailed audit questions and triangulate information from other sources.

6 We utilised artificial intelligence to provide an initial summary of public documents, in order to inform our review and to help us map the contents of the documents against the audit questions, to build a succinct summary of the key, recurring themes and facts. This review included:

- policy papers;
- consultations;
- impact assessments;
- licence conditions documents;
- news articles; and
- internal and published guidance.

7 Informed by our back catalogue of work on regulating to protect consumers, we have mapped the customer journey of consumers across the three regulated sectors to highlight areas that are higher risk in terms of potential consumer harm. This has been informed by the documents received from the regulators themselves and tested with third parties such as Citizens Advice.

Teach-ins, interviews and workshops

8 Fieldwork took place between 14 October 2025 and 31 March 2026. The teach-ins, interviews and workshops were carried out online, typically lasting one hour, and detailed notes were taken. We reviewed the interview notes to strengthen our understanding of the consumer experience, identify emerging themes and inform further lines of inquiry. We spoke to people from organisations based on their subject area, which were aligned with the areas we wanted to cover based on our audit questions.

Teach-ins

9 We attended 15 teach-ins run by the regulators (four Ofcom teach-ins, six Ofgem teach-ins and five Ofwat teach-ins). These teach-ins covered:

- the regulators' objectives and strategy to protecting consumers in vulnerable circumstances;
- what enforcement powers the regulators use to enforce compliance;
- the regulators' understanding of the landscape of consumers in vulnerable circumstances, in each of the regulators' sectors;
- the Priority Services Register (PSR) for Ofgem and Ofwat;
- the energy price cap; and
- the state of the market within the sector.

Interviews

10 We held eight semi-structured interviews with relevant officials from Ofgem, Ofwat and Ofcom, to follow-up on the teach-ins and other areas of interest.

11 We held interviews and discussions with four departments: the Department for Business & Trade, the Department for Science, Innovation & Technology, the Department for Energy Security & Net Zero, and the Department for Environment, Food & Rural Affairs.

12 We also engaged with a range of stakeholders throughout the study:

- UKRN (the UK Regulators Network);
- CCW (the Consumer Council for Water);
- Citizens Advice;
- the Energy Ombudsman;
- CISAS (the Communication & Internet Services Adjudication Scheme);
- the Communications Ombudsman;
- the Communications Consumer Panel;
- StepChange Debt Charity;
- Northumbrian Water;
- Water UK; and
- Energy UK.

Workshop

13 We held a workshop in December 2025 with six Citizens Advice advisers, in their advice centres, to understand their experiences supporting consumers in vulnerable circumstances, particularly with energy bills. This session was used to help us understand:

- where in the customer journey detriment may be most significant;
- the effectiveness and appropriateness of the regulatory response to consumer detriment; and
- the role and operation of the PSRs.

14 Our questions included:

- Where is consumer detriment likely to be greatest, both overall and for individual customers?
- What are the most common consumer detriments (financial, non-financial, poor communication, no contact, poor redress)?
- Which consumer groups may be disproportionately affected by harm and at what stage?
- In which areas is the regulatory response to consumer harm insufficient or absent?
- Which regulatory interventions appear to work well in preventing or reducing consumer harm? Why do they succeed?

Quantitative analysis

15 We conducted a comparison of the customer service metrics used across each regulator to understand what data they collect and how performance differs. This includes:

- comparing the coverage and awareness of measures to support consumers such as the PSRs and social tariffs;
- comparing survey data on consumer satisfaction and ease of communication; and
- comparing data on complaints received by the relevant ombudsman and Alternative Dispute Resolution schemes.

16 In analysing satisfaction across the sectors and the awareness of social tariffs, we primarily utilised published consumer satisfaction surveys and other performance tracking surveys carried out on behalf of the three regulators, dating back to 2019. These are typically published on either a biannual or quarterly basis.

17 In analysing the satisfaction of different groups of customers, we utilised surveys carried out by the three regulators, and the definitions of vulnerability utilised in these surveys and related reporting.

18 For data on complaints, we utilised published information from the CCW, the Energy Ombudsman, the Communications Ombudsman, and the CISAS. In doing so we utilised the classification of complaints used by these organisations.

19 We also looked at data on debt and arrears to understand the changing state of financial vulnerability in each sector. We have used publicly available data on customer debt from Ofgem and Ofcom and internal data from Ofwat to calculate the total debt in the three sectors. When calculating the changes in debt over time, figures are presented in 2025-26 prices and have been adjusted for inflation using the Consumer Price Index including Owner Occupiers' Housing costs (CPIH) data extracted as at 22 April 2026. The data have been transformed into financial years by averaging quarterly CPIH index points. The same financial year (2025-26) was used as the price base to calculate real-terms increase, since this is the last financial year for which complete outturn data existed at time of drafting.

20 When analysing the increase in consumer bills, we have utilised Ofwat data on average bills up to 2024-25 and figures from Water UK on the average bill in 2025-26. To calculate the change in energy bills, we have utilised data from the Department for Energy Security & Net Zero on average annual domestic energy bills. We have combined the average annual domestic electricity and gas bills, which are based on a consumption of 4,800kWh/year and 11,200kWh/year for electricity and gas respectively. These figures have been adjusted for inflation using quarterly CPIH data, extracted at 22 April 2026. To calculate the increase in water bills, these data have been transformed into financial years by averaging quarterly CPIH index points.

21 For real average earnings, we used Office for National Statistics data published and extracted in March 2026.

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