



National Audit Office



REPORT

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

Ofwat, Ofgem and Ofcom

SESSION 2026-27
10 JUNE 2026
HC 27

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”.