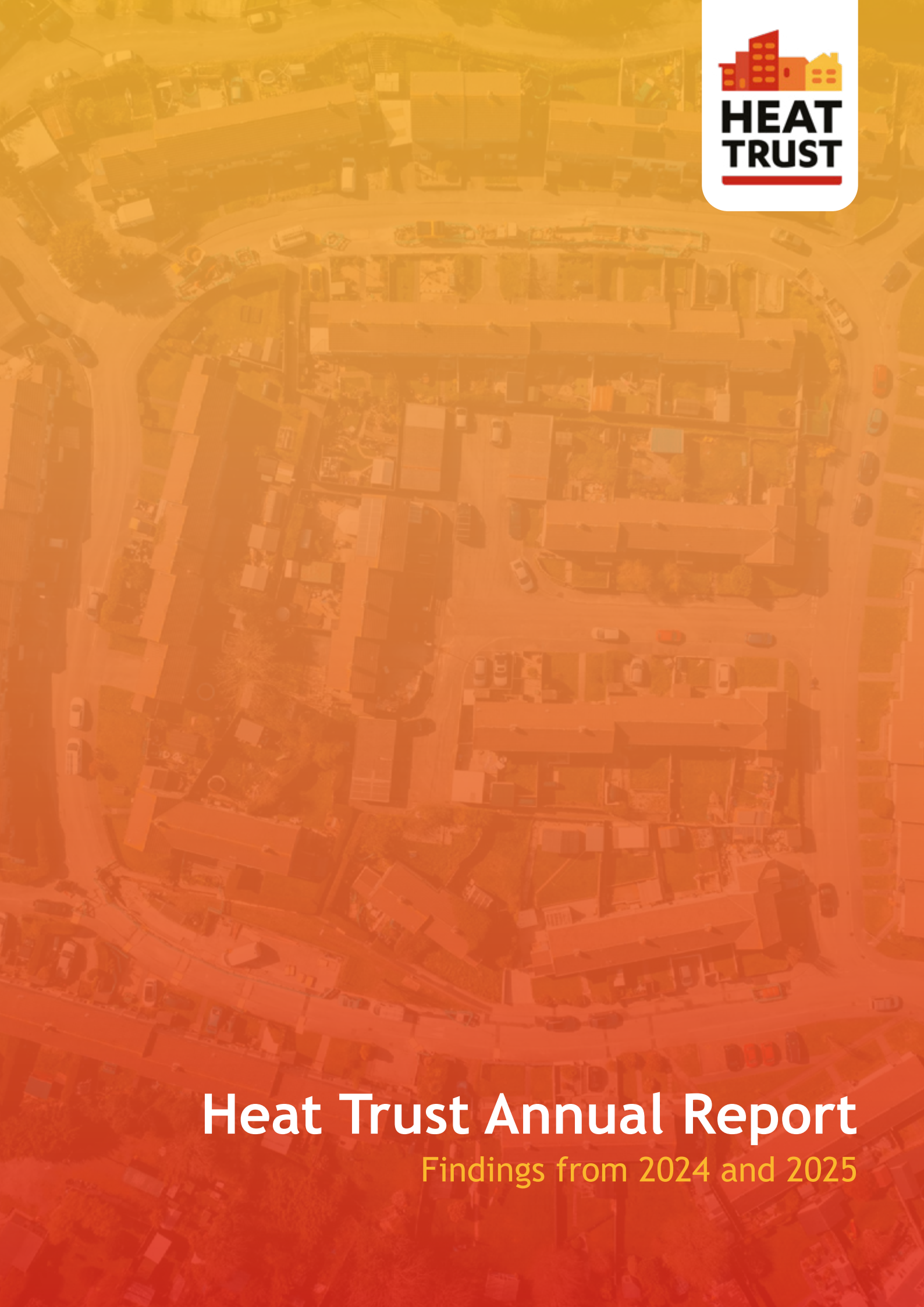


Heat Trust Annual Report

Findings from 2024 and 2025

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1. Foreword from the Chair



Welcome to this Annual Report, which combines findings from the ninth and tenth years of Heat Trust's operation and covers the reporting periods from 1 October 2023 to 30 September 2025.

This report celebrates a milestone, marking ten years of running our independent consumer protection Scheme. Our mission has always been to protect as many heat network consumers as possible and in the past decade our Scheme has grown from covering 15,000 consumers at launch in 2015, to 94,000 in 2025 and close to 100,000 today.

Heat Trust's founding principle is that all energy consumers should be guaranteed a minimum level of service and protection, regardless of how they get their heating and hot water. We set minimum standards of protection that are, as far as possible, equivalent to those for gas and electricity consumers and, for more than a decade now, Heat Trust has been the leading voice in the development of customer service standards across the heat networks sector.

This report contains a special commemoration of the ten-year anniversary of Heat Trust's Scheme, and I am proud of all that we have achieved in that time.

Our standards are the foundations on which Ofgem's consumer protection regulations are being built, and we have continued to work closely with the government and Ofgem since the introduction of formal statutory regulation for heat networks in England, Scotland and Wales. As Ofgem phases in its regulation, our Scheme is continuing to operate throughout this period of transition, and we remain committed to protecting consumers on our registered heat networks until this transition is complete.

In addition to reflecting on all that Heat Trust has achieved in the ten years that our Scheme has been in operation, in this report we also:

- Use our monitoring and compliance data to explore the performance of the heat networks registered with Heat Trust's consumer-protection Scheme during the reporting period;
- Discuss the implementation of our Scheme Transition Schedule to cover the transition period as Ofgem phases in regulation; and
- Update on other Heat Trust activities, such as how we're continuing to champion the interests of all heat network consumers as the regulatory regime develops.

As the leading source of customer care expertise within the industry, registration with Heat Trust continues to be the best way for heat suppliers to prepare for regulation.

Casey Cole (Heat Trust Board Chair), October 2026

2. Infographic: 2025 at a glance

Market coverage

Launched in November 2015
with 3 Registered
Participants covering
15k consumers

As of September 2025:
there are 29 Registered
Participants covering
94k consumers

Vulnerability, debt and disconnections

11.7% of domestic consumers were on a Priority Services Register as of September 2025.

8.3% of domestic consumers used a 'pay as you go' or pre-payment meter (PPM).

26% of consumers throughout the period were in heat debt by more than two months.

10% of consumers in more than two months' debt were on a repayment plan at the end of the 2024/25 heating season.

0.7% of customers experienced supply disconnections in the year to September 2025.

0.5% of customers experienced a resumption of supply in the same period.

Supply outages

4.6 An average of 4.6 unplanned supply outages were experienced by consumers in the year to September 2025, lasting a total of 31:14 hours. Individual heat network performance ranged from 0 to 35.8 unplanned outages per year. Unlike in previous years, Building Management System (BMS) or control failures were the top cause of unplanned interruptions.

£59,810 (in 2025) and
£295,955 (in 2024)
was paid in total outage compensation by heat suppliers to consumers. These totals reflect variation in outage duration and numbers of consumers affected. The duration of most unplanned outages was under the threshold for triggering compensation.

Complaints

85%

In the year to September 2025, an average of 85% of complaints were resolved by heat suppliers within 8 weeks.

146 complaints in 2025 were accepted for investigation by the Energy Ombudsman. This compares with 130 complaints in 2024 and 153 complaints in 2023.

3,557 complaints were reported by heat suppliers during October 2024 to September 2025.

2.5 This represented an average of 2.5 complaints per 100 customers for the six months to March 2025, and

1.4 complaints per 100 customers for the six months to September 2025

3. Executive summary

Heat Trust is the independent, non-profit consumer champion for heat networks in Great Britain (England, Scotland and Wales).

We launched in November 2015 with a clear ambition to place consumers at the heart of a rapidly expanding, but unregulated, heat networks market. Our mission is to hold heat suppliers to account for the benefit of everyone involved in heat networks.

Our primary purpose is to operate and develop our independent consumer-protection Scheme, protecting as many consumers as possible through our standards and giving them continuity of protection throughout the transition to statutory regulation. We also advocate for the interests of heat network consumers across the sector.

How we've protected consumers through our Scheme

A steadily increasing number of consumers on a growing number of sites benefitted from our Scheme's standards during the October 2023 to September 2025 period covered by this report.

Our independent Scheme provides domestic and micro-business consumers on our registered heat networks with:

- Minimum standards of customer service from their heat supplier and protections that are, as far as possible, equivalent to those for gas and electricity consumers;
- Compensation from their heat supplier for any supply outages that fail to meet our guaranteed performance standards on outage length and frequency;
- Confidence in knowing that our assurance arrangements hold their heat supplier accountable for meeting our standards; and
- Access to an independent dispute resolution service for unresolved complaints against their heat supplier, through our agreement with the Energy Ombudsman.



Want to know more about what a heat network is before diving into this report? See www.heattrust.org/about-heat-networks

During the reporting period we:

- Celebrated the tenth anniversary of our Scheme and reflected on all we've achieved in that time (see Section 4);
- Grew our Scheme registrations, delivering the benefit of our protections to ever more consumers (see Section 5);
- Continued to enhance our Scheme's standards and published guidance documents to support best practice (see Section 6); and
- Audited a greater number of Registered Participants than ever before to help more heat suppliers get regulation ready (Section 8).

Much of our work during this reporting period focused on supporting our Registered Participants with the transition to formal regulation. As part of this, we developed and implemented a significant Scheme Transition Schedule to ensure a smooth transfer of consumer protections from Heat Trust to Ofgem as part of the introduction of statutory regulation of heat networks. More information on this can be found in Section 6.

Insights from our monitoring data

This report highlights several issues and trends from monitoring data, collected from our Registered Participants every six months. The most significant of which are:

- Customers continue to experience far too frequent supply interruptions (six or seven a year on average) and average performance across the Scheme appears to be getting worse over time. Site by site analysis shows a huge range in reliability from the best to worst sites, which underlines the importance of including both Guaranteed Standards of Performance (GSOPs) and a robust technical assurance scheme as part of the incoming regulatory framework — both of which are still work in progress;
- The proportion of customers in debt (by more than two months) rose to its highest level ever recorded, at over 25% of the customer base by September 2025;
- Winter 2023-24 saw the highest rate of winter supply suspensions/disconnections (mainly used for debt) since the pre-COVID-19 era. Overall, the rate of suspensions rose over the period of this report to a high point of six in every 1,000 customers during Summer 2025, although this is still below the level reported in Summer 2022;
- The net level of suspensions has risen rapidly over the past few years, suggesting that a growing number of households are long-term off supply — more than 600 households across the Scheme by September 2025;
- Despite training and engagement with Registered Participants on complaint handling, we have not seen a significant change in the volume of complaints, and we remain concerned about whether all suppliers are correctly recording complaints or considering individual consumer circumstances and impacts; and
- On a positive note, suppliers are getting better at identifying and recording customers in vulnerable situations or in need of additional support, with the proportion of customers on Priority Service Registers rising to a new high of 11.7% by September 2025.

A full analysis of the monitoring date received during this reporting period can be found in Section 7.

How we've championed consumers through the transition to heat networks regulation

The beginning of the reporting period was marked by the Energy Bill receiving Royal Assent in October 2023, a major milestone in the journey towards statutory regulation of heat networks.

We believe that all heat network consumers must be guaranteed a minimum level of protection and, as the development of regulation for heat networks has progressed, we've continued to engage extensively with government policymakers and Ofgem, advocating for the development of regulation that delivers positive consumer outcomes and more reliable heat networks that are fit for the future.

We've been working closely with the government on the development of heat network consumer protections. During the reporting period we responded to multiple consultations on this topic, including the second joint Department for Energy Security and Net Zero (DESNZ)/Ofgem consultation on intended protections for heat network consumers and Ofgem's consultation on fair pricing protections, highlighting:

- The need for heat network regulations to deliver equivalent protections to those already enjoyed by gas and electricity consumers;
- Where proposed protections don't go as far as our own rules, or where the detail of the proposals doesn't appear to deliver the stated policy intention; and
- Where more could be done to develop effective mechanisms for heat network consumers and a wider range of consumer groups to engage in regulatory design and development.

We've also continued to advocate for bill support for heat network consumers following the energy price crisis of 2022/23. While most households saw their energy bills falling in the aftermath of the crisis, many consumers in homes supplied by heat networks continue to experience much higher prices as they remain unprotected by the price cap and pay for heat based on the historic wholesale cost of gas. As part of this, we:

- Called for the government to extend the Energy Bills Discount Scheme (EBDS) in April 2024 to ensure that help reached more heat network customers in need of support;
- Campaigned for the development of an equivalent mechanism to the price cap for heat network consumers;
- Met with the Energy Consumers Minister Miatta Fahnbulleh in November 2024 to discuss how the government can take action to lower the cost of heat; and
- Advocated for Ofgem to include heat network consumers in the considerations when developing strategies to tackle energy debt and consumer vulnerability in our response to multiple consultations throughout the reporting period.

If you'd like to know more about the government's planned heat network regulations, we summarise these on our website at www.heattrust.org/coming-regulation

In our wider role as consumer champion for heat networks, Heat Trust:

- Continued to highlight the impact of poor technical efficiency of many heat networks on consumer bills;
- Called for the government's ongoing development of mandatory technical standards to focus on consumer outcomes; and
- Advocated for the development of a Scottish equivalent to the Heat Network Efficiency Scheme (HNES) to improved heat network efficiency in Scotland.

Section 9 gives more detail on our consumer advocacy and regulatory engagement during the reporting period.

"Heat Trust has been truly transformative in changing not just how in control consumers feel about the industry, but also the way the government and industry think about customer protection."

Anna Eagar, Heat Trust Board member since 2015
and Non-Executive Director of Aberdeen Heat and Power



Bath Western Riverside Redevelopment. Photo credit: Buro Happold

"In 2010 the heat network sector was crying out for regulation to protect consumers and reduce investment risk. Between then and now we have witnessed a transformation in the sector, the regulator and in policy, and the changes we have seen are a direct result of Heat Trust's relentless drive for good."

Aaron Gould, Interim CEO of the ADE and Board member since 2026

4. 10 years of the Heat Trust Scheme

Market coverage

Launched in **November 2015** with **3 Registered Participants** covering

15k customers

As of **September 2025,** there are **29 Registered Participants** covering

94k customers

320% increase

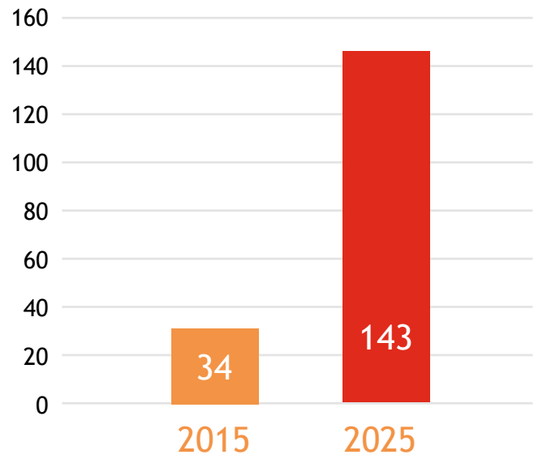
in network coverage, from **34** sites in 2015 to **143** in **September 2025**



Our sector coverage has become more geographically diverse. **6** heat networks were located outside of London at launch in 2015: this has grown to

34 sites in 2025

Growth in coverage



Governance and consumer protection

Our Scheme Rules were developed in 2015, covering everything from Heat Supply Agreements to faults, interruptions and compensation. Since then,

33 modifications

to Scheme Rules have been proposed, and 20 have been implemented.

Over

£1.5 million

has been paid out to customers in compensation as part of Heat Trust's Guaranteed Service Payments rules.

"Heat Trust shows how a good idea and a small team of dedicated people can really make a difference in supporting customers."

Martin Crouch, Chief Economist at Ofwat and Board member since 2015

Timeline

Date	Heat Trust development	Regulatory development
June 2015		First Heat Networks Code of Practice (CP1) by the Chartered Institution of Building Services Engineers (CIBSE) and the Association of Decentralised Energy (ADE).
Nov 2015	The Heat Trust Scheme is launched.	
Sept 2016	The Committee approves and implements the first modification to Scheme Rules, to amend the timeframe for issuing refunds from 10 calendar days to 10 business days. The Heat Cost Calculator (HCC) is launched to help residential customers understand what they could expect to pay for heating and hot water in a similar sized property that uses an individual gas boiler.	
Dec 2016	By the end of its first year, 47 heat networks are registered with the Heat Trust Scheme, covering 28,000 customers.	Duty to install final customer heat meters comes into force under the Heat Network (Metering and Billing) Regulations 2014.
Dec 2017		The Department for Business, Energy and Industrial Strategy (BEIS), publishes the first comprehensive survey of customer experiences of heat networks. The report finds that since launching in 2015, Heat Trust is having a positive impact on the market.
May 2018	Mayor of London commits to "*encourage Schemes in London to be Heat Trust accredited*" in his London Environment Strategy.	
July 2018		The Competition and Markets Authority (CMA) publishes its final market study into heat networks. CMA calls for the government to introduce regulation and appoint a sector regulator.
Dec 2018	Heat Trust registers its first Local Authority onto the Scheme.	
Jan 2019	The first audits of registered sites are undertaken.	
Apr 2019	The Rt Hon Claire Perry MP, Minister of State for Energy and Clean Growth, sends an open letter to all heat network owners and operators calling those who are not currently registered with Heat Trust and who do not offer equivalent standards to consider joining Heat Trust.	
Feb 2020		BEIS publishes its heat networks: building a market framework consultation, seeking views on policy options for regulating heat networks.
May 2020	Heat Trust is appointed to monitor the commitments made by signatories to the consumer agreement on additional protections in response to the impact of COVID-19.	
Jul 2020	The Heat Trust Scheme reaches milestone of protecting more than 50k consumers.	
Sep 2020	Heat Trust registers its first housing association.	
Nov 2020		The government amends Heat Network (Metering and Billing) regulations to tighten rules on end user metering.
Dec 2020		CIBSE and ADE publish updated Heat Networks Code of Practice CP1 (2020) to support the development of a wider heat networks quality assurance Scheme.
Mar 2021		Scottish Parliament passes the Heat Networks (Scotland) Act 2021.
Jun 2021	The 100th heat network joins the Scheme.	
Sep 2021	In preparation for its future role as regulator, Ofgem seconds a member of staff to Heat Trust on secondment to learn about the heat network sector.	
2022-23	Heat Trust is instrumental in lobbying the government for energy price support for heat network customers during the 2022-23 energy crisis.	The government introduces the EBDS (Qualified Heat Supplier) subsidy scheme for heat networks covering 2023-24.
Jul 2023	Heat the Streets in Cornwall joins Heat Trust, representing the first heat network using shared ground loop technology to register with the Scheme.	
Oct 2023		The UK Parliament passes the Energy Act 2023.
Apr 2024	The government states "In order to ensure continuity of consumer protections, we expect heat suppliers who are registered the with Heat Trust to remain registered until the start of Phase 3, when full protections will be in place."	
Mar 2025		The government introduces The Heat Networks (Market Framework) (Great Britain) Regulations 2025.
Apr 2025		Advice and advocacy services begin to cover heat network consumers. Energy Ombudsman begins to cover all heat network consumers.
Nov 2025	Heat Trust celebrates 10 years of its Scheme and plans for transition period of joint oversight until Ofgem protections and operations are fully in place.	

5. Scheme registrations and sector coverage

We continued to increase our market coverage

In addition to existing heat suppliers continuing to register heat networks with Heat Trust during the reporting period, several new suppliers joined the Scheme.

Any heat network that serves domestic and/or micro-business consumers can join Heat Trust, regardless of heat source or metering type. To join our Scheme, the applicant must be the heat supplier that has the contract with end consumers. The supplier could be a dedicated Energy Service Company (ESCO) or a building owner (e.g. a developer, private freeholder, housing association or local authority). Registration is at a heat network, not heat supplier, level — meaning that a heat supplier must make an individual application for each heat network that it wants to register with us. Before we accept that registration, we check that the heat supplier has terms and conditions and processes in place for that heat network that comply with our Scheme's Rules. Once we're satisfied, the supplier signs a legal undertaking to abide by our Scheme on an ongoing basis for the heat network.[1]

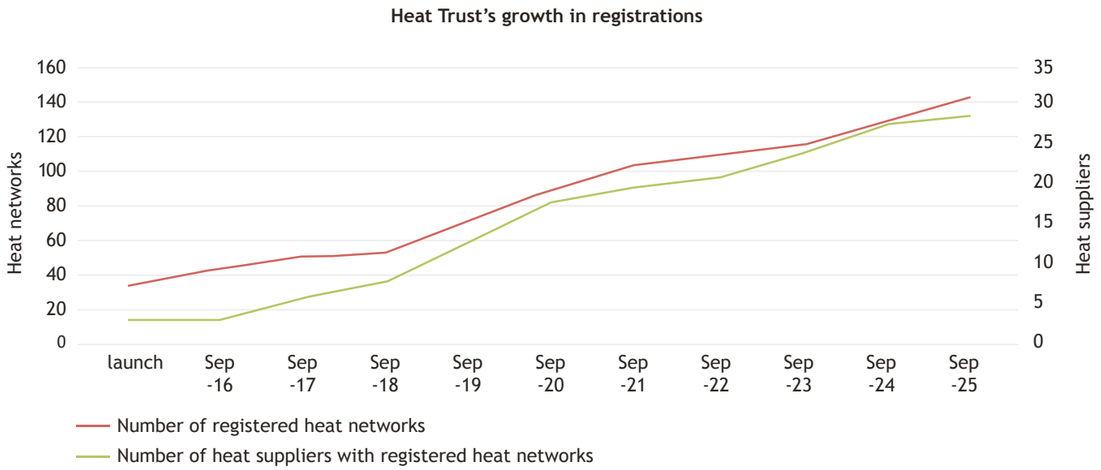


Figure 1 - Growth in Heat Trust registrations by year since Scheme launch, with separate axes for the numbers of registered heat networks and heat suppliers

Between October 2023 and September 2025, we registered 28 new heat networks across 12 heat suppliers. Five of these heat suppliers were registering heat networks with Heat Trust for the first time. This brought our total to 143 heat networks across 29 heat suppliers by September 2025 (Figure 1).

Growth in Scheme registrations may be tied to the development of regulation, with the passing of the Energy Act 2023 laying the foundations for Ofgem to become the regulator for heat networks across the whole of Great Britain. Heat suppliers and operators have been encouraged by both Ofgem and DESNZ to "*follow existing good practice, such as that set out by the Heat Trust*", which may have motivated suppliers to register with our Scheme to ensure compliance with the coming regulation.[2]

1. Want to know more about our registration process? See https://www.heattrust.org/join-us
2. DESNZ and Ofgem, 2023: Heat networks regulation - consumer protection

We protected 93,637 consumers in total at the end of September 2025 (Figure 2). This was 18,400 more than in October 2023. The increase is due to a combination of existing registered heat networks increasing their numbers of connected consumers, as well as connections at new registrations.

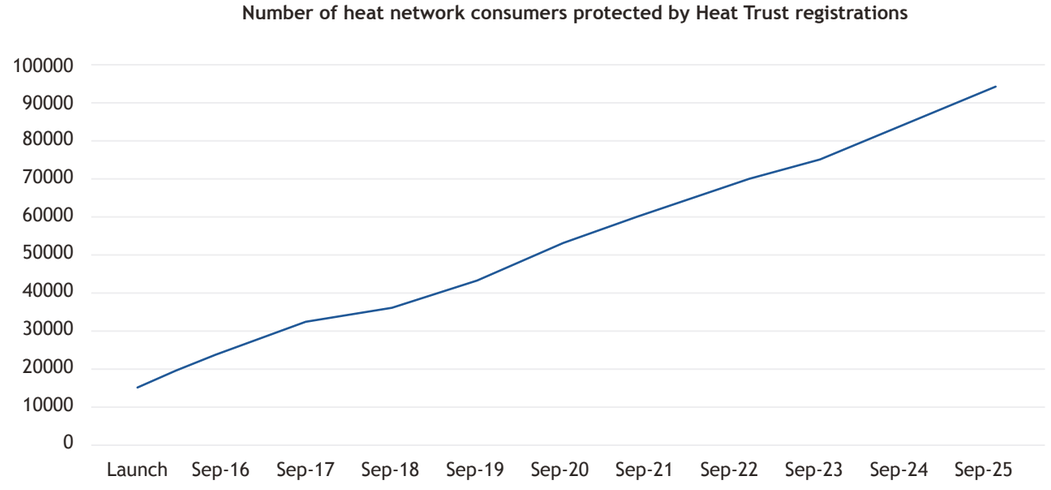


Figure 2 - Growth in the number of consumers protected by Heat Trust's Scheme since launch

There were no withdrawals or expulsions from the Scheme during the reporting period, but one site was subsumed into another.[3] This decision was made by the supplier following an internal review, as although registered initially as two individual networks, they have subsequently been connected.

Of the heat networks registered with us during the October 2023 to September 2025 reporting period, 36% were outside London, with three of these located in Scotland. This includes the Midlothian Energy Ltd (MEL) heat network, which joined in October 2024, a heat network developed by Vattenfall in partnership with Midlothian Council.

Want to know more about our registration process?
See www.heattrust.org/join-us



3. You can find our latest registration numbers, plus our full list of registered heat networks, at https://www.heattrust.org/our-members

Case Study: Midlothian Energy Limited (MEL)

A joint partnership between Midlothian Council and Vattenfall.

MEL was formed in 2020 with an aim to become a driving force in delivering low-carbon energy solutions for the entire Midlothian region. This collaborative approach is the only fully 50-50 joint venture in the UK, equipped to deliver a wide range of energy projects.

The first project is to supply low carbon heat to new homes in Midlothian through the MEL heat network, which will then expand into other areas in Midlothian.

Construction of the MEL energy centre, which will power the heat network, began in 2023. It will recover heat from the Millerhill Recycling and Energy Recovery Centre — an energy from waste plant operated by FCC Environment, providing a low-carbon source of energy for the entire network.

The first customers were connected to the MEL heat network in 2024. In its first phase it will serve 3,500 new homes, plus schools and other commercial buildings in Shawfair Town and neighbouring developments on the outskirts of Edinburgh. The MEL energy centre and the MEL heat network are supporting Scotland in achieving its ambitious targets to increase the share of heat supplied by heat networks from under 2% to 8% by 2030.

Beyond heat networks, MEL is working with Midlothian Council to explore other sustainable energy and infrastructure projects, including solar generation and improving energy efficiency in homes and public buildings through better insulation and smart controls.

You can find out more about the MEL heat network here [The MEL Heat Network - Vattenfall Heat UK.]

Photo credit: Vattenfall



Our sector coverage has continued to become more geographically diverse

During the previous reporting period covering October 2021 to September 2023, 78% of Heat Trust registered networks were in London. This figure has reduced and, as Figure 3 shows, 34 Heat Trust registered sites are now located in regions other than London, with the Southeast of England and Scotland being the second and third most represented regions, respectively.

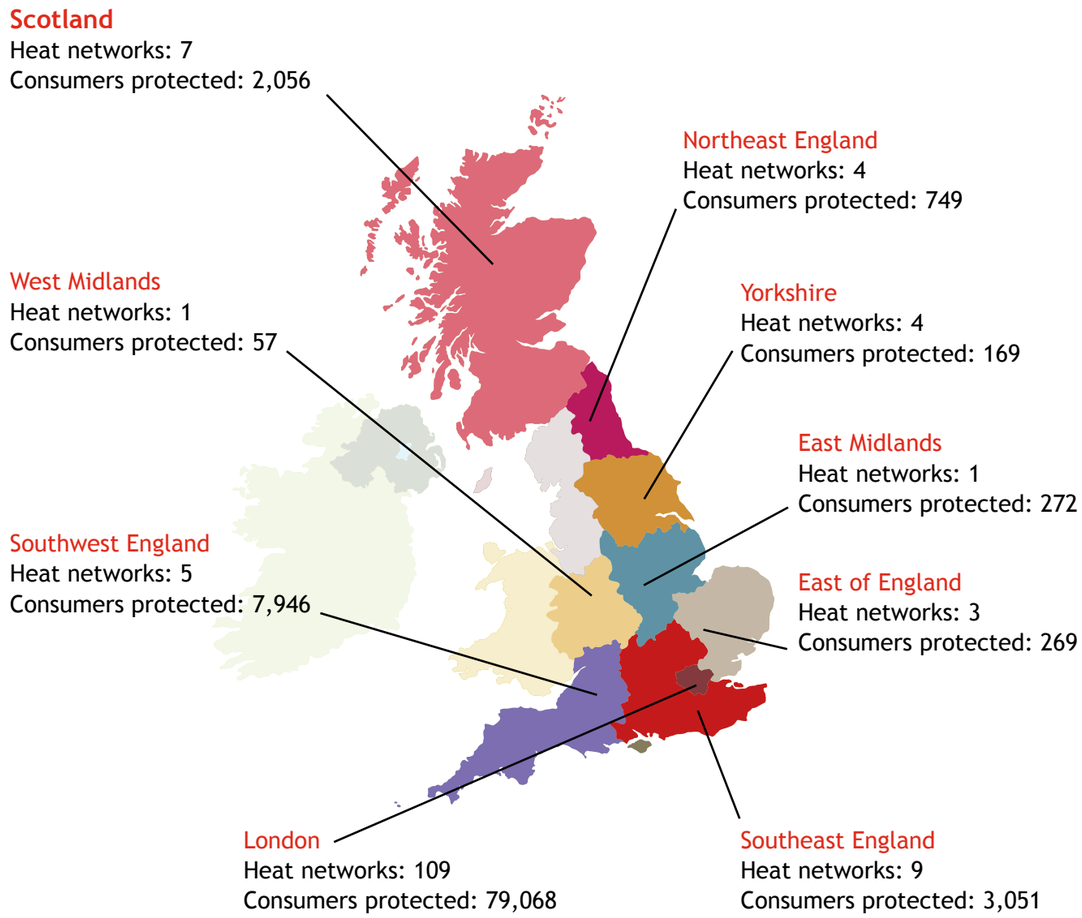


Figure 3 - Heat Trust Scheme coverage by region as of September 2025

Despite the increased diversity during the reporting period, Heat Trust registered heat networks are still more likely to be based in London, and to be larger, than average.

While there is limited public data available on the prevalence of heat networks in Great Britain, according to the Office for Product Safety and Standards (OPSS) data, 30% of all registered heat networks are in London, and the average number of consumers per registered heat network is approximately 50.[4] As Table 1 shows, for Heat Trust registered sites, this stands at 76% and approximately 650, respectively.

	OPSS notifications (2019-22)	Heat Trust total registrations (at Sep 2025)
Total number of heat networks with domestic consumers	9,000	143
Proportion of registered heat networks in England	93%	95%
Proportion of registered heat networks in London	30%	76%
Proportion of consumers on registered heat networks in London	50%	84%
Average number of consumers per registered heat network	Approx. 50	Approx. 650

Table 1 – Heat Trust's sector coverage by heat network size and location

A Heat Trust registered heat network is also more likely to be registered by a dedicated ESCO heat supplier.[5] While our Scheme isn't limited to ESCOs, they still represented almost three quarters of the heat suppliers for our registered heat networks as of September 2025 (Figure 4).[6] This compares to what we believe to be ESCOs' 10% share of the overall sector.

Our limited sector coverage demonstrates the pressing need for statutory regulation of all heat networks, not just those run by ESCOs. At the same time, it shows the scale of the challenge for the government and Ofgem in introducing consumer protections across many thousands of existing small heat networks controlled by building owners.

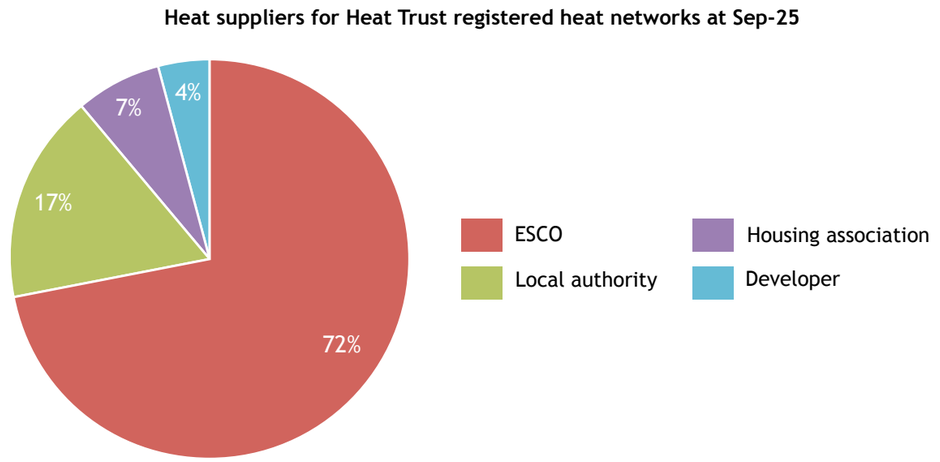


Figure 4 – Heat Trust's sector coverage by type of heat supplier, as at the end of the reporting period



Chilton Woods community heat hub in Sudbury, Suffolk. Photo credit: GTC

4. The Heat Network (Metering and Billing) Regulations 2014 requires heat suppliers to notify the Office for Product Safety and Standards (OPSS) of all operational heat networks, with its most recent published data covering the period 2019-22. This data has limitations due both to its age and non-compliance with the notification requirement, but it gives us an idea of how Heat Trust's registrations compare against wider sector characteristics.

5. An Energy Service Company (ESCO) has end-to-end responsibility, usually under a long-term concession agreement with the building owner, for both the operation of the heat network assets and the contractual supply and billing of heat to end consumers. On heat networks without an ESCO, the building owner usually retains the contractual supply relationship with consumers as well as control of the network assets. They may appoint an operation and maintenance contractor and/or a metering and billing contractor. The building owner is usually a developer, private freeholder, housing association or local authority.

6. Some ESCOs are set up and owned by building owners, such as local authorities or private developers. Where this is the case, we've included categorised these as 'local authority' or 'developer', rather than 'ESCO', for the purposes of our reporting.

6. Scheme changes

Our Scheme Rules are designed to be comparable to the standards of conduct set out in Ofgem's licence conditions for regulated domestic gas and electricity suppliers of domestic and micro-business consumers. You can find a summary of our Scheme standards at www.heattrust.org/the-Scheme. Our Scheme promotes best practice, innovation and continuous improvement in customer service, by enabling the evolution of our standards through a formal change process as well as the development of guidance on how to comply with those standards.

Transitionary arrangements

Ofgem began regulating heat networks from 27 January 2026. However, it is taking a phased approach to regulation, with not all the consumer-protection rules and standards coming into force from this launch date. To ensure continuity in consumer protections as Ofgem phases in its regulation of heat networks, Heat Trust agreed with the government that the Scheme should continue for a transitional period.

As such, a significant change that was delivered during the reporting period was the implementation of rules to cover this transition period, called the Scheme Transition Schedule. This was required to give Heat Trust the operational flexibility to modify Scheme Rules in response to regulatory developments, to manage any interactions during the transition period between the Heat Trust Scheme and incoming regulation.

The Scheme Transition Schedule sets out a Scheme End Date of 26 January 2027. However, the Schedule includes provisions to extend this end date in certain circumstances to ensure continuity of protections, if required. Heat Trust recently extended its consumer protection scheme to March 2028, following a consultation with members.

The overarching aim of the Scheme Transition Schedule is to facilitate a smooth transfer of consumer protections, including standards and compliance-related activities, from the Heat Trust Scheme to Ofgem, as the statutory regulator for heat networks. Within this, three Transition Principles apply, that requirements of Registered Participants during the Scheme Transition Period should:

1. Maintain continuity of protection for heat customers on registered sites;
2. Be efficient for Registered Participants to discharge; and
3. Be efficient for the Scheme Administrator to operate.

Modification Proposal 032 introduced the Scheme Transition Schedule that contained all the Scheme transitional provisions. This enabled Registered Participants and Scheme stakeholders to find all the relevant provisions in one place and makes it easier and faster to amend these in future if it becomes critical to do so. It also contained changes to the other impacted parts of the Scheme Documentation that were needed to give effect to the Scheme Transition Schedule.

This Modification Proposal was initially reviewed by the Committee in May 2025, before going to consultation for eight weeks from May to July 2025. It then received Board approval in September 2025, and was implemented ahead of 27 January 2026, when the Scheme transition period began.

Since then, two Permitted Variations have been made, to remove any potential conflict between Heat Trust Scheme definitions and the Ofgem Authorisation Conditions for heat suppliers. Permitted Variation 001 varied the Scheme's definition of Micro-Business, and Permitted Variation 002 varied the Scheme's definition of Emergency Credit, in both cases to ensure alignment with incoming regulation.

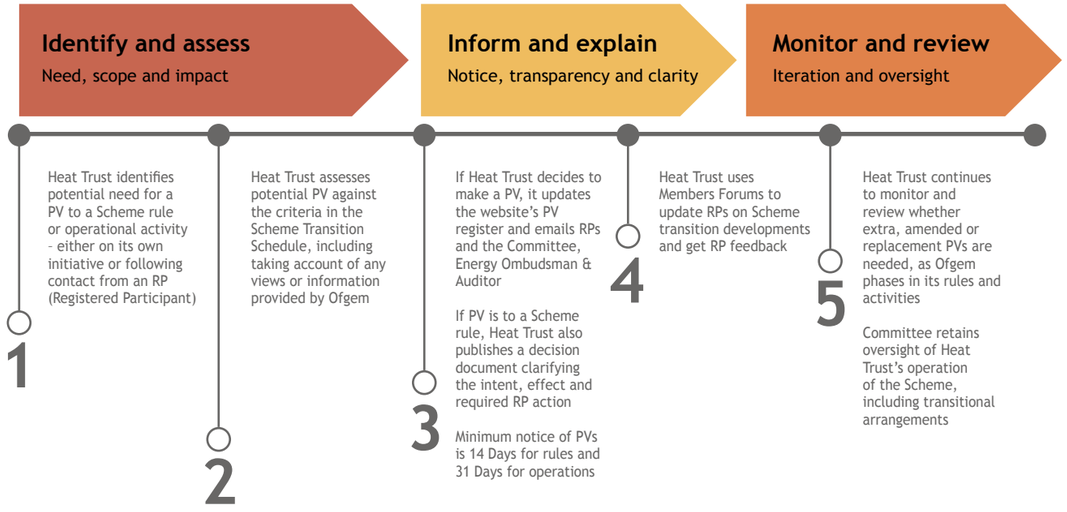


Figure 5 – The process for making Permitted Variations under the Scheme Transition Schedule

Other rule changes

In addition to Modification Proposal 032, two other modifications to Scheme standards were implemented during the reporting period:

- Modification Proposal 030 'Reflect that all documentation under the Scheme is sent by email' amended the Scheme Bye-Laws to remove all references to post and hand delivery as methods of serving documentation and to confirm that all Scheme documentation (including termination notices) is served by email. This was intended to be consistent with other sectors — with email becoming the preferred method for serving notices and documentation under the regulated gas and electricity codes — and to reflect the fact that Heat Trust has been a remote-working organisation since the start of the COVID-19 pandemic in March 2020. It was implemented in March 2024.

- Modification Proposal 031 'Clarifications to the Scheme Rules and Scheme Bye-Laws' implemented several wording changes to both the Scheme Rules and the Scheme Bye-Laws. The aim of this was to improve the efficiency of the Scheme, and Registered Participants' ability to efficiently discharge their Scheme obligations, by ensuring that the wording of the Scheme's provisions clearly and unambiguously reflects their intention. It was implemented in July 2024.

Modification Proposals 15,16,18 and 23-28 on Guaranteed Standards of Performance, which had been developed between 2021 and 2023, remained on hold throughout the reporting period until Ofgem clarified their plans for statutory GSOPs for heat networks. These Modifications were all subsequently withdrawn in November 2025 after discussion with the Scheme's stakeholder Committee. The evidence and views gathered during the development of these proposals has been published to inform Ofgem's development of statutory GSOPs.[7]

In the run up to regulation, the Scheme Administrator has generally sought to avoid any new significant modifications to the Scheme Rules to reduce the risk of misalignment with incoming Ofgem regulation.

7. Heat Trust, 2026: MODs 023-028, Summary of proposals and consultation responses.

Guidance and best practice

We published eight new or updated Scheme guidance documents during the reporting period, setting out best practice in:

- Application Process Flowchart Diagram (October 2023);
- Handling complaints (May 2024);
- Treating Customers Fairly (June 2024);
- Pre-payment Meters: Interpreting the meaning of ‘safe and reasonably practicable’ (July 2024);
- Supporting Heat Customers in payment difficulty (November 2024);
- Complaint Signposting Guidance (November 2024);
- Identifying and communicating with Heat Customers in Vulnerable Situations (November 2024); and
- Measuring Heat Customer satisfaction (November 2024).

These documents are publicly available and can be used by all who work in the sector, not only our Registered Participants. You can find all our public Scheme guidance here: www.heattrust.org/best-practice-guidance-and-templates



Midlothian Energy from Waste plant. Photo credit: Stephen Knight

7. Monitoring data including consumer complaints

We collect monitoring data twice-yearly for each of our registered heat networks.

The monitoring data included in this report covers the following four individual reporting periods and is aggregated from eligible heat networks registered with Heat Trust during each period:

- 1 October 2023 to 31 March 2024 – 119 heat networks
- 1 April 2024 to 30 September 2024 – 129 heat networks
- 1 October 2024 to 31 March 2025 – 137 heat networks
- 1 April 2025 to 30 September 2025 – 143 heat networks

The reporting periods align with our Scheme definition of the heating/non-heating seasons, as extra consumer protections apply during the heating season of October to March.

Meter types

95% of all registered heat networks have individual heat meters for each consumer on which billing was based. The exception to this is four supported housing sites, which have an exemption under the metering and billing regulations, and two shared ground-loop networks, which our outside the scope of the metering and billing regulations. There were no registered heat networks using heat cost allocators.[8]

Reporting year ending	Number of domestic consumers with PPMs	Proportion of domestic customer base
September 2023	5,706	7.6%
September 2024	6,911	8.2%
September 2025	7,732	8.3%

Table 2 – Number and percentage of domestic consumers with pre-payment meters

The proportion of the domestic customer base with pre-payment meters (PPMs) has increased steadily but remains under 10%.

Unlike in the regulated gas and electricity sectors, heat suppliers do not have powers to force-fit PPMs under warrant for managing and repaying existing debt, meaning that not all heat consumers with PPMs are experiencing debt. Many newer heat networks take a commercial decision to fit PPMs as standard in all homes as a debt-prevention solution.

However, smart heat meters, where installed, can be remotely switched to PPM mode — since the publication of our previous report, we have begun monitoring rates of remote switching to PPM mode. As of September 2025, 9,678 meters could be remotely switched between credit and pre-payment mode, representing 10.4% of the total domestic customer base. Of those, 5% were remotely switched to PPM mode during the two-year reporting period.

If consumers don’t or can’t afford to top up their PPMs, they are automatically disconnected (often called ‘self-disconnection’). Our Scheme guidance clarifies that it’s best practice for heat suppliers to proactively monitor for ‘self-disconnection’ by PPM customers, where it’s reasonably practicable to put in place processes to do so. Like Ofgem’s rules for gas and electricity suppliers, our Scheme Rules also prevent heat suppliers from switching a consumer to a PPM if the PPM is unsafe or impracticable for them to use.

8. Small electronic devices fitted to radiators that measure, record and display the radiator’s heat output.

Vulnerability and debt

Our Scheme Rules require that heat suppliers for our registered heat networks take proactive steps to identify and support domestic consumers in vulnerable situations and/or with additional communication needs.

A Priority Services Register (PSR) is the mechanism by which the heat suppliers for our registered heat networks record domestic consumers who are in vulnerable situations or who have additional communication needs. Because heat networks supply whole buildings, the proportion of a heat supplier's consumers with vulnerabilities or additional needs can vary according to the nature of a building — for example, a heat network may supply sheltered accommodation.

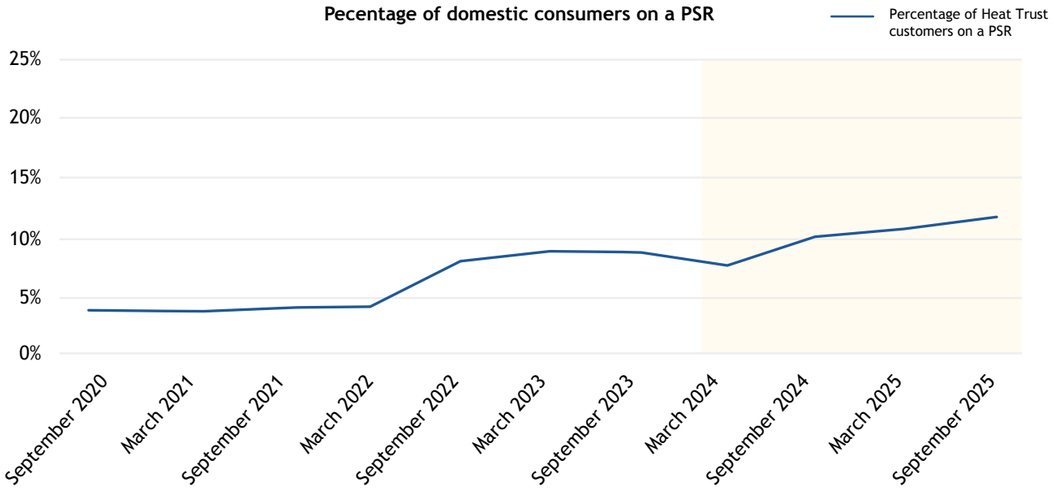


Figure 6 - Proportion of consumers on a PSR across Heat Trust-registered heat networks

There has been a steady increase in the proportion of domestic consumers on PSRs across our registered heat networks since September 2022. This may be due to Registered Participants preparing for incoming regulation or feeling empowered to take a more proactive and structured approach to identifying vulnerable consumers, following training delivered in October 2021 by Heat Trust in partnership with National Energy Action.

As of September 2025, the proportion of domestic consumers on a PSR across Heat Trust-registered heat networks stood at 11.7%, the highest figure yet recorded. For comparison, 32% of domestic electricity consumers and 35% of domestic gas consumers were on a PSR at the end of 2025.[9]

Our Scheme Rules require the heat suppliers for our registered heat networks to make proactive efforts to support consumers in financial difficulty. This includes making every reasonable effort to restructure payments to be manageable and affordable.

9. Figures taken from Ofgem's Consumer Vulnerability Strategy: Progress Report.

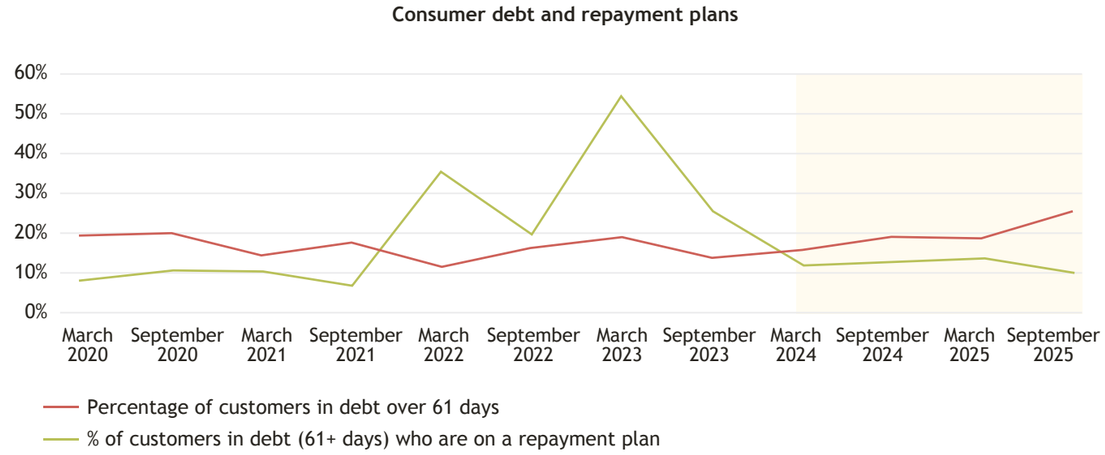


Figure 7 - Proportion of consumers in debt to their heat supplier by more than two months and the proportion of those consumers on a repayment plan

During the period covered in this report, the proportion of consumers in debt to their heat supplier by more than two months increased and, for the first time, rose to represent more than 25% of the customer base by September 2025 (Figure 7). We do not know whether the amount of debt incurred by these consumers has also increased, as our monitoring data does not capture absolute debt figures.

Additionally, following a marked improvement in the proportion of consumers in debt that were on a repayment plan in March 2023, this figure has fallen again and stands at 10% as of September 2025. This suggests that while the heat suppliers for our registered heat networks were more proactive in managing debt during the energy price crisis (2021-2023), such practices have not kept pace with rising debt levels, with the proportion of consumers in debt who are on a repayment plan falling to 15% or below from March 2024 onwards.

Disconnections

Unlike the gas and electricity sector, where supply suspensions (disconnections) for debt are extremely rare, they are a feature of the heat network sector. This is partly because heat suppliers don't have powers to force-fit PPMs using court warrants.

During the COVID-19 pandemic restrictions of 2020 and 2021, an industry-wide agreement reduced the number of supply suspensions. In our previous report, we highlighted analysis from our monitoring data showing that once this agreement came to an end, the heat suppliers for our registered heat networks resumed suspensions as a debt management tool. Until March 2025 rates of suspension had since reduced, representing less than 0.1% of the customer base in Winter 24/25. Unfortunately, the following six months to September 2025 saw a sharp increase in supply suspensions, with the total figure for that period 3.6x higher than in the previous year, the second highest rate we have ever recorded.



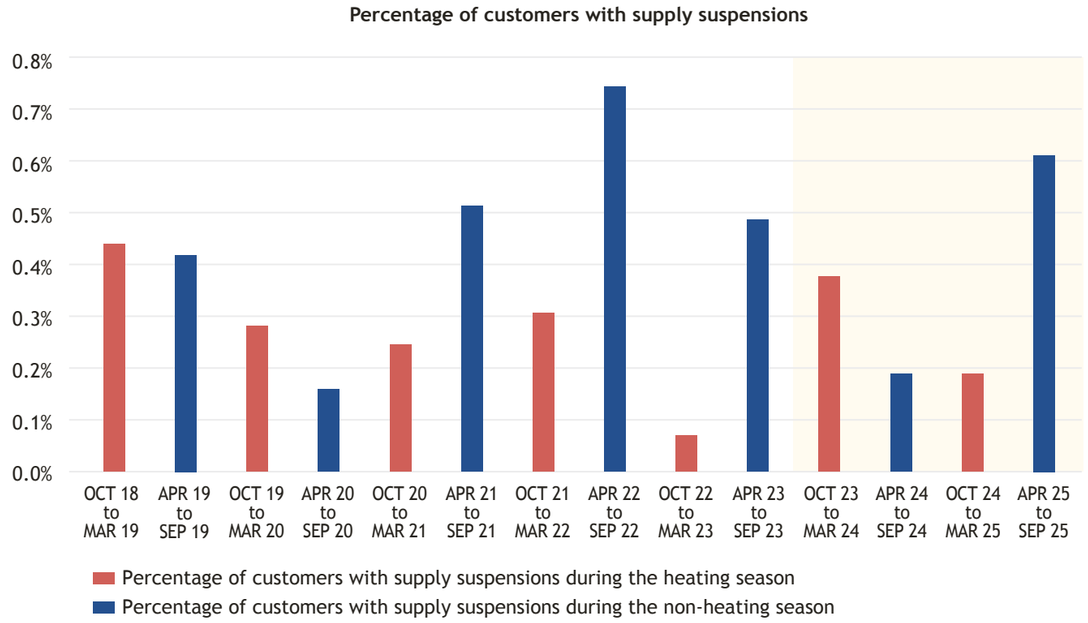


Figure 8 - Suspensions of supply across both heating and non-heating seasons

From October 2023 to September 2024, more than half of all disconnections occurred within the heating season (299 of the 456 suspensions across the year), which is worrying given the impact of disconnection on consumers is far greater during the winter season than in summer. However, this was not the case for the following year, with only 11% of all disconnections occurring within the heating season (71 of 639 disconnections).

Our Scheme Rules prohibit Registered Participants from suspending the heat supply during the heating season to any property where a customer is registered as in a vulnerable situation or where the supplier has reason to believe the property includes an occupant who is in a vulnerable situation.

We do not collect data on whether a disconnection was debt-related, but this is likely to be the case for most disconnections. However, some consumers choose to disconnect from the heat network where the property is not in consistent use (e.g. a second property) or if the consumer does not like the heating technology.

Our previous report highlighted that the rate of supply resumptions consistently lagged behind that of suspensions, which was raised as a cause for concern. Figure 9 shows the percentage of customers with supply suspensions and the percentage of customers with resumptions in supply for each reporting period.

From October 2023 to September 2024, the total number of suspensions and resumptions across the year were similar (456 and 472, respectively). This suggests that customers who were disconnected due to debt might have only been without heating and hot water for a short amount of time and were reconnected once the debt has been paid. However, for 2025, the gap between disconnections and reconnections suggests that despite most disconnections taking place during the non-heating season, many consumers remained off supply during some of the following (winter) period. During April to September 2025, almost 200 customers were disconnected but not reconnected.

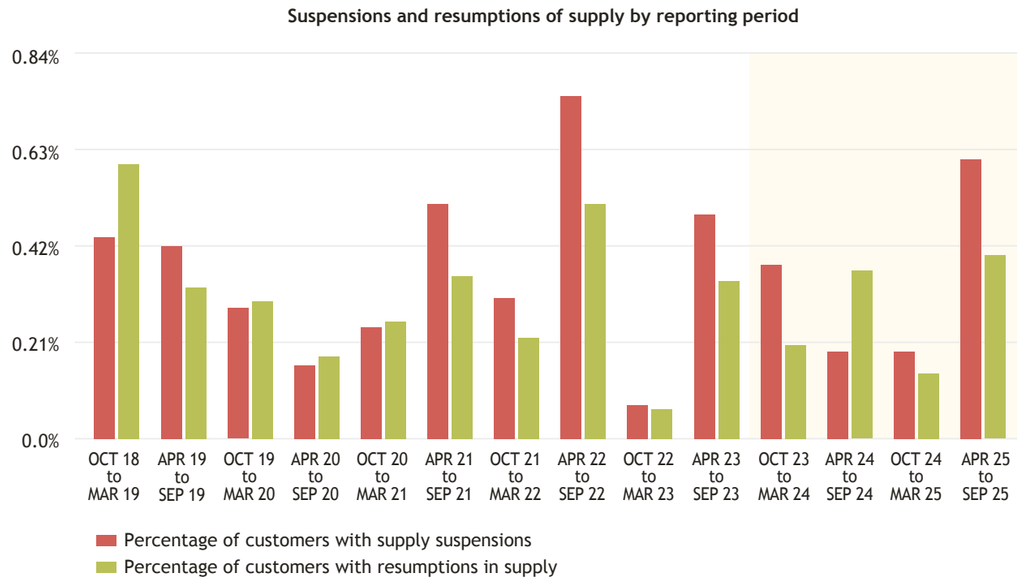


Figure 9 - Suspensions and resumptions of supply by reporting period

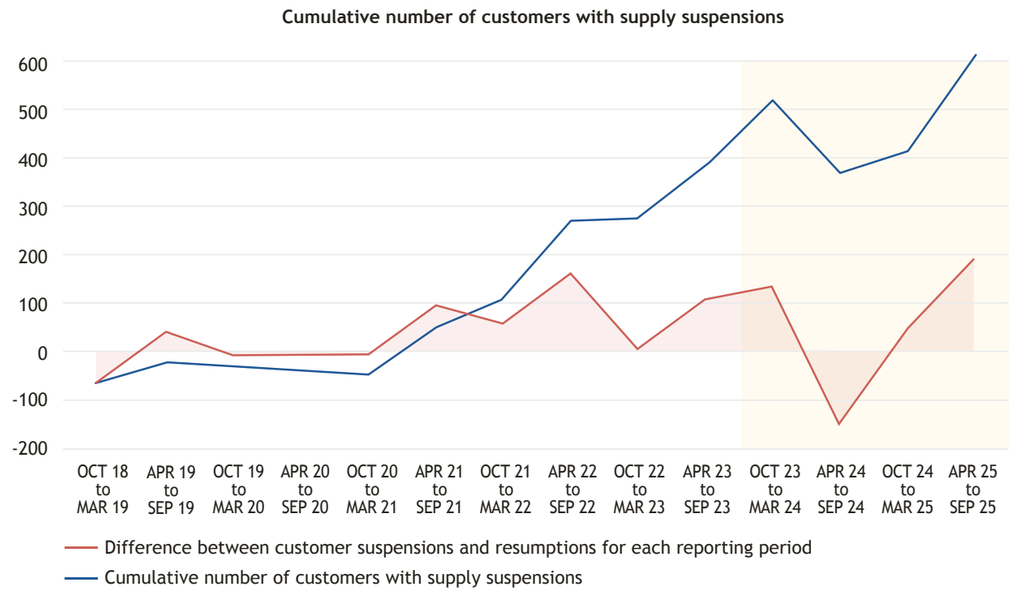


Figure 10 - Cumulative number of customers with supply suspensions

As Figure 10 shows, there is a growing number of customers who have had their supply suspended and have remained off supply. This problem seems to have grown in the aftermath of the energy price crisis — between October 2018 to September 2021, the cumulative number of households with supply suspensions across Heat Trust registered sites was 50, but this figure has grown significantly and as of September 2025 stands at 607.

While energy prices began to rise in Autumn 2021 following the COVID-19 pandemic, many heat network consumers didn't experience the most dramatic increases until 2023 because of the way that energy is purchased for those consumers.

Research by Citizen's Advice highlights the scale of the impact of price increases on heat network consumers, with most interviewed participants stating that their heating and hot water bills had doubled, or even tripled, in just two or three years.[10] Around one third of those interviewed had also experienced a disconnection due to debt.

Supply interruptions and related compensation payments

Heat Trust's Scheme Rules require that the heat suppliers for our registered heat networks pay their consumers compensation for supply outages, where the outages don't meet our standards on duration and frequency. We call this compensation Guaranteed Service Payments (GSPs).

We split outages into:

- Planned interruptions (usually for repairs or maintenance), where the heat supplier has provided consumers with at least 48 hours' notice of the outage; and
- Unplanned interruptions, which are outages where the heat supplier has not provided consumers with at least 48 hours' notice.

We require heat suppliers to pay compensation where an outage on a registered heat network meets one or more of the following triggers:

- A planned interruption lasts longer than 5 days;
- An unplanned interruption lasts longer than 48 hours;
- There are four or more unplanned interruptions within a 12-month period, each lasting 12 hours or more; or
- The heat supplier has failed to make alternative heating provision for consumers in vulnerable situations during an interruption lasting more than 12 hours (whether planned or unplanned).

Some heat suppliers voluntarily choose to go above and beyond these minimum requirements — for example, some choose to pay compensation for unplanned interruptions lasting more than 24 hours. The GSP figures in this report represent all payments made.

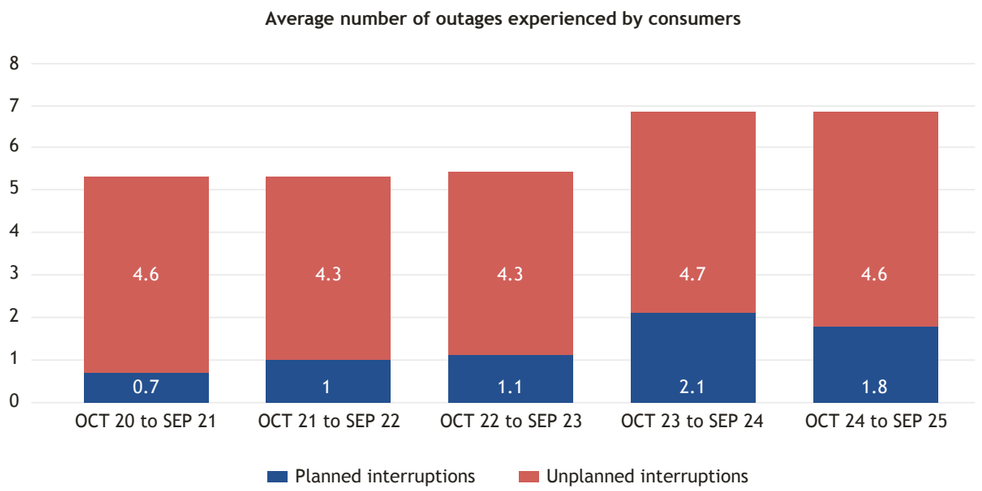


Figure 11 – Average number of supply outages experienced by consumers per year

Between October 2024 and September 2025, consumers experienced an average of 6.4 outages in the year, of which 72% were unplanned (Figure 11). This is slightly lower than the average number of outages experienced by consumers between October 2023 and September 2024, but still higher than that seen in the preceding three years.

Planned interruptions

As Table 3 shows, the annual number of planned interruptions has increased significantly in recent years, as has the average hours of planned interruptions experienced.

Year	Number of planned interruptions	Average number of planned interruptions experienced	Average hours of planned interruption experienced
Oct 22 - Sep 23	251	1.1	07:51
Oct 23 - Sep 24	178	2.1	16:05
Oct 24 - Sep 25	406	1.8	13:51

Table 3 – Planned interruptions

Unplanned interruptions

Between 2023 and 2025 the number of unplanned interruptions has also increased, as has the average hours of unplanned interruptions experienced and average duration of unplanned interruptions (Tables 4 and 5).

Year	Number of unplanned interruptions	Average number of unplanned interruptions experienced	Average hours of unplanned interruption experienced
Oct 22 - Sep 23	2,985	4.3	22:28
Oct 23 - Sep 24	3,762	4.7	27:32
Oct 24 - Sep 25	11,934	4.6	31:14

Table 4 – Unplanned interruptions

Year	Average duration of unplanned interruptions
Oct 22 - Sep 23	05:13
Oct 23 - Sep 24	05:51
Oct 24 - Sep 25	06:47

Table 5 – Average duration of unplanned interruptions experienced by consumers

As the above summary tables highlight, there has been a significant uptick in outages in recent years. There could be multiple reasons for this — it might be that Registered Participants' monitoring processes have improved, meaning more outages are reported, or it might be that more outages are occurring as sites age. Regardless of the cause, customers on Heat Trust-registered sites are experiencing outages too frequently, and for too long.

Experience from successful recipients of the government's Heat Network Efficiency Scheme (HNES) demonstrates that it is possible to resolve issues regarding heat network reliability through interventions and remediation works.[11]

10. Citizen's Advice, 2025: System Critical: No margin for error in new heat network rules

11. HNES is a scheme run by the UK Government, the aim of which is to improve heat network performance in existing/operational projects where customers and/or operators are experiencing sub-optimal outcomes. You can find out more about the scheme here: https://hnes.uk/about-us/

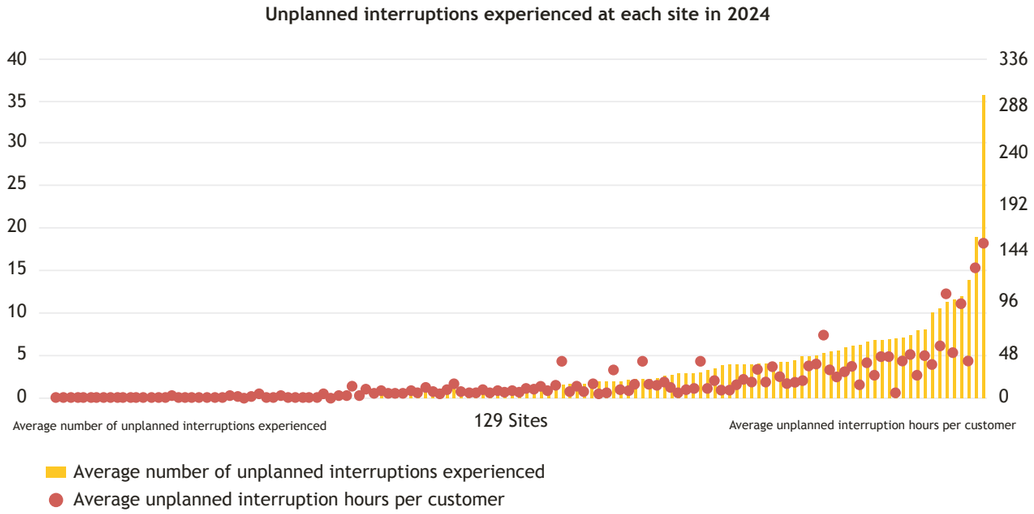


Figure 12 – Range of unplanned interruptions by heat network, October 2023 to September 2024

When plotting the range of unplanned interruptions by heat network, the picture has evolved in recent years. In 2023, customers on around a third of registered heat networks experienced almost zero unplanned interruptions, about a third were below or at the average performance and around a third experienced very high numbers. As Figure 12 shows, in 2024 there was a similar pattern, with 36% of registered heat networks experiencing almost zero unplanned interruptions. Of the remaining sites, 75% experienced an average of five unplanned interruptions or less and only eight sites experienced more than 10 unplanned outages, with a single site logging an average of 35.8 unplanned outages. The average unplanned interruption hours per customer was less than 24 hours for 80% of registered sites, and under an hour for 26% of sites. Only six sites saw an average of over 48 interruption hours per customer.

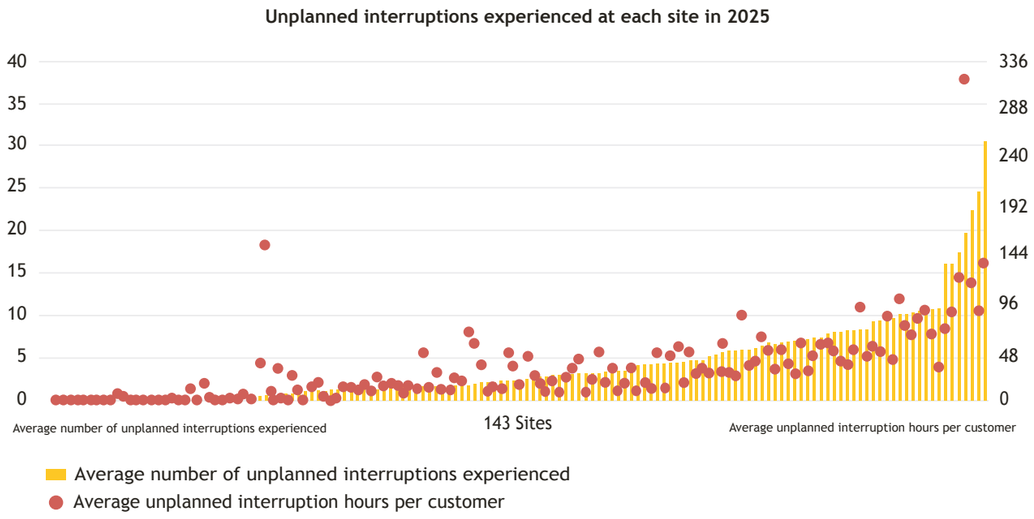


Figure 13 – Range of unplanned interruptions by heat network, October 2024 to September 2025

For 2025, more sites experienced unplanned interruptions. The number of registered heat networks with almost zero unplanned interruptions reduced to 22%, and almost 78% of sites experienced between one and 10 unplanned outages across the year. 14 sites experienced more than 10 unplanned outages. The average unplanned interruption hours per customer was also greater than in 2024, with 27 sites experiencing an average of over 48 interruption hours per customer, a more than fourfold increase on 2024. Only 16% of sites experienced an average interruption of less than an hour per customer.

The increase in both the number of unplanned outages and the duration of outages highlights the need for the introduction of clear minimum technical standards to define acceptable levels of performance for heat networks as part of incoming regulation. We discuss Heat Trust's ongoing engagement with DESNZ and Ofgem on the development of the new Heat Networks Technical Assurance Scheme (HNTAS) in Section 9 of this report.

Causes of unplanned interruptions

Heat Trust groups the causes of unplanned interruptions into the following three high-level categories, to represent the areas of the heat network in which outages can originate:

- **Generation** of the heat (e.g. energy centre);
- **Distribution** from energy centre to property (e.g. pipework); or
- **In-property** (e.g. Heat Interface Unit or heat meter issue).[12]

Within each of these categories, we ask heat suppliers to specify a lower-level cause of the interruption by choosing from a set of options.

In-property interruptions are by far the most numerous but typically affect one consumer. They therefore have only a small impact on the experience of the average consumer. Generation failure typically affects every consumer on a heat network, while distribution failure typically affects a large proportion of the network's consumers.

We've therefore weighted the number of unplanned interruptions in each category by the number of consumers affected to give a better picture of the main causes (Figures 14 and 15). For these purposes, we've ignored the varying length of the interruptions.

The top cause of unplanned interruptions in 2024 was failure of pump/pressurisation units (Figure 14), which is consistent with previous years' monitoring data. It's not clear from the data why pumps/pressurisation units are subject to so many failures, but poor water quality and/or poor optimisation of the network can cause stress to pumps.

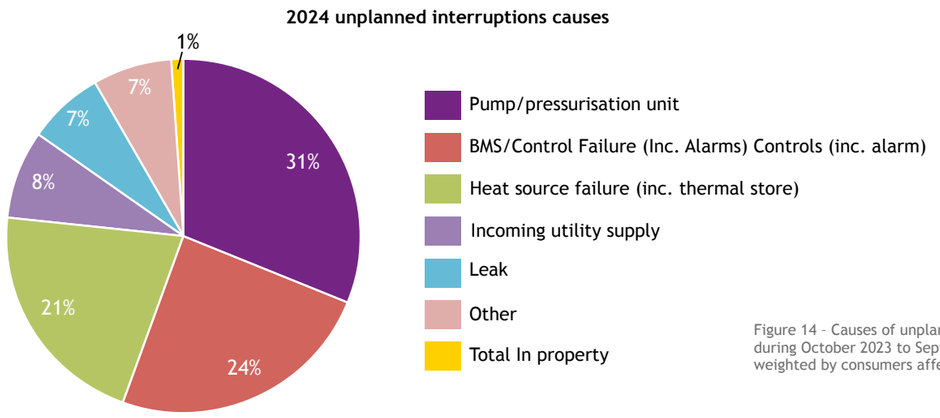


Figure 14 – Causes of unplanned interruptions during October 2023 to September 2024, weighted by consumers affected

12. An HIU contains a heat exchanger that transfers heat from the heat network to the pipes within an individual property.

For 2025, failure of pump/pressurisation units was the second most common cause of unplanned interruptions, with Building Management System (BMS)/control failures responsible for a slightly greater proportion of unplanned interruptions. Common BMS issues can include temperature, humidity or CO2 sensor faults, where a safety limit has been reached. While the BMS/control failures may be less frequent than a pump or pressurisation unit failure, in 2025 the former impacted more consumers than the latter, leading to a greater weighting for this issue (Figure 15).

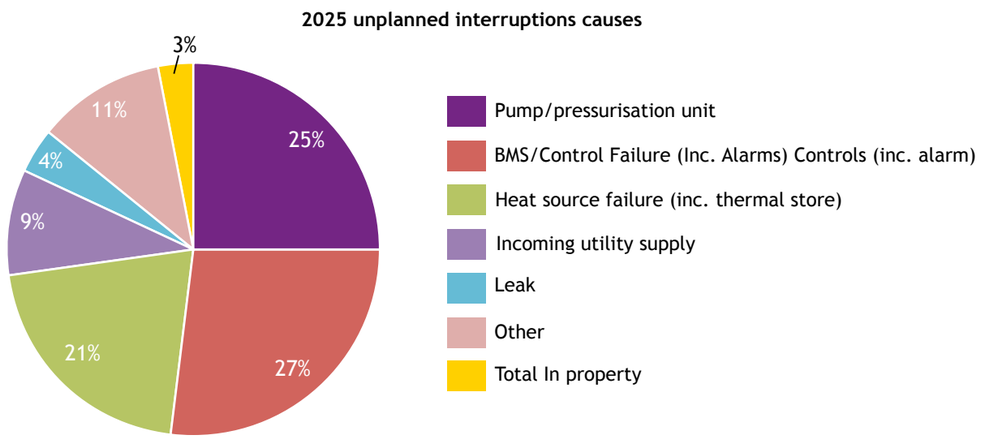


Figure 15 - Causes of unplanned interruptions during October 2024 to September 2025, weighted by consumers affected

Guaranteed Service Payments

In total, our registered heat suppliers paid £295,955 (to September 2024) and £59,810 (to September 2025) to consumers in GSPs for outages on our registered heat networks (Table 6). £152,600 of this related to a single incident on one heat network during the April to September 2024 period.

Period	Total amount paid in GSPs
Oct 23 to Mar 24	£116,737 (£81,480 of which was for a single incident)
Apr 24 to Sep 24	£179,218 (£152,600 of which was for a single incident)
Oct 24 to Mar 25	£56,390
Apr 25 to Sep 25	£3,420

Table 6 - Total GSP payments in 2024 and 2025

For comparison, Figure 16 separates out large payments relating to single incidents at single heat networks — both in this reporting period and previous years. The single event payments related to different heat networks in each case.

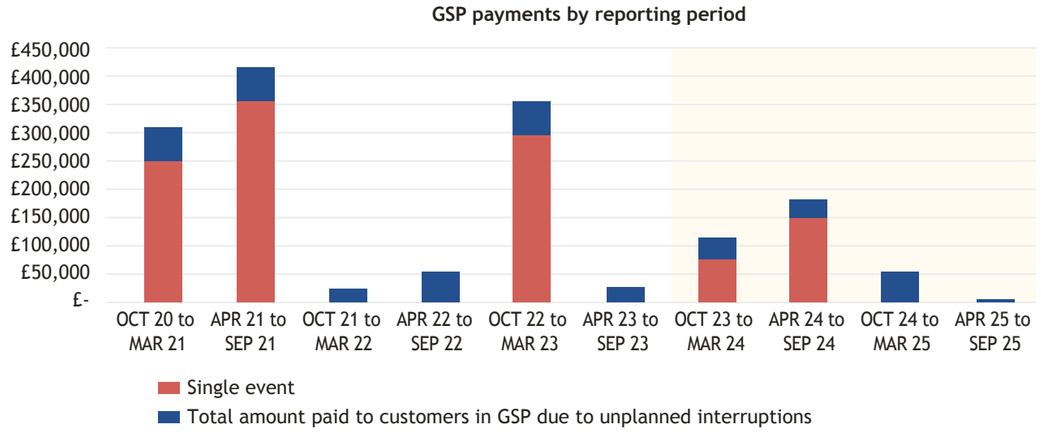


Figure 16 - GSP payments showing effect of single large incidents

Faults

Faults are defined as technical issues that don't result in a failure of heat supply.

Historically higher numbers of faults are reported during the heating season. This continued to be the case during the reporting period (Figure 17). However, the total proportion of faults per 100 customers has declined sharply since September 2023, with the latest figure of 1.9 faults per 100 customers representing an almost 70% reduction in faults compared to the figure for April to September 2023 (5.7).

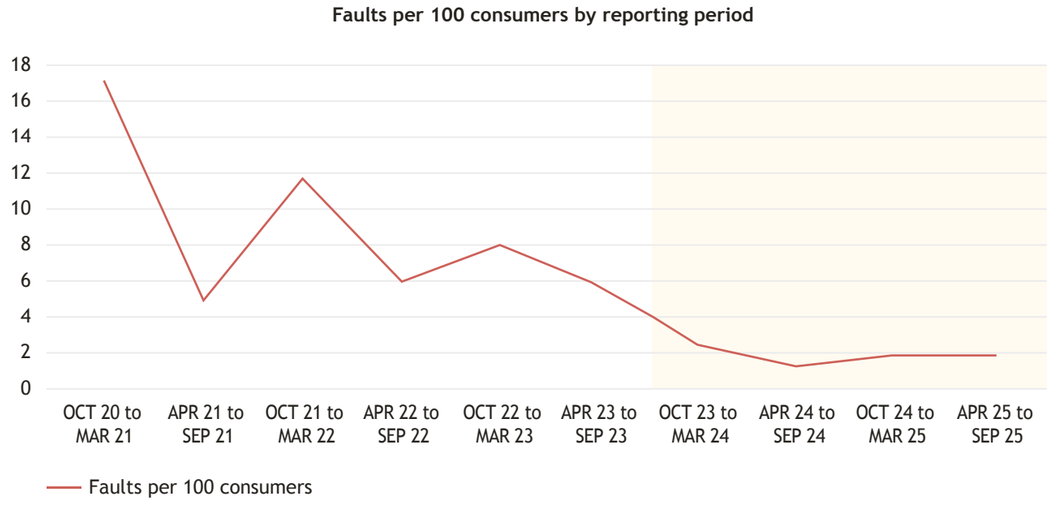


Figure 17 - Faults per 100 consumers

Given the rising instances of interruptions reported above, it is not clear whether the fall in number of reported faults is due to a genuine reduction in faults experienced by consumers, or to changes in fault reporting practices.

Complaints

Our Scheme Rules define a complaint as any expression of dissatisfaction made by a consumer to their heat supplier, regardless of whether the supplier resolves the complaint at the first point of contact. This is consistent with the definition used in the regulated gas and electricity sectors.

The number of complaints reported by the heat suppliers for our registered heat networks during the reporting period was similar to that seen in previous years, with some variation by season. In aggregate, they reported 2,930 complaints during October 2023 to September 2024 and 3,557 complaints during October 2024 to September 2025. The reported rate of complaints varied from 1.4 to 2.5 per 100 consumers in each six-month monitoring period, with the highest rate of complaints recorded during the October 2024 to March 2025 heating season.

This is similar to complaint numbers seen in gas and electricity supply, where the average was 2.1 complaints per 100 consumers across Quarters 2 and 3 in 2025, and 3.2 across the same period in 2023.[13] However, the volume of complaints reported remains lower than that seen during October 2020 to September 2021, at the peak of the energy price crisis.

Whether all heat suppliers were correctly recording all complaints was identified as an area for investigation in the previous annual report. As such, in 2023 Heat Trust undertook engagement with Registered Participants to understand how complaints were logged, including producing a training PowerPoint on best practice and discussing the issue at a Members' Forum. Despite this engagement, as Figure 18 shows, we have not seen a significant change in the volume of domestic consumer complaints.

Technical issues continued to be the biggest cause of complaints recorded by the heat suppliers for our registered heat networks, representing 56% of all complaints during October 2024 to September 2025. Billing and charges formed the second most common complaint category within that period, at 18% (Figure 19).

Our Scheme Rules require the heat suppliers for our registered heat networks to respond to consumer complaints within eight weeks. Where a complaint has not been resolved to the consumer's satisfaction within this timeframe, the consumer can take their complaint to the Energy Ombudsman.

Prior to October 2023, the proportion of complaints resolved by heat suppliers within 8 weeks ranged from around 70-80% per six-month monitoring period (Figure 20). However, the period covered in this report from October 2023 to September 2025 saw an increase in the proportion of complaints resolved by heat suppliers within eight weeks, reaching a peak of 89% in the six months prior to March 2024 before drifting slightly to 84% for the most recent reporting period. This may be due to Registered Participants improving their processes for dealing with complaints as part of preparing for incoming regulation, or learning lessons from cases previously referred to the Energy Ombudsman.

13. Taken from Ofgem's Data portal, which contains interactive customer service indicators: Customer service data

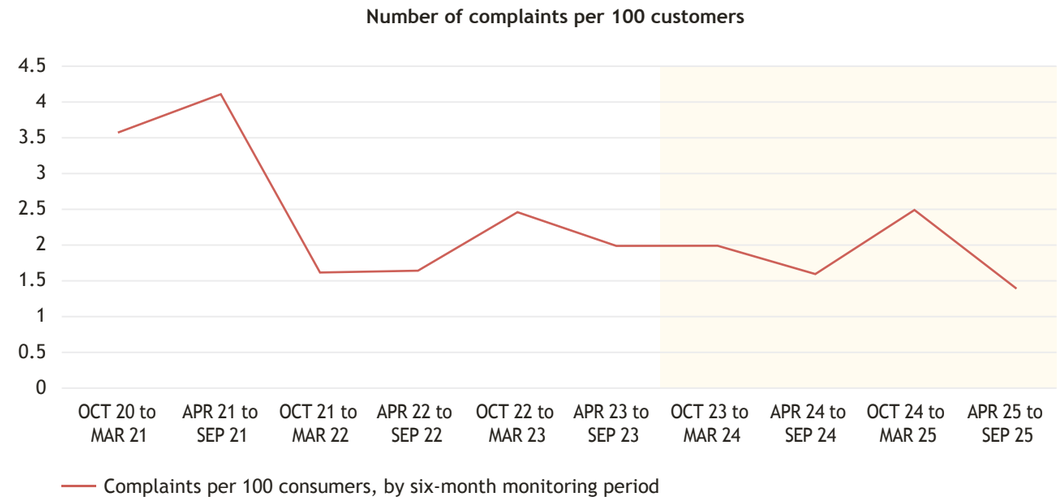


Figure 18 - Complaints per 100 consumers, by six-month monitoring period

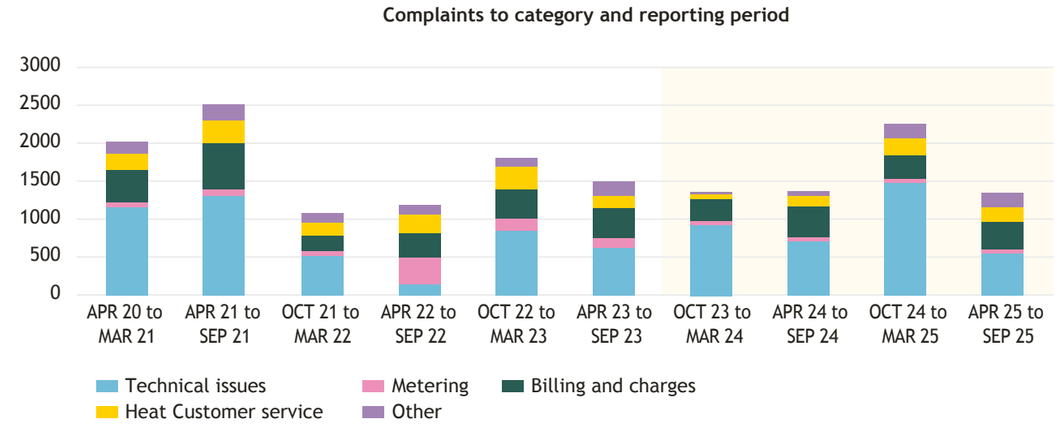


Figure 19 - Complaints to heat suppliers by category

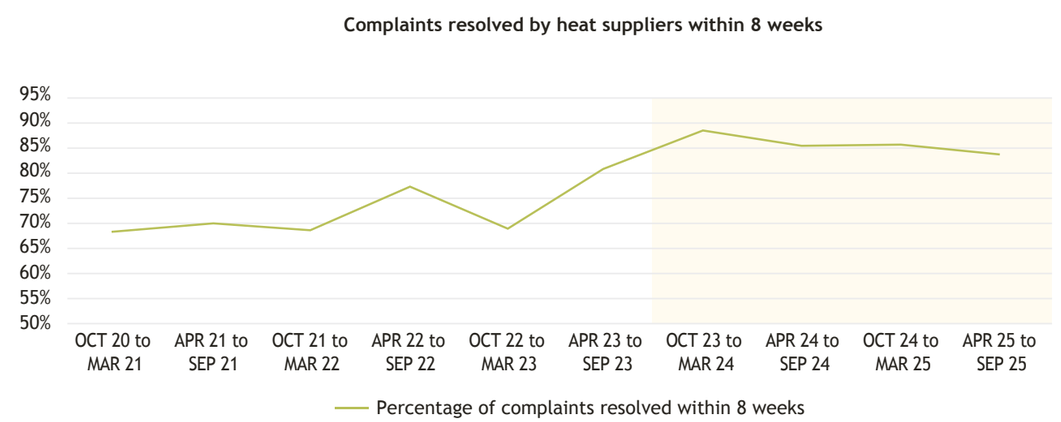


Figure 20 - Percentage of complaints resolved by heat suppliers within eight weeks

From October 2024 to September 2025, a combined total of 527 complaints were not resolved by heat suppliers within eight weeks — this is an increase from the previous year, where 372 complaints were not resolved from October 2023 to September 2024. The Energy Ombudsman reports that it accepted 130 complaints for investigation during 2024, and 146 in 2025.

The Energy Ombudsman has reported increased evidence that heat suppliers were signposting consumers to its dispute resolution service, as required by Heat Trust's Scheme Rules. On average for this reporting period, customers were correctly signposted to the Energy Ombudsman in 60% of cases. This represents a significant improvement in signposting in recent years, following the production and distribution of training material by Heat Trust and the Energy Ombudsman for all Registered Participants. This followed an investigation led by Heat Trust into Registered Participants' processes for responding to cases, that found a lack of understanding of when and how to evidence signposting. Template eight-week and deadlock (signposting) letters were also provided to all Registered Participants to ensure all consumers receive consistent information on their right to redress.

Because heat suppliers have much smaller customer bases than gas and electricity suppliers, the overall numbers of consumers referring an unresolved complaint to the Energy Ombudsman about a Heat Trust registered heat network remains low. Table 7 shows the summary statistics for recent years, as provided by the Energy Ombudsman.

Complaints investigated by the Energy Ombudsman for Heat Trust registered heat networks					
Calendar year	**Number of complaints**	**% complaints upheld**	**Total £ remedy payments**	**Average £ remedy payment**	**% complaints awarded £ remedy**
2022	**88**	**75%**	**£4,423**	**£90**	**56%**
2023	**153**	**81%**	**£15,009**	**£142**	**69%**
2024	**130**	**89%**	**£21,612**	**£206**	**81%**
2025	**146**	**71%**	**£20,557**	**£234**	**60%**

Table 7 - Annual statistics on complaints investigated by the Energy Ombudsman

As in previous years, the Energy Ombudsman reports that the top causes of complaints in 2025 were customer service (which includes technical issues such as supply outages) and billing.

Customer service, billing and back-billing collectively accounted for 90% of complaints investigated by the Ombudsman in 2025. Within this, the proportion of complaints attributed to customer service increased from 35% in 2023 to 50% in 2025, while the combined proportion of billing and back-billing complaints reduced slightly from 42% in 2023 to 40% in 2025 (Figure 21).

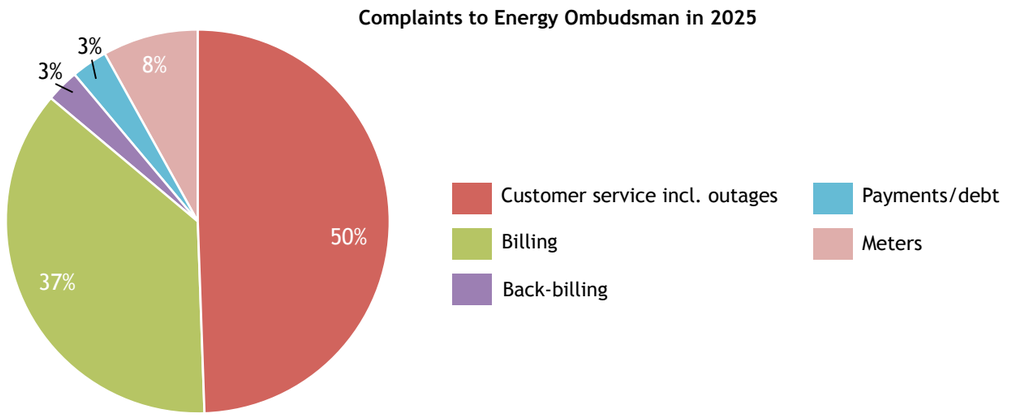


Figure 21 - Breakdown of 2024 complaints to the Ombudsman by category



Cranbrook's heat network in development. Photo credit: Exeter and East Devon Enterprise Zone

Energy Ombudsman case study

This case study was provided directly by the Ombudsman and is presented in their own words.

The dispute

The consumer complained about ongoing problems with heating and hot water, along with poor customer service from the supplier.

They said the issues started when they moved in and went on for a long time, with repeated reports and several engineer visits before the system was finally fixed after the heat interface unit was replaced. They didn't feel the supplier had properly recognised how long the issue had been going on or the impact it had on their household.

The journey before the consumer came to us

The consumer contacted the supplier several times about loss of hot water and heating, as well as faults with the system. Engineers attended on multiple occasions, parts were replaced, and eventually the unit itself was replaced. The supplier offered compensation, including service charge refunds, a missed appointment payment, and a small goodwill gesture. However, the supplier's final response only focused on issues from January 2025 onwards, which the consumer disagreed with.

The consumer position upon referral to us

The consumer wanted the full history of the issue taken into account and for compensation to reflect how long the problem had been going on and how disruptive it had been.

The company response

The supplier said their records only showed ongoing issues from January 2025, with limited earlier contact. They felt they had taken reasonable steps to fix the issue and that the compensation already offered was fair.

Our investigation

We looked at all the evidence, including contact history and engineer reports. There was some evidence of earlier issues, but not enough to show continuous problems from when the consumer moved in. Because of that, we based our findings on what could be clearly evidenced. In line with Heat Trust Scheme Rules, we also considered whether the issues met the threshold for guaranteed compensation. While earlier incidents didn't meet that threshold, they were still relevant when looking at the overall experience.

The main problems happened between January and April 2025. During that time, the consumer had repeated loss of service, delays in repairs, and a missed appointment, before the issue was finally resolved. We felt that, while the supplier had taken steps to fix things and had offered some compensation, this didn't fully reflect the level of disruption, particularly given the circumstances in the household.



Photo credit: Stephen Knight

Our decision

We found that:

- There were clear delays and service shortfalls in resolving the issue;
- Compensation paid under Heat Trust Scheme Rules was correct, but didn't go far enough on its own; and
- Additional goodwill was needed to fairly recognise the impact on the consumer.

Insights on trends / impacts

This case shows how important it is to keep clear records of customer contact, especially when issues build up over time. It also highlights that even where payments meet Heat Trust Scheme Rules, they don't always reflect the full experience for the customer, and additional goodwill can be needed where disruption has been ongoing.



8. Audits and compliance engagement

To ensure our Registered Participants were regulation ready, we brought forward audit activity during the reporting period from the routine five-year cycle. This was to provide Scheme participants with feedback and assurance that their processes were compliant and robust in advance of Ofgem's Authorisation Conditions taking effect. This meant that a higher volume of audits was completed during the reporting period than would otherwise have been due. All Heat Trust audits have been conducted by third party auditors rb&m on our behalf.[14] They are desk-based, but can involve a site visit, if required.

Our auditors review the heat supplier's published information for consumers on the heat network, such as their terms and conditions. They also review whether service delivery in practice is compliant with our Scheme standards. Where a heat supplier has multiple heat networks registered with us, we can audit their heat networks in batches for efficiency. If evidence of non-compliance with Scheme standards is found, we require heat suppliers to put in place a remediation plan to rectify this and can take disciplinary action if this does not happen.

2024 audit activity

Between October 2023 and September 2024, we completed a mixture of batch and single-site audits, totalling 21 sites. All required remediation actions were completed.

Registered Participants' documentation and processes were largely compliant, with minor issues that needed to be addressed, such as failure to index our GSoP compensation amounts for inflation or failure to provide consumers with the Heat Trust website link.

A common theme of non-compliance and potential non-compliance involved the use of third-party contractors. Many participants use third-party companies such as metering and billing agents, operations and maintenance contractors or third-party call centres. Audits have shown that whilst a Registered Participant's documentation might be compliant with Scheme requirements, third-party contractors are not always consistently adhering to these requirements. An example of this is not having a Priority Service Register available to the supplier, as the third-party had not been recording it in a manner that could be shared.

2025 audit activity

Between October 2024 and Sept 2025, a further six audits were undertaken, including two batch audits, covering 17 sites in total. As in the previous year, most non or potential non-compliance arose from a reliance on third-party contracts. This can negatively impact the service received by consumers. Non or potential non-compliances identified ranged from not attending the site within four hours in an emergency, to not collating data required by the Registered Participant for planned or unplanned interruptions.

The issue of third-party companies impacting compliance continued into 2025, with one supplier unable to illustrate compliance to the Scheme as its third-party contractor could not backdate data for the period required by the audit (up to 24 months for some questions and 12 months for others). This data was not shared with the company monthly for them to compile and store, nor was it reviewed by the Registered Participant.

So, whilst they could have been compliant, the lack of available data meant that they were unable to evidence this. Were this to continue, it could lead to regulatory issues once Authorisation Conditions are in place and reporting becomes a quarterly activity under Ofgem. This Registered Participant went through multiple changes in structure and ownership, weakening the assurance model. This prolonged the audit from the usual four weeks to 10 months, due to changing points of contact and the new contact having to learn the Scheme Rules and try to answer the audit questionnaires.

Once the audit was completed, there were enough instances of potential non-compliance that immediate intervention was required (Scheme Bye-law 11.8.6). However, during this time the Registered Participant was replaced as heat supplier for the site by a new ESCO.

A key lesson for industry from this experience is to ensure that all contracts with third parties contain provisions to hold contractors to account for ensuring compliance with Heat Trust's Scheme Rules and, in future, with Ofgem's Authorisation Conditions, including providing suitable evidence of that compliance when needed.

During the 2025 audits, one Registered Participant, Watkins Energy, achieved full compliance across all elements of their audit covering multiple sites — a Scheme first. The Registered Participant demonstrated best practice, ensuring compliance with the Scheme Rules was instilled throughout their organisation and networks. They had developed documentation that was easy for their organisation to understand and use in practice. As well as resulting in full Scheme compliance, this ensured they were well placed when Ofgem's Authorisation Conditions came into force.



Photo credit: Anna Eagar

14. You can find out more here: http://r-b-m.com

9. Consumer advocacy and regulatory engagement

Our consumer advocacy and regulatory engagement during the October 2023 to September 2025 reporting period focused on:

- Engagement with ministers of the new Labour government elected in July 2024, to highlight the importance of pressing ahead with planned heat network regulation and to argue that the planned framework should expand to include a price protection mechanism;
- Engagement with DESNZ and Ofgem policymakers as they developed planned consumer protections for heat networks, sharing our insights and pressing them to deliver regulation that achieves positive consumer outcomes; and
- Increasing heat supplier and consumer awareness of coming Ofgem regulation and encouraging suppliers to take proactive early action to get regulation ready.

During the period, we:

- Met with the Energy Consumers Minister Miatta Fahnbulleh in November 2024 to discuss how the government can take action to lower the cost of heat and support the growth of the heat networks sector.
- Wrote 12 letters to UK and Scottish Ministers or other MPs, to lobby on topics such as heat network building remediation costs and consumer protection regulation implementation.
- Responded to 16 government consultations and Calls for Evidence,[15] including:
  - Calling on Ofgem to put in place effective mechanisms for heat network consumers to engage in regulatory design and development; and
  - Highlighting the areas where protections proposed as part of the incoming heat networks regulation don't go as far as needed, or where the detail of the proposals doesn't appear to deliver the stated policy intention.
- Issued over 12 press releases focusing on the government's progress towards statutory regulation, the need for ongoing support for heat network consumers continuing to experience high prices following the energy crisis, and providing updated guidance on how heat suppliers can support their customers during the heating season, alongside other issues.[16]
- Met with the Scottish Minister for Climate Action Dr Alasdair Allan MSP at Scottish Parliament in September 2024 to discuss the need for the Scottish Government to fund heat network optimisation and efficiency remediation to mirror the funding provided in England and Wales via the Heat Network Efficiency Scheme (HNES).
- Appeared on TV and radio including BBC London News (twice), ITV regional news, BBC Radio London, and BBC One's Morning Live — as well providing content for other BBC and ITV news programmes. Topics of discussion included cost issues facing heat network consumers, and the priorities for regulation of heat networks to improve consumer outcomes.
- Featured in numerous news reports, including in The Sun, Guardian, Telegraph, Sunday Times, South London Press, Inside Housing and Utility Week.
- Participated in DESNZ's Heat Network Stakeholder Consultation Forums and continued our membership of the government's Heat Network Technical Assurance Scheme (HNTAS) Board.
- Regularly met with DESNZ, Ofgem, Citizens Advice, Consumer Scotland and the Energy Ombudsman to discuss preparations for regulation.
- Attended and presented at over 17 other heat network-related events, workshops, roundtables and conferences, including a Social Market Foundation heat networks roundtable with the Minister, a Chartered Institute of Housing conference in Brighton, Utility Week's first heat networks conference and the Net Zero North East Warm Homes Summit in Gateshead.
- Appeared on two industry podcasts — the Switch2's Get Heated podcast in May 2024 discussing the basics of heat networks and the importance of maintaining consumer confidence, and Cornwall Insight's Energy Essentials podcast in January 2025, exploring consumer protection regulations from a consumer body perspective.[17]



Chief Executive Stephen Knight on the Get Heated podcast, March 2024. Photo credit: Switch2

15. You can find all our consultation responses at: www.heattrust.org/consultation-responses
16. You can find all our press releases at: https://www.heattrust.org/news-events

17. The Get Heated podcast episode is available here, and the Energy Essentials podcast episode here.

Engagement with incoming regulation

Heat Trust has long advocated for the statutory regulation of heat networks, and the passing of the Energy Act 2023 — a landmark piece of legislation with far-reaching impacts — into law in October 2023 represented a significant step towards this goal. Since then, we have continued to engage closely with the government under both the previous Conservative administration and the current Labour administration, elected in July 2024, to support the development of regulation and policy that builds on the foundations set by Heat Trust's existing consumer protection standards.

A key priority for us has been supporting Ofgem and the government with the development of heat network consumer protections. Following the publication of a joint consultation on their intended protections for heat network consumers in August 2023, which represented a major milestone in the development of future regulation, a second phase consultation was published in November 2024.[18] We responded to both consultations, highlighting the need for regulation to tangibly improve the overall consumer experience for those on heat networks by:

- Providing at least equivalent protections to those already enjoyed by gas and electricity consumers;
- Ensuring that consumers on heat networks do not pay an unaffordable price premium for this form of heating by tackling the root causes of high heat bills, including heat suppliers' exposure to uncapped commercial gas prices as well as the often-poor heat network efficiency that increases this exposure;
- Working alongside housing regulations to ensure that one set of regulations does not undermine the intended outcomes of the other;
- Driving significantly improved heat network reliability, on both new and existing networks, to reduce the number and length of supply outages;
- Delivering consistent rights to GSOP compensation for heat network supply outages across different housing tenures, rather than exempting social tenants from these rights as proposed; and
- Providing stronger protection from winter supply disconnection, equivalent to the Heat Trust Scheme Rules.

Price protection

The experience of many heat network consumers during the energy crisis of 2022-23 demonstrated that price is perhaps the single most significant area of consumer detriment that regulations need to address. We saw frequent examples of massive price rises (as high at 700%) during this period, and even today consumers are often paying significantly more for heat than domestic gas customers, due to the price of gas in the commercial energy sector.

Whilst government announcements around the introduction of heat network regulation have often promised that regulations will deliver fairer prices (e.g. "Heat network customers to be shielded from unfair price hikes", DESNZ press release, January 2026),[19] the reality is that there are no measures in the regulations to 'shield' consumers from energy price volatility or 'hikes' — nothing equivalent to the price cap mechanism in the domestic electricity and gas sector.

We have long argued that such a mechanism is essential to protect heat network consumers and that the price of non-domestic gas and electricity supplied to heat network operators should be regulated to protect their end consumers. We have continued to make that case during the reporting period, including via our responses to consultations and via the media.

DESNZ has promised to publish a Call for Evidence on heat network pricing later in 2026.

Key outstanding ask of regulation: Introduce a regulatory mechanism to shield heat network consumers from energy market price volatility and unfair variations, to provide equivalent protection to the price cap mechanism in the domestic gas and electricity sector.

Guaranteed Standards of Performance (GSOPs)

One issue that we raised in our response to both consultations was the need for statutory Guaranteed Standards of Performance (GSOP) and compensation for extended outages for consumers. These have been a key consumer protection provided by Heat Trust's Scheme since its inception and have consistently been proposed by the government as part of the regulatory framework. The provision of compensation acts as an important incentive to improve performance around reliability, in a sector where supply outages are far too frequent.

While we agreed with the government's proposal to set GSoP compensation levels in line with existing Heat Trust Guaranteed Service Payments (GSPs), we disagreed with the proposal to exempt not-for-profit heat suppliers (social landlords) from having to make GSoP compensation payments to consumers.

Following the 2024 consultation, the government announced in August 2025 that it was deferring any further policy decision on this area to a later consultation — an Ofgem GSOPs Statutory Consultation was timetabled for Spring 2026 — and that GSOPs would not be in place until January 2027.[20]

However, this timeline has subsequently slipped and, as of October 2026, a consultation has not yet been published. This has led to consideration of the need to extend the Heat Trust Scheme (which does include guaranteed performance standards) beyond January 2027.

Key outstanding ask of regulation: Implement promised statutory GSOP requirements for all heat suppliers, at least in line with those already in place for participants of the Heat Trust Scheme.

Heat network technical standards

Heat Trust has long highlighted that the lack of any statutory technical standards for heat networks in the UK has resulted in too many heat networks being wastefully inefficient and unreliable, leading to high heating bills for consumers and frequent supply outages.

We therefore warmly welcomed DESNZ's announcement in 2022 of its intention to launch a Heat Network Technical Assurance Scheme (HNTAS) to develop minimum levels of performance and reliability for heat networks in the UK as part of its new regulatory framework for heat networks.

18. DESNZ and Ofgem, 2024: Heat networks regulation: implementing consumer protections.
19. DESNZ, 2926: Press release: Heat network customers to be shielded from unfair price hikes.
20. DESNZ and Ofgem, 2025: Heat networks regulation: implementing consumer protections, Government response

Since then, Heat Trust has engaged closely with the government on the development of this scheme. Our Chief Executive contributed as a (non-voting) consumer representative on the Board that was set up to oversee the development of the Heat Network Technical Assurance Scheme (HNTAS) from November 2022 until October 2025.

Heat Trust was also able to inform the development of the scheme through sharing collected Scheme interruptions and fault data with DESNZ via our monitoring returns. Our Scheme remains the only significant source of such sector-wide data in the UK.

Heat Trust responded to DESNZ's consultation on Introducing a Heat Network Technical Assurance Scheme (HNTAS)[21] in April 2026, arguing that "None of the government's ambitions around protecting heat network customers can be achieved without delivering a step-change in the technical performance of both new heat networks and the existing stock of heat networks", whilst acknowledging that "the biggest challenge is how to rapidly deliver the needed investment without increasing short-term costs for consumers. This will require a significant expansion of the current public funding available".[22]

The government has said that it is taking time during 2026 to analyse responses to the consultation and to engage further with stakeholders before publishing its final proposals.

Key outstanding ask of regulation: Press ahead with a robust Heat Network Technical Assurance Scheme (HNTAS) that delivers a step-change in the technical performance of both new heat networks and the existing stock of heat networks, whilst ensuring that necessary remediation works are adequately funded.



BBC News July 2025

21. DESNZ, 2026: Heat network technical standards consultation
22. Heat Trust, 2026: Response to DESNZ's consultation on introducing a Heat Network Technical Assurance Scheme (HNTAS)

Appendix – Governance, staffing, expenditure & fees

Our governance

The Heat Trust Scheme is managed by Heat Customer Protection Limited as the Scheme Administrator.

We're a not-for-profit company overseen by an independent, unpaid, Board, with an independent stakeholder Committee overseeing the operation of the Scheme:

- Our Board oversees our company strategy and finance and makes final decisions on changes to the Scheme;
- Our stakeholder Committee provides independent oversight of our Scheme, has an independent chair and recommends Scheme changes to the Board for approval; and
- Our Articles of Association and Company Bye-Laws set out the Board's and Committee's functions, powers and duties.

Our stakeholder Committee's membership includes consumer representatives from Citizens Advice and Consumer Scotland, as well as non-voting representatives from DESNZ, Scottish Government and Ofgem.

We contract out our Scheme audit activities to independent auditors. We have an agreement with the Energy Ombudsman to provide independent dispute resolution to consumers on our registered heat networks. If needed, we can also convene independent disciplinary panels to consider any significant and persistent Scheme non-compliances.

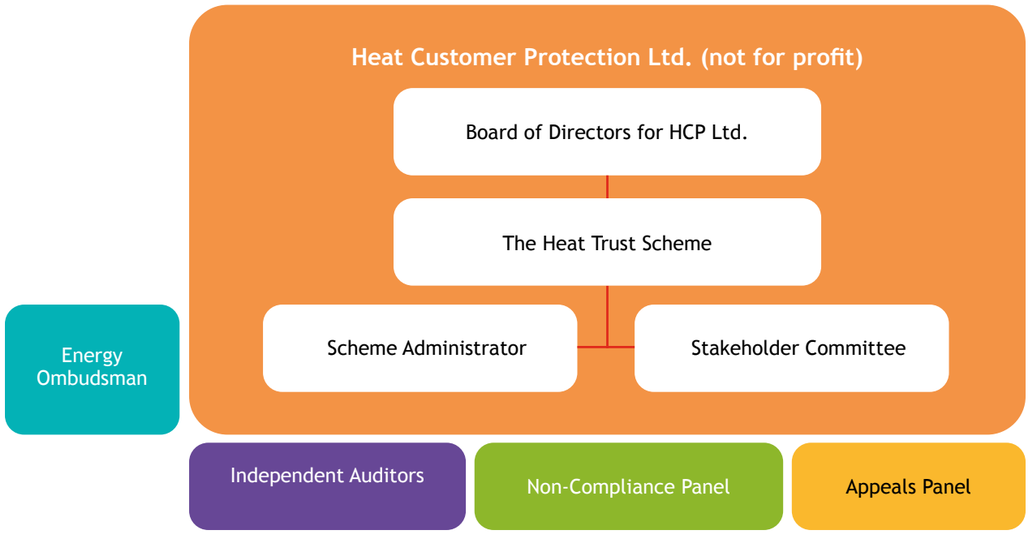


Figure 22 - Illustration of Heat Trust's governance structure

You can find out more about us at www.heattrust.org/about

Our expenditure

Our total expenditure for the financial year April 2024 to March 2025 was £318k compared with £283k in the previous financial year 2023/24.

Key variations in specific areas of expenditure were:

- The small staff team were at full complement for the whole year in 2024-25, whereas two members of staff joined during the 2023-24 financial year. There was also a CPI-based increase in staffing salaries.
- Our external audit costs increased significantly due to an increase in the number of audits during the 2024-25 financial year. This was to ensure Registered Participants were regulation-ready ahead of Ofgem's incoming Authorisation Conditions.

Since 2020, we've been a predominantly remote-working organisation. We buy in support services, including serviced desk and meeting spaces for when we get together.

Heat Trust expenditure breakdown 2024/25

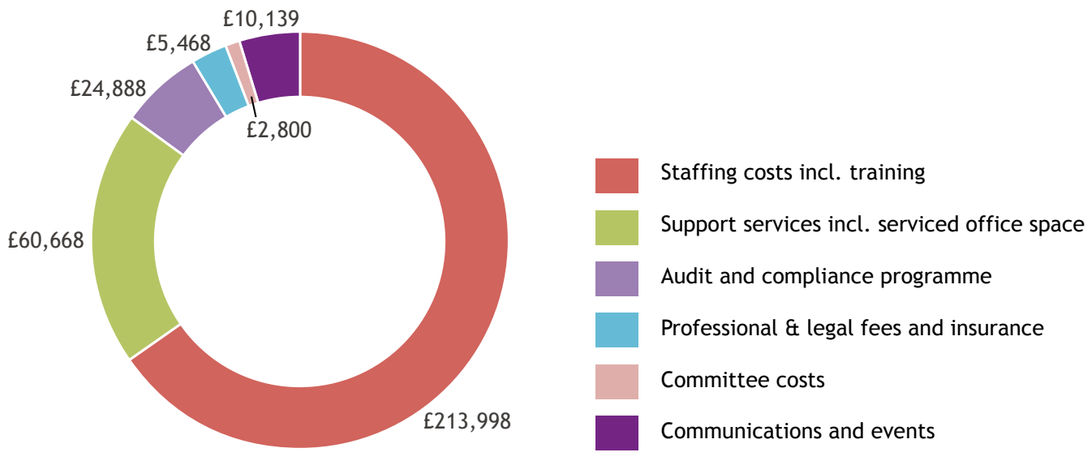


Figure 23 – Breakdown of Heat Trust's expenditure during the 2024/25 financial year

Our team

We're currently a small but dedicated core team of two full-time employees, and one secondee.

Stephen Knight has been our Chief Executive (formerly Managing Director) since Spring 2021.

Our Head of Compliance is Lizzie Moreton. She joined Heat Trust in Spring 2023 and is responsible for our audit and compliance engagement programme, as well as managing the registration process for heat networks from new and existing heat suppliers. She is also responsible for the analysis of monitoring data submitted by Registered Participants.

Our Head of Scheme Development from Spring 2023 was Kathryn Coffin, responsible for developing and delivering Scheme changes, consultations, guidance and reports, and managing the Scheme's stakeholder committee and members forum. In Spring 2026 she left the organisation. In her place we have welcomed Ellie Brundrett, on secondment from Ofgem as Head of Policy and Stakeholder Engagement, responsible for external publications and industry and government engagement.

Our fees

Our annual Scheme Fees for the 2024/25 financial year remained at the same level as the previous year, at £3.75 (+ VAT) per connection. We also charge a one-off registration fee of £100 (+ VAT) for each new site registered.

Because we are a not-for-profit organisation, the Scheme registration fees we charge to heat suppliers reflect the cost of our operations. Registration with us benefits consumers, but our costs must still be proportionate since they're ultimately likely to be passed through to those consumers.

As we grow our number of registered heat networks, and cover more customers, we receive more income in fees. This has enabled us to do more, whilst keeping the per-connection fee level frozen since 2023-24.

You can find our current fees at www.heattrust.org/membership-fees





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