



Heat Trust Annual Report

Findings from year five
2020

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Executive summary

Welcome to the fifth annual report from Heat Trust

This report provides a summary of the performance of heat networks that are registered with Heat Trust and updates on Heat Trust developments and activities.

Heat Trust is the independent, non-profit consumer champion for heat networks that holds the industry to account for the benefit of everyone involved. Heat Trust was launched in November 2015 with a clear ambition to place customers at the heart of a rapidly expanding, but unregulated, heat network market.

Our work has focused on addressing two key gaps in the heat network market:

- A minimum set of customer service standards that apply to all heat networks serving residential and micro-business customers; and
- Providing independent redress through an Ombudsman service.

Heat Trust has continued to grow and attract new members - at the time of publication, 100 heat networks are registered with Heat Trust (this report covers data for 85 that were in membership last year). Over 11% of residential and micro-business customers across Great Britain are now benefiting from service standards that are comparable to the rest of the energy market.

Heat Trust's Registered Participants are regulation-ready

The heat network suppliers that have registered with Heat Trust are proactively embedding minimum service standards - indeed in some areas our Registered Participants go above the minimum requirements - and have committed to providing regular reporting data and to undergo independent audits.

Registered Participants of Heat Trust are already implementing a call to the heat network market that the Competition and Markets Authority (CMA) stressed in its 2018 market study - to act in advance of statutory regulation and adopt standards and behaviours that are expected of regulated utilities.

Heat Trust standards are helping to improve customer experience

The data in our fifth report shows that voluntary standards set by Heat Trust are having a positive impact on the market and delivering improvements to customer experience:

Complaint volumes continue to fall; 'billing and charges' and 'technical issues' were the most frequent complaints

A total of 1,979 complaints were recorded by Registered Participants in 2020, representing an average of 3.8 complaints per 100 customers. We have now seen two and a half years of sustained low complaint levels and the 2020 figure compares favourably against the average of 5.4 complaints per 100 customers in the regulated gas and electricity sectors.

Billing and charges and technical issues were again the most common causes of complaints, together accounting for 76% of complaints in 2020. We are currently focusing on these areas when reviewing our standards, which are set out in our Scheme Rules.

In addition, of the complaints escalated to the Energy Ombudsman, 45% of complaints related to billing and back-billing.

Customers are benefiting from independent redress

Customers on heat networks registered with Heat Trust can refer complaints which cannot be resolved directly with their heat network supplier to an independent dispute resolution service, the Energy Ombudsman. The number of complaints taken to the Energy Ombudsman that were within their remit (Terms of Reference) increased from 68 in 2019 to 80 in 2020. In 58% of cases, the Energy Ombudsman agreed with the customer and either upheld or maintained the complaint.

Only 9% of all complaints that were investigated agreed with the heat supplier, which is called not upheld.

Just under half (47%) of completed cases resulted in a remedy payment, where the Ombudsman feels financial compensation is warranted, with the average payment being £118. A total of £3,179.31 was awarded to customers as a result of Ombudsman decisions in 2020. Of this, £1,690 was awarded in goodwill payments, by way of apology and £1,489.31 in credit payments, fixing errors in billing or payments.

Customers are receiving compensation for outages

There were 2,413 unplanned interruptions reported in 2020. The majority (79%) of these were due to issues within an individual property, with the remaining 505 due to problems with heat generation or distribution. Customers on heat networks registered with Heat Trust can be assured that if they experience an interruption that is not restored within specified timeframes, they can be compensated. In 2020, £37,890.44 was paid to customers in Guaranteed Service Payments for unplanned interruptions not resolved within the timeframe specified. This is an increase of 49% from 2019.

Customer suspensions for debt have fallen

Customer suspensions due to debt were fewer in 2020 than in 2019, reinforcing an existing downward trend from last year. Several

registered participants signed an industry agreement¹ in May 2020 to protect consumers during the COVID-19 pandemic and this may have been partially responsible for the particularly low figure in 2020.

We started to collect data in 2019 on customers in debt for longer than 61 and 91 days and will report on other debt trends in the future.

Statutory regulation is critical to growth of the sector

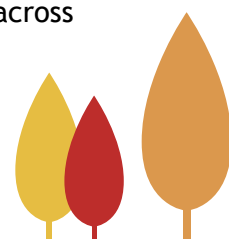
The standards we set and monitor for Registered Participants are clearly having a positive impact on consumers. However, the rapid growth in heat networks needed to help decarbonise heating across the UK must be underpinned by much more universal standards applied right across the sector by law.

This is because such rapid growth can only be achieved with public support, which will require the whole sector to build a solid reputation for ultra-reliability, good value and high-quality customer service. This is sadly not always the case today, as too many negative headlines about problems with heat networks demonstrate.

Only universal statutory regulation and oversight will provide the foundation on which rapid growth can be built. We are therefore deeply disappointed about the latest delay in the introduction of regulation and urge the Government to introduce a Bill as quickly as possible in the next Parliamentary session.

In the meantime, we would welcome new measures to encourage more of the sector to join our voluntary scheme and to adopt the CIBSE/ADE CP1 minimum technical standards², which are critical to achieving reliability of heat supply.

Until consumer protection regulations are in place, Heat Trust will continue to work with industry, the UK and devolved Governments and others to widen the coverage of our scheme and to drive up customer service standards across the heat network sector.



Market coverage

Launched in Nov 2015
with 3 Registered Participants covering
15k customers

This report:
17 Registered Participants covering
52k customers

2020

Complaints



Complaint levels have remained below the level that Ofgem report for the gas and electricity sector for the last two years, with 3.8 complaints per 100 customers over the year, compared to Ofgem's 5.4 complaints



Billing and charges and technical issues together account for 76% of complaints

The most common complaint type going to the Energy Ombudsman was billing (39%)



Of all Ombudsman cases completed in 2020, 49% were upheld (agreed with the customer) and 33% were settled (customer and supplier reached and early resolution)

£3k

Over £3k awarded to customers by the Energy Ombudsman

Debt, suspension and resumption of supply

2.2% of all customers were in debt and on a repayment plan



On average 0.4% of customers had their supply suspended due to debt and 0.5% had their supply restored due to debt being repaid. This is half the figure of last year, possibly due to the COVID-19 consumer agreement.

Over the year

26.3%

of customers fail to pay their bill by the due date

Outages

509

unplanned interruptions were caused in the generation (315), or in the distribution of heat (194) to the heat network. The most common underlying cause for these were the **pump/pressurisation unit**.



The average unplanned interruption lasted for 14:27 hours

60%

of planned interruptions occurred in the summer months

Almost **£38k** was paid in compensation for unplanned interruptions

79%

of unplanned interruptions were caused within the property, largely affecting only 1 customer at a time

1 • About Heat Trust

What we do and why we exist

Heat Trust is an independent, non-profit consumer champion for heat networks that holds the industry to account for the benefit of everyone involved. Heat Trust was launched in November 2015 with a clear ambition to place customers at the heart of a rapidly expanding, but unregulated, heat network market.

We make sure customers enjoy the benefits of heating systems fit for the future by:

- Applying strict customer service standards to heat suppliers, similar to those for traditional gas and electricity suppliers;
- Providing access to an independent dispute resolution service through the Energy Ombudsman; and
- Working with suppliers to promote best practice, innovation and continuous improvement in customer service.

Consumer protection is essential to the long-term success of heat networks. We're putting in place the foundations of regulations that will protect customers while allowing this exciting new industry to flourish.

Standards

Energy is an essential service; it is important that customers can be guaranteed a minimum level of service and protection. In 2019, Government confirmed that it will introduce new statutory regulation for the entire heat network market. While regulation is being developed, Government has strongly encouraged the market to take early action to prepare for regulation, highlighting the work of Heat Trust.

Heat Trust is uniquely positioned to support all heat network suppliers as they support the transition to a low carbon energy system. Our

work supports heat suppliers to ensure they are well positioned as new regulations are developed. Heat Trust's standards can apply to any heat energy suppliers who contract with domestic and micro-business properties, metered or unmetered, where the heat customer pays their supplier for their heat energy³.

The customer service and customer protection standards set by Heat Trust are comparable to the quality and performance standards for regulated utilities (such as gas and electricity) and draw on existing regulations and industry best practice. When a heat supplier registers their heat network(s) with Heat Trust, they agree to abide by the Scheme Rules⁴ and Bye-Laws⁵, which set out our standards and ways of operation.

We also work with our members to help promote best practice, through regular forums, relevant guidance, and highlighting any trends we see in the monitoring data they return.

When a heat network is successfully registered with Heat Trust, the customers on the heat network will benefit from the standards set, which are independently verified through regular audits, as well as access to an independent complaint handling service through the Energy Ombudsman.

Heat Trust sets standards on the following areas:

- Support for heat customers in vulnerable situations
- Heat supplier obligations
- Heat customer service and reporting a fault or emergency
- Process for customers moving in and out
- Heat meters
- Heat Interface Units (HIUs)

³ To find out more about how Heat Trust can support your organisation, please see our website <https://www.heattrust.org/join-us>

⁴ <https://www.heattrust.org/the-scheme-rules>

⁵ <https://www.heattrust.org/scheme-bye-laws>

- Heat bill and heat charge calculations
- Heat bill payment arrangements and the management of arrears and/or debt
- Suspension and resumption of service processes
- Complaint handling and independent complaint arbitration
- Privacy policy and data protection

What value do we add?

Heat Trust's work aims to support customers and suppliers, and help inform policy-makers:

Customers

Heat Trust works to protect customers so they can enjoy the benefits of a reliable and sustainable heat network. We do this by:

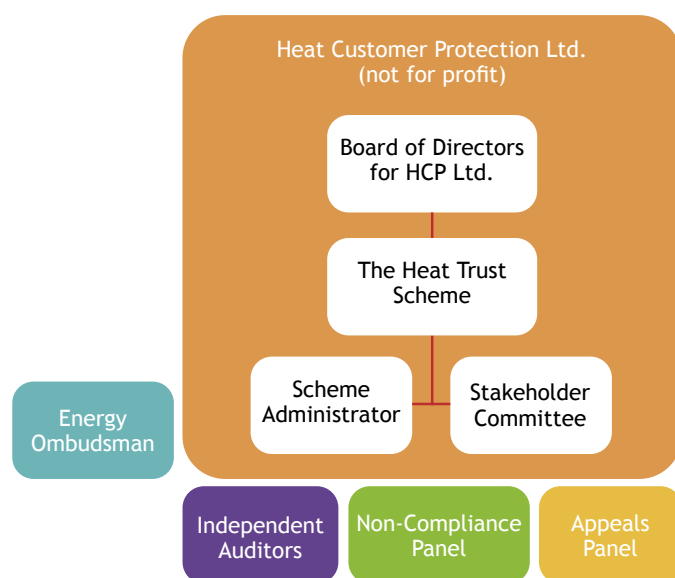
- **Setting the standard**
We set minimum standards of service and customer care, equivalent to those provided by gas or electricity suppliers; and we monitor this through regular data submissions and independent audits.
- **Empowering customers**
We ensure customers are provided with transparent information to help understand their rights and what to expect from their heat supplier. We have developed the only publicly available Heat Cost Calculator⁶ to support transparency in the market.

- **Ensuring fair treatment**

We make sure customers know what to do if things go wrong, including enabling access to an independent dispute resolution service if necessary.

Governance

The Heat Trust Scheme is managed by Heat Customer Protection Limited - a not-for-profit company, overseen by a Board and Stakeholder Committee.



Suppliers

Effective consumer protection is essential to the long-term success of the heat network market. We work with suppliers across the market to embed consistent customer service and protection standards. Our work supports suppliers with:

- **Supporting excellent service**

Registration with Heat Trust provides a clear statement of suppliers' commitment to quality standards and can enhance existing customer protections. We can help reduce time and resources dealing with customer complaints, through prevention and clearer information provision.

- **Preparing for regulation**

The Government is preparing to regulate the heat network market and in the meantime strongly encourages providers to register with Heat Trust. As the leading source of customer care expertise within the industry, we can help suppliers to prepare for the regulation that lies ahead, future-proof their business to meet their responsibilities to customers and create a sustainable energy network.

- **Competitive edge**

By providing clear evidence of meeting our standards, Heat Trust accreditation can give suppliers a competitive edge in the market and unlock some funding streams which require Heat Trust membership.

Policy-makers

Our work supports Government in delivering high-quality heat networks that provide resilient heat supply for communities up and down the country, addressing fuel poverty, supporting the transition to a low carbon energy system, and ensuring a good return on Government investment. With five years' experience, Heat Trust has developed:

- **Strong foundations**

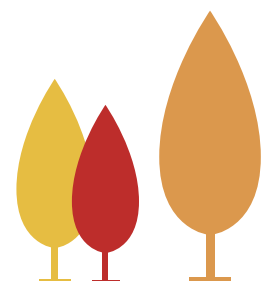
Heat Trust is already widely recognised as the key consumer champion in the heat network market. We have unsurpassed collective knowledge of this complex, fledgling industry and have been putting in place the foundations of regulation that will protect customers while allowing the market to flourish in the future. This is an essential part of the journey towards regulation - but is just the first step.

- **Unique perspective**

As experts in consumer protection, we are uniquely qualified to bring an objective customer perspective to the conversation between Government and the industry about impending regulation. Heat Trust is the only heat network code of conduct that is consistent with gas and electricity market standards, has an independent committee to oversee industry standards, uses audits to check compliance and publishes performance data each year.

- **Proven approach**

Since its inception in 2015, all major energy service companies (ESCOs) have registered sites with Heat Trust. Heat Trust provides a proven framework incorporating a vast body of knowledge that can be used to support development of statutory regulation. In short, there is no need to start from scratch.





2. Activity report

Finance update

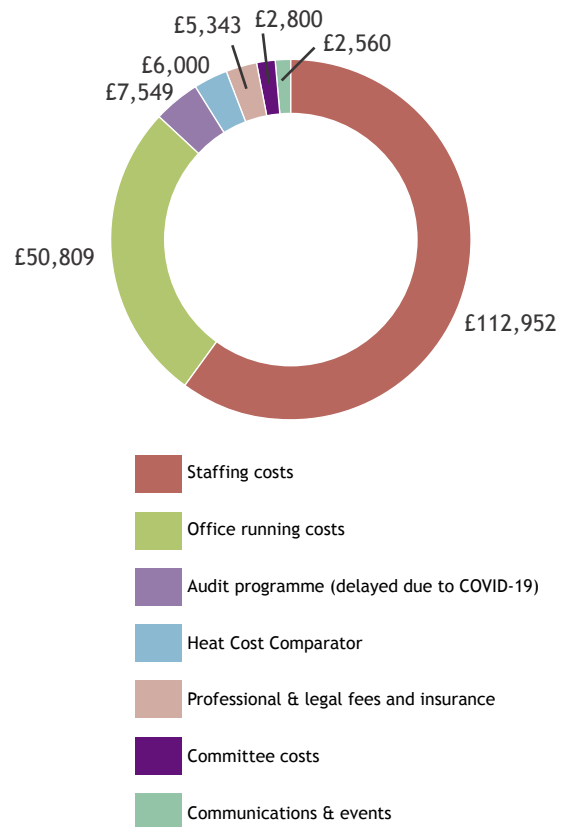
Heat Trust is a not-for-profit organisation. This means that the costs we charge Registered Participants are designed to simply reflect the cost of our operations - and no more. This is important as ultimately the costs of Heat Trust are borne by customers on the sites registered with us.

Whilst regulation provides numerous benefits for consumers, we are mindful that the costs it imposes must be proportionate. We have focused extensively over the past year on improving the efficiency of our operations so that we can do more for customers at a lower cost.

This has enabled us to announce a 4%⁷ reduction in our Annual Membership fees from 1st April 2021, whilst at the same time planning a marked increase in activity - ultimately benefiting both customers and Registered Participants.

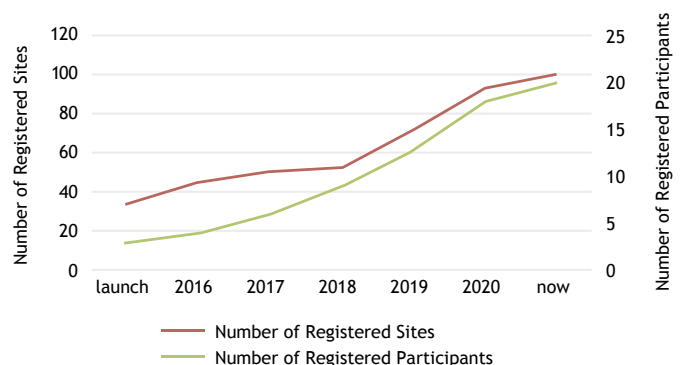
NB. Due to COVID-19 restrictions we had to suspend our audit programme for the first two quarters of 2020-21, which led to audit costs being deferred into the 2021-22 year.

2020-21 Heat Trust expenditure breakdown



Membership Update

Membership continues to show strong and steady growth. We have welcomed five new Registered Participants to Heat Trust in the last year, and 20 new sites. This means almost 58,000 customers now get the benefit of protection from our standards.



COVID-19 response

The COVID-19 pandemic presents significant problems for both heat network customers and suppliers.

The measures to help contain the pandemic have led to economic difficulties for many across the country. At the same time, people are spending more time at home, with consequential increases in energy usage. The combination of the two has created the very real risk of rising and unsustainable levels of debt for many heat network customers.

Heat Trust has shared advice on how to deal with the various aspects of the COVID-19 pandemic with customers through a dedicated webpage on our own website⁸ and ensuring all our Registered Participants have a dedicated page on their websites. For our Registered Participants we collated advice for businesses from Government, Citizens Advice and key charities into an information sheet, as well as holding a regular forum to discuss challenges and share best practice approaches and innovations as the situation unfolded. The Department for Business, Energy and Industrial Strategy (BEIS) have been a key collaborator through this, providing updates and scrutiny of support to customers during these unusual times.

Finally, Heat Trust has provided independent data analysis for the monitoring of heat network suppliers who signed up to an additional consumer protection agreement⁹ as a response to the COVID-19 pandemic. As a result of this analysis, we have expressed concern¹⁰ about some suppliers failing to live up to the agreement, with continuing disconnections for non-payment and falling provision of discretionary credit for customers on pre-payment meters. We have also expressed concern at some suppliers failing to provide monitoring data in line with the agreement.

Scheme Rules review update

After five years of operation Heat Trust is reviewing the Scheme Rules to keep them in line with ongoing developments in comparable markets. This is being undertaken in stages, covering the major aspects of the Heat Trust standards. The first review to be undertaken was on customer vulnerability and some aspects of debt management processes. The second review to be undertaken was on metering, billing and Guaranteed Standards of Performance (GSP) provisions.

As Heat Trust's standards and processes are likely to form the blueprint for incoming statutory regulation, it is more critical than ever that these are up to date, relevant for as many suppliers as possible, and provide robust protections for heat network customers.

As a result of the review into standards relating to customers in vulnerable situations, five modifications were approved in April 2021 and implemented¹¹:

MOD006: Taking meter readings for customers who can't themselves

- introduced a requirement for Registered Participants to take a meter reading for customers who cannot take one themselves, cannot nominate another person to take one for them and do not have automatic meter readings
- this should ensure that all heat network customers have the opportunity to have accurate meter readings taken and bills based on consumption, regardless of their ability to take the meter reads themselves or ability to reasonably nominate someone else to do it for them.
- service to be offered immediately, documentation to customers including this additional service to be updated at the next opportunity but at least within 6 months, by 9th August 2021

⁸ <https://www.heattrust.org/information-on-coronavirus>

⁹ <https://www.theade.co.uk/news/policy-and-regulation/hn-agreement>

¹⁰ https://heattrust.org/images/docs/resources/20210210_Heat_Trust_Response_to_ADE_Consumer_Agreement_Report.pdf and https://heattrust.org/images/docs/Jan_to_March_2021_-_Heat_Trust_Response_to_ADE_Consumer_Agreement_monitoring.pdf

¹¹ <https://www.heattrust.org/scheme-modifications>

MOD007: Change definitions relating to customer vulnerability

- Modified the wording relating to vulnerable customers, change the heating season, clarify health and digital exclusion and update the term friendly credit.
- The desired outcome is that more customers who are eligible for additional support receive it, due to either changes in language expressing vulnerability as tied to situations rather than people, lack of digital access or digital literacy or their health, whether related to physical or mental circumstances. Other desired outcomes are that there is less confusion about the service offering additional credit to pre-payment meters during the period(s) when top-up facilities are not available and that the heating season for heat networks is brought in line with the regulated market.
- *heating season to be changed immediately, policies to include digital exclusion and mental health will be required within three months, by 9th May 2021, with documentation to customers to be updated as soon as reasonably practical but at least within 6 months, by 9th August 2021*

MOD008: Alternative heating for unplanned interruptions over 12 hours

- introduced a requirement for Registered Participants to provide an alternative source of heating to customers in vulnerable situations during unplanned interruptions that last for over 12 hours
- this should ensure that vulnerable customers on a heat network are not without a supply of heating for longer than 12 hours (the existing requirement was to do this only for planned interruptions)
- within three months, by 9th May 2021

MOD009: Introducing more Ability to Pay Principles

- introduced the remaining of Ofgem's Ability to Pay Principles which are not already incorporated into Heat Trust's Scheme Rules
- the desired outcome is that each customer's ability to pay is thoroughly taken into account when a customer is experiencing difficulty in paying their heat bills and arranging repayment with their supplier
- within three months, by 9th May 2021

MOD010: Support for customers on pre-payment meters

- ensures that where a pre-payment meter is being installed that it is safe and reasonably practicable for a customer to use it
- the desired outcome is that customers in vulnerable situations who are switched from credit payment to pre-payment are able to understand how to pay, are physically able to top-up and the customer has continued access to the meter
- immediately, please note only part one of this modification proposal has been approved at this time.

The areas of the Scheme Rules to update in relation to metering, billing and Guaranteed Service Payments were consulted on, and next steps proposed. Modifications reflecting these next steps were discussed by the stakeholder committee and those agreed upon have been put forward for public consultation, following the process in the Scheme Bye-Laws¹². These may include changes to meter reading requirements where there is automatic meter reading, the process and amounts of Guaranteed Service Payments, and clarifications to metering and billing processes¹³.

3. Progress with regulation of heat networks

Heat Network Market Framework (HNMF)

Between February and June 2020, BEIS ran a consultation on policy options for regulating heat networks to protect consumers and ensure fair pricing, while supporting market growth and the development of low-carbon networks. Central to these proposals was the introduction of statutory regulation for the sector, including consumer protection.

Following this consultation, it had been expected that a Bill would be included in the legislative programme announced in the May 2021 Queen's Speech, but in the event this did not appear. Whilst it remains the Government's stated intention to introduce regulation to the sector by 2025, Heat Trust is deeply disappointed by this delay.

Heat Trust is a voluntary scheme today, and whilst the protections we offer cover almost 58,000 customers, this remains only 11% of the total market. Whilst most suppliers no doubt provide a good service for their customers, some are letting customers down.

Heat Trust strongly supports the introduction of statutory regulation. Heat and hot water are essential services and without the ability to change suppliers, statutory regulation is the single most important step Government can take to improve the experience of those living and working on heat networks.

Heat Trust has been working with Government throughout to show how this can be best achieved and are committed to continuing this work. This includes working with BEIS and Ofgem, which has been nominated as the future regulator, to help support the transition to the new regulated market framework.

In light of the delay to the introduction of regulation, Heat Trust will work with

Government and the industry to bring more of the sector within the scope of our scheme over the next few years in order to extend consumer protections. We will also work closely with Ofgem to help develop the future regulatory framework and ensure a seamless transition from our voluntary scheme into the regulated framework when that eventually arrives.

Scotland

The Scottish Government introduced the Heat Networks (Scotland) Bill on 2nd March 2020, which passed through the Scottish Parliament and became an Act¹⁴ on 30th March 2021.

The Act aims to encourage greater use of heat networks in Scotland to help reduce emissions from homes and other buildings. It puts in place rules and regulations on heat networks, including: making applications, identifying exemptions, granting licenses, and setting up heat network zones. Under the Act, all public sector building owners will need to assess their buildings to check if they are suitable to connect to a heat network. The Scottish Government has said it hopes to commence these provisions by 2023.

Consumer protection, however, is a reserved matter under the Scotland Act 1998 and therefore falls under UK-wide legislation. The delay to UK legislation referred to above therefore creates a challenge of how to drive forward development of the sector whilst protecting consumers.

Heat Trust will work closely with the Scottish Government to help address this challenge.

Policy timeline

February - June 2020	<u>BEIS Heat Network Market Framework consultation</u> - Heat Trust responded to the consultation on the Government's initial proposals for regulating the heat network sector. It highlighted that transparency, pricing and quality of service standards are key elements of the protection regime customers need. It also embedded the vital role of Heat Trust in the run-up to regulation.
May 2020	<u>ADE COVID-19 consumer agreement</u> - Heat Trust was appointed to monitor the commitments made by signatories to the consumer agreement on additional protections in response to the impact of COVID-19.
June 2020	<u>Launch of HeatNIC</u> - the Heat Networks Industry Council, known as HeatNIC, was launched setting out its pledge to support £30-50bn of investment and the creation of up to 35,000 new direct jobs by 2050, with the right policy frameworks in place. With such growth being pursued, customers must be placed at the heart of the industry.
November 2020	<u>Heat Network Metering and Billing Regulations updated</u> - These updates included clarifying which types of buildings have different metering requirements and a tool to test for cost effectiveness. Individual property meters allow customers to better control their consumption.
January 2021	<u>ADE and CIBSE publish CP1: Heat networks: Code of Practice for the UK (2020)</u> - An updated (on the earlier 2015 version), more structured and robust set of technical standards for heat networks with the aim of supporting the development of a wider heat networks quality assurance scheme, ultimately contributing to the regulation and decarbonisation of the heat sector.
January 2021	<u>Green Heat Network Fund consultation</u> - Heat Trust responded to the Government's consultation on funding low carbon heat networks after HNIP, the current financial support, runs out. Heat Trust highlighted the integral consideration of customers' experiences throughout and the importance for ongoing assurance of customer protection and adequate technical reliability.
March 2021	<u>Heat Networks (Scotland) Act 2021</u> - throughout 2020 the Bill passed through the Scottish Parliament, achieving Royal Assent on 30th March 2021. This is an important step forward for regulation of heat networks in Scotland, although customer protection remains a 'reserved matter' to the UK Parliament.
May 2021	<u>Government confirms</u> it will propose Ofgem as the future regulator of heat networks, Ombudsman Services (the Energy Ombudsman) as the independent dispute resolution provider and Citizens Advice as the statutory consumer advocate, although the legislation fails to make it into the Government's programme for 2021-22.

4 • Monitoring Registered Participants

Biannual monitoring data

Each heat network that registers with Heat Trust is required to submit data every six months on relevant metrics¹⁵. These indicate levels of performance and service relating to key standards in the Scheme Rules.

At the end of September 2020 there were 85 heat networks registered with Heat Trust, servicing 51,869 domestic customers and 294 micro-business customers.

The data presented in this annual report is aggregated from all sites registered with Heat Trust. The monitoring periods were 1st October 2019 - 31st March 2020 ('Period 1') and 1st April 2020 - 30th September 2020 ('Period 2').

Please note that all pie charts are displayed largest to smallest in a clockwise manner, with the legend in corresponding order.

Meter types

All Heat Trust registered sites have individual meters, and therefore none use heat cost allocators. At the end of September 2020, 2,453 (4.7%) domestic customers were paying their bills via pay as you go (PAYG), also known as pre-payment meters (PPM). This has increased slightly from 2019 (4.2%). By comparison with Ofgem, around 15% of customers used PPMs for their gas supply in 2018¹⁶. PPMs are therefore much more common in the regulated market than in Heat Trust's registered heat networks.

Less than 1% of micro-business customers paid via PAYG in 2020, which has remained the same over the last four years.

Interruptions in supply

Heat Trust groups the causes of interruptions into three high-level categories. These each represent an area of the heat network where the issue originated: generation (of the heat e.g. energy centre), distribution (from energy centre to property e.g. pipework) and in property. These are sometimes referred to as the primary, secondary and tertiary network, respectively.

Planned interruptions

Over the year there were 65 planned interruptions, a slight decrease from the 76 reported in 2019. These are interruptions to the heating and/or hot water supply where the customers have been given at least 48 hours' notice by their supplier. Nearly two-thirds of these (60%) took place in Period 2, the warmer months.

66% of planned interruptions were related to the distribution part of the heat network, as can be seen from Figure 1. This is a change from 2019 when generation was the leading cause of planned interruptions.

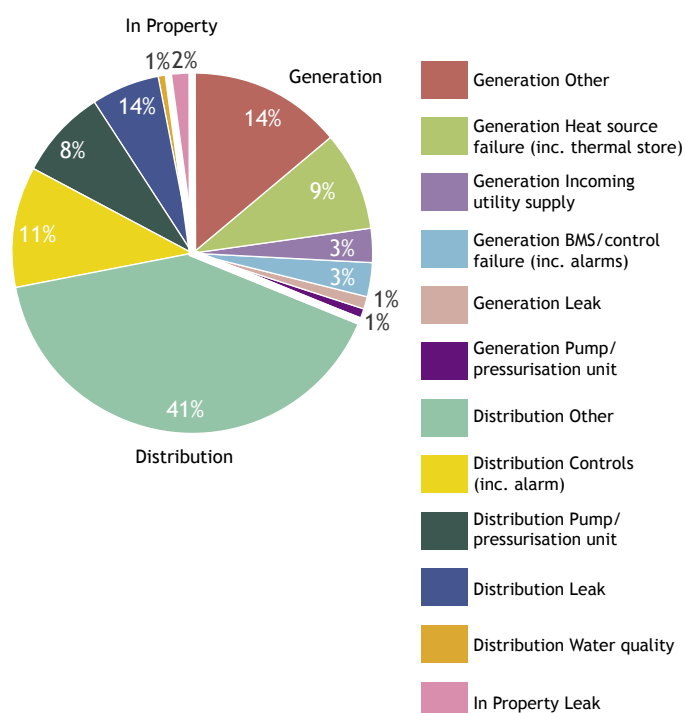


Figure 1 Breakdown of causes of planned interruptions in 2020

On average a planned interruption in 2020 lasted for 12 hours 30 minutes. This is almost twice as long as the average planned interruption for the last three years, which lasted for 6-7 hours. However, only four planned interruptions (6%) lasted for longer than 24 hours. There was no clear difference in the duration of planned interruptions between the different causes in 2020 (the average duration for generation was 11h38 and for distribution was 12h50).

Unplanned interruptions

In 2020 there were 2,413 unplanned interruptions reported by Registered Participants. Of these, 1,904 were caused by issues within individual properties - mostly (73%) relating to the Heat Interface Unit (HIU). This is a higher figure than has been reported in previous years, as a number of suppliers have only recently started reporting where faults within individual properties have led to an interruption in supply and in one case is still unable to report this figure. We believe therefore that this figure (1,904) is still likely to be an under-representation of the actual total number of unplanned interruptions. This further emphasizes the need for industry-wide performance metrics and standardisation to improve quality of data.

The remaining 509 unplanned interruptions were caused in the generation (315), or in the distribution of heat (194) to the heat networks. This represents a 23% increase on the 2019 figure, which was around 415 interruptions in generation or distribution, but is lower than the equivalent 2018 figure.

The main causes, patterns of duration and numbers of customers affected are discussed in the following sections.

Causes

Unplanned interruptions caused within the property constituted over three quarters of all unplanned interruptions in 2020, see Figure 2.

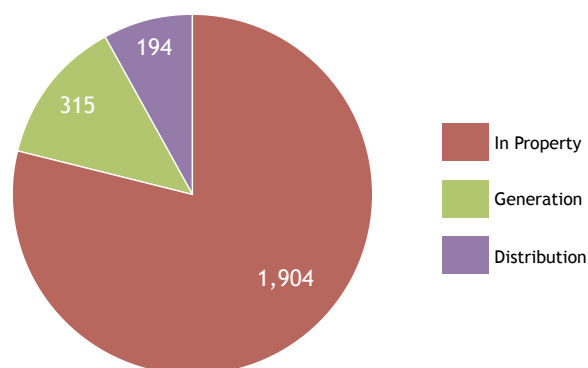


Figure 2 High-level causes of unplanned interruptions during 2020, showing the absolute figure of interruptions

On further investigation, the most common cause of unplanned interruption within the property was the HIU (73%), see Figure 3. This should be of note to both developers and operators.

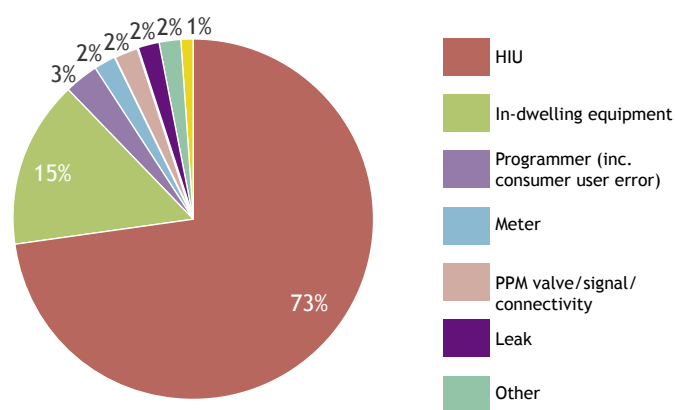


Figure 3 Breakdown of causes of unplanned interruptions in property in 2020 by sub-category

The most common cause of unplanned interruptions originating within both the generation and distribution parts of the heat network was related to the pump or pressurisation unit, see Figures 4 and 5.

Numbers of customers affected

Interruptions which originate within a property usually only affect one customer, however there are rare occasions where they might affect more than one, for example where repairing a single HIU requires switching off the supply to a number of nearby properties. In 2020 there were only 10 in-property unplanned interruptions

which affected more than 1 customer, to a maximum of 6, and 1 was reported as affecting 0 customers. Therefore over three quarters of unplanned interruptions in 2020 only affected one customer.

The below histograms, Figures 6 and 7, show that unplanned outages in 2020 originating in the generation part of the heat network tended to affect more customers but were less common compared to those originating in distribution, which were more common but often affected fewer customers at a time. This remains unchanged from 2019.

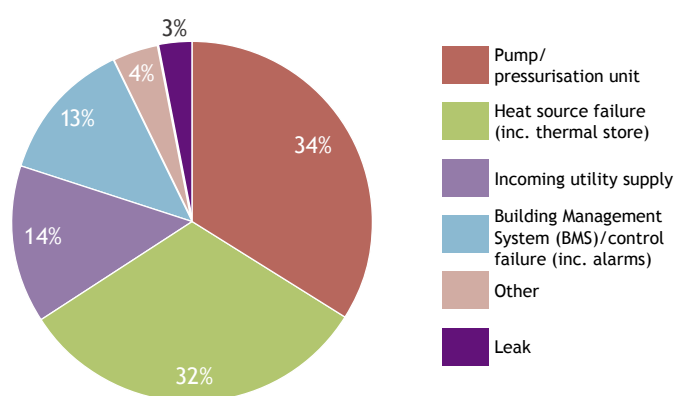


Figure 4 Breakdown of causes of unplanned interruptions within Generation in 2020 by sub-category

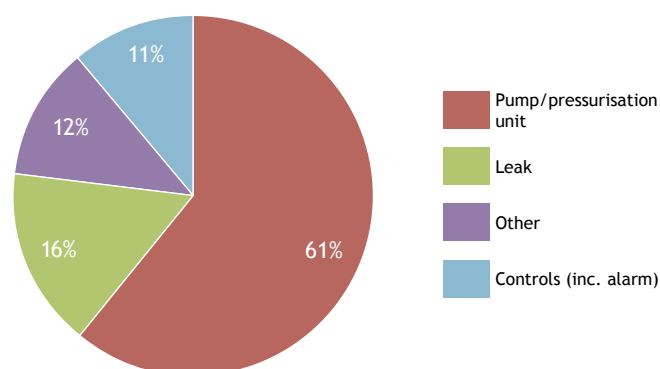


Figure 5 Breakdown of causes of unplanned interruptions within Distribution in 2020 by sub-category

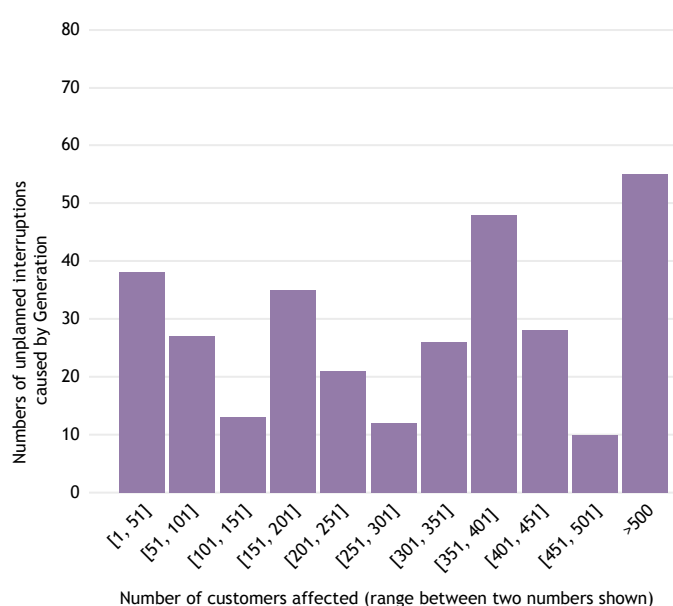


Figure 6 Histogram showing numbers of customers affected by unplanned interruptions caused by Generation, in 2020, in ranges of 50

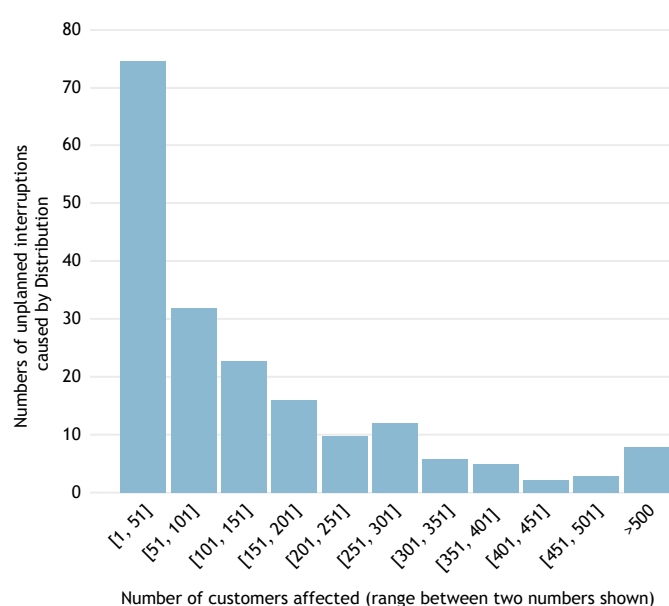


Figure 7 Histogram showing numbers of customers affected by unplanned interruptions caused by Distribution, in 2020, in ranges of 50

Durations of interruptions

The average duration of unplanned interruptions in 2020 was shorter for those originating in distribution and within the property than 2019, see Table 1. Anecdotally some of our Registered Participants have reported to us that by reducing their general maintenance or servicing visits during ‘lockdown’ periods in 2020 they were able to concentrate staff on responding to emergencies, which may have contributed to this reduced average duration of some unplanned interruptions.

Out of the 1,904 unplanned interruptions occurring within the property, 234 lasted for over 24 hours. Over half of these (57%) were due to access issues or booking an appointment outside of 24 hours to suit the customer. When excluding those with access delays, the average duration of an unplanned interruption occurring within the property in 2020 was 8 hours 58 minutes.

For much of 2020 access to customers properties was affected by the restrictions either imposed or recommended by the Government to limit the spread of COVID-19.

Guaranteed Service Payments

In total over 2020, £37,890.44 was paid by Registered Participants to customers for unplanned interruptions in supply which lasted longer than our standards allow. These are known as guaranteed service payments (GSP)¹⁷. The number of sites registered with Heat Trust increased over this period from 59 in March 2019 to 85 in September 2020, however the total amount paid has remained steady over the last three monitoring periods. Interestingly, the amount of GSP has also remained steady despite a fluctuation in the number of unplanned interruptions over the last two years, showing strong seasonal variation, see Figure 8. It is encouraging to see customers receiving compensation for loss of supply.

We also encourage our Registered Participants to fix the root causes of the outages, which often requires replacing parts or isolating sections of the network, and so leads to the majority of planned interruptions.

No guaranteed service payments were reported in 2020 for planned interruptions. See Section 6.3 of the Scheme Rules¹⁸ for details of which outages warrant a GSP.

	All unplanned interruptions	Generation	Distribution	In property
2020	14:27	4:08	4:53	17:09
2019	11:57	4:32	9:50	31:54

Table 1 Average duration of unplanned interruptions, by high-level cause category, in hours

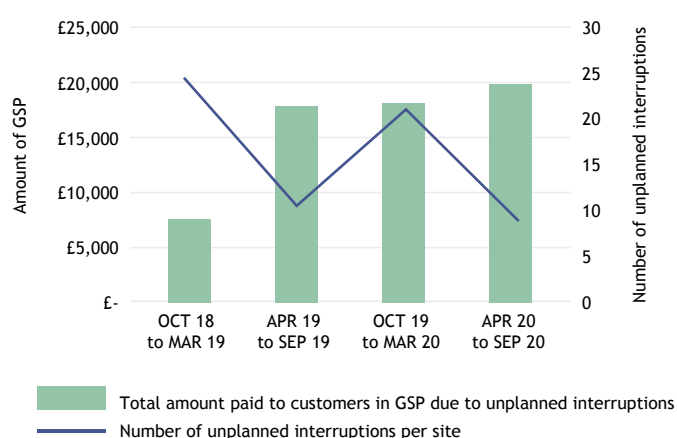


Figure 8 GSP and number of unplanned interruptions

¹⁷ The regulated market (gas and electricity) often use the term guaranteed standards of service (GSOS) payments.

¹⁸ <https://www.heattrust.org/the-scheme-rules>

Faults

There were 6,563 faults reported in 2020. These were mostly faults which do not result in a loss of supply for the customer, however one supplier remains unable to capture this data.

There is a clear pattern of higher numbers of faults being reported in the winter months compared to the summer months over the last four years, see Figure 9.

The number of faults reported has remained fairly constant over the last four years, see the yellow bars in Figure 9, however the number of customers registered with Heat Trust has increased, see the purple line. This may suggest that sites registered with Heat Trust more recently have fewer faults reported, or the overall number of faults reported per site is decreasing.

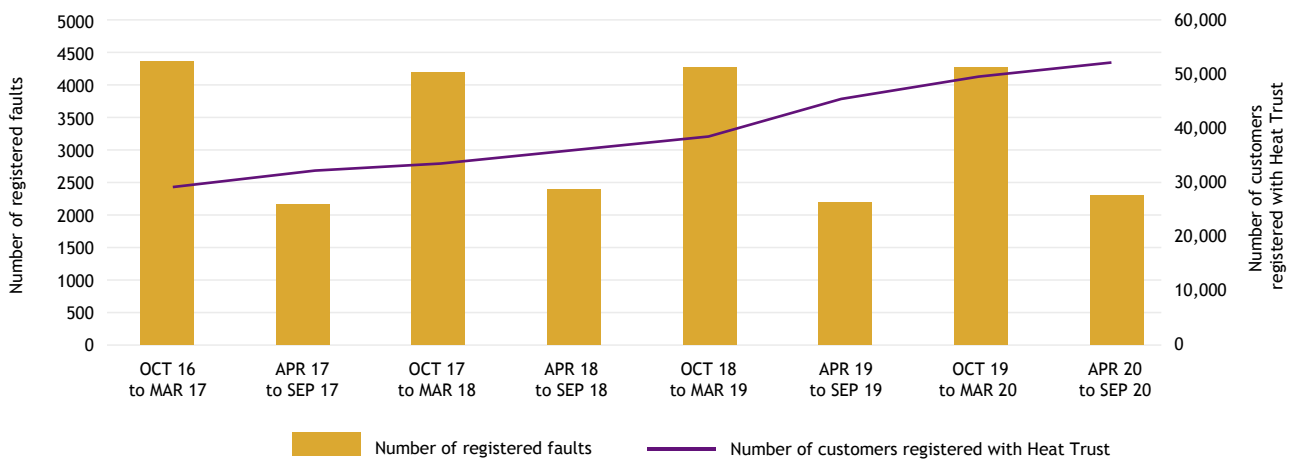


Figure 9 Number of registered faults over the last eight monitoring periods



Vulnerability and debt

Priority services or vulnerability register

At the end of September 2020, 1,981 customers (4%) were on a vulnerability or priority services register (PSR). Customers who are on a register may receive additional support or communication services from their supplier relevant to their circumstances. This number has continued to reduce over the last few years, from 8% in 2016, see Figure 10. Heat Trust is looking into the cause of this decrease.

By comparison 24% of gas and electricity customers were on a PSR in 2018 (the latest data available) and has been steadily increasing since 2007¹⁹. For small and medium regulated energy suppliers, the most comparable in size to heat network suppliers, this increased from around 5% in 2016 to around 8% in 2018.

Debt

At the end of September 2020, an average of 2.2% of customers were on a repayment plan for debt. As can be seen in Figure 11, this is lower than the previous two years. This may be due to fewer customers requiring this support, or fewer customers being offered and accepting it.

We have also begun to collect data on customers with bills unpaid for over 61 and 91 days, shown in Figure 11, showing a slight increase in the proportion of customers with debt over 91 days old.

Since March 2019 we have asked Registered Participants to report on the percentage of customers per site that fail to pay their bill by the due date. This could be only by a day or much longer. Figure 12 shows that a higher percentage of customers miss their bill due date during the summer periods. This may be because customers use less heating during the summer months and so aren't monitoring their heating/ hot water bills at this time.

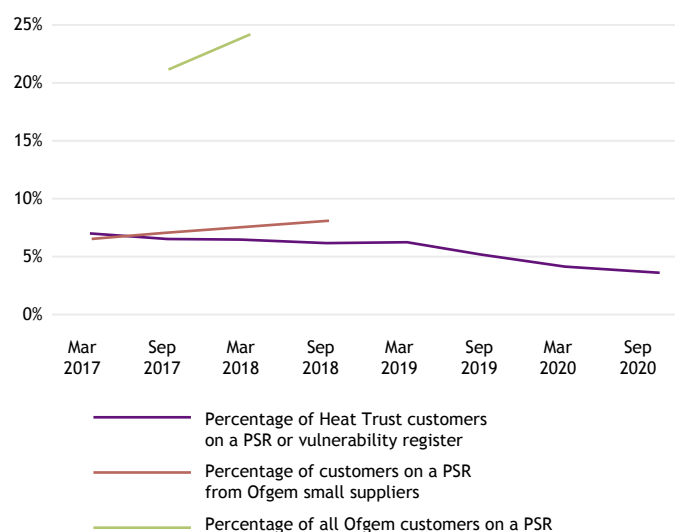


Figure 10 Percentage of domestic customers on a PSR or vulnerability register, with scale comparable to Ofgem

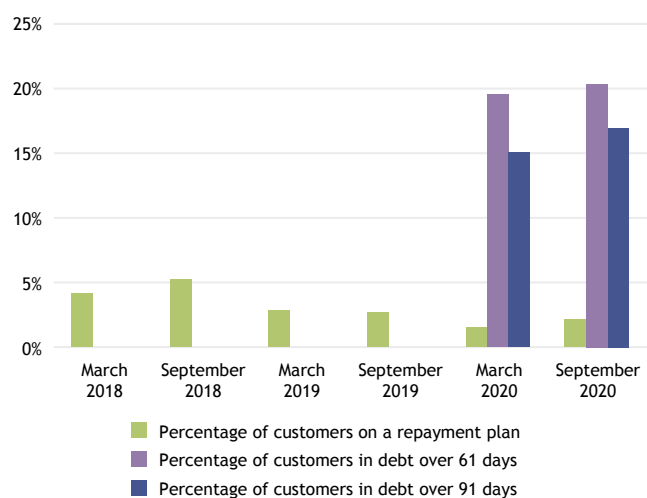


Figure 11 Percentage of customers on a repayment plan and those in debt at the end of the last six monitoring periods

Suspension and resumption of supply

The number of supply suspensions due to debt in 2020 was lower than during the previous year, see Figure 13. This continued an already decreasing trend from the previous two monitoring periods.

In May 2020 several of our Registered Participants joined others in the industry in signing an agreement²⁰ to provide additional protections and support to customers during the COVID-19 pandemic. This included consideration to suspend credit meter disconnections, which may have contributed to the lower number of disconnections due to debt seen in 2020.

By comparison, there were no disconnections due to debt in 2018 for gas and only six for electricity customers. However, there were 93,154 pre-payment meters installed in 2018 to recover debt, and 70,981 (76%) of those were installed by warrant. With about 23 million homes connected to gas in the UK, around 0.3% of customers had a pre-payment meter installed by warrant. This is not dissimilar to the average number of customers on Heat Trust Registered Sites who had their supply suspended in 2020, which was 0.4%.

Heat network suppliers currently do not have the rights to access warrants to install pre-payment meters. However, once a pre-payment meter is installed, some customers in severe financial insecurity may self-disconnect through not topping up their pre-payment meter. Data on this is not yet captured by Heat Trust, but work is ongoing to investigate the best way to monitor and support customers experiencing difficulty paying their heat bills who have pre-payment meters²¹.

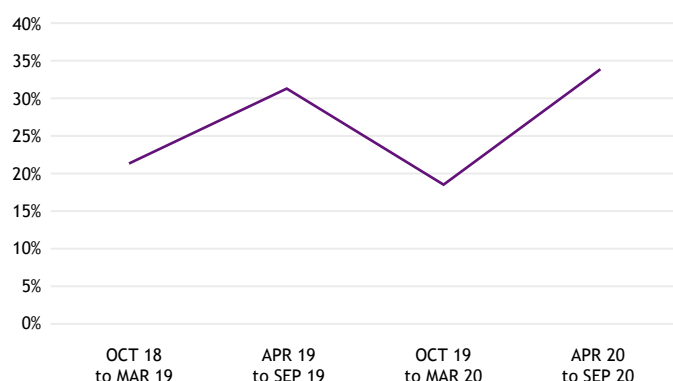


Figure 12 Average percentage of customers that fail to pay their bill by the due date

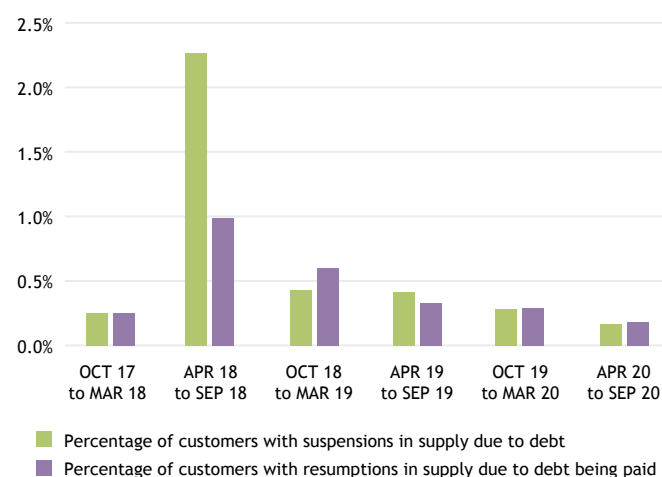


Figure 13 Average proportion of customers with supply suspended and resumed due to debt, over the last six monitoring periods

Complaints

Over the year, Registered Participants recorded 1,979 complaints from domestic and micro-business customers. Of these, 1,356 were recorded in Period 1 and 623 were recorded in Period 2. This drop in Period 2 is likely an impact of COVID-19, as proportionally complaints had remained fairly steady for the last four monitoring periods, see Figure 14.

Over the year there was an average of 3.8 complaints per 100 customers. Ofgem reported an average of 5.4 complaints per 100 customers over 2020 in the regulated market²².

‘Billing and charges’ and ‘technical issues’ were the most common causes of complaint in 2020, together accounting for 76% of complaints. These have remained the most common causes of complaint for the last three years, see Figure 15.

Within 2020, 88% (1,749) of complaints received were resolved within the same monitoring period. The average of the last three years was 89%. Therefore the majority of complaints are resolved fairly quickly.

A deadlock letter is issued by a supplier to a customer if the customer has made a complaint that has not been resolved within eight weeks, or it is clear that a resolution which is satisfactory to both parties cannot be reached between them. As 174 deadlock letters were issued in 2020, this means that for every 100 complaints, 8.8 could not be resolved to the satisfaction of both parties and were issued a deadlock letter.

Once eight weeks has passed or a deadlock letter has been received then a complainant can take their complaint to the Ombudsman for arbitration. See Section 5 for more details on complaints taken to the Ombudsman.

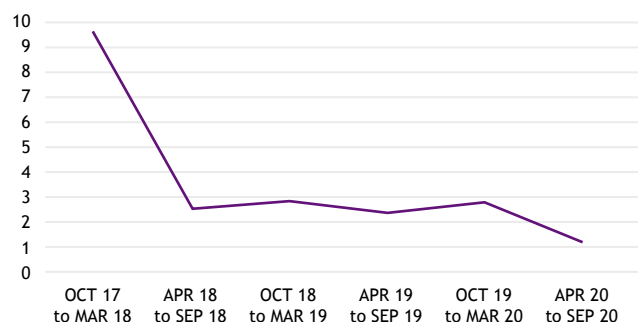


Figure 14 Number of complaints received per 100 customers over the last six monitoring periods

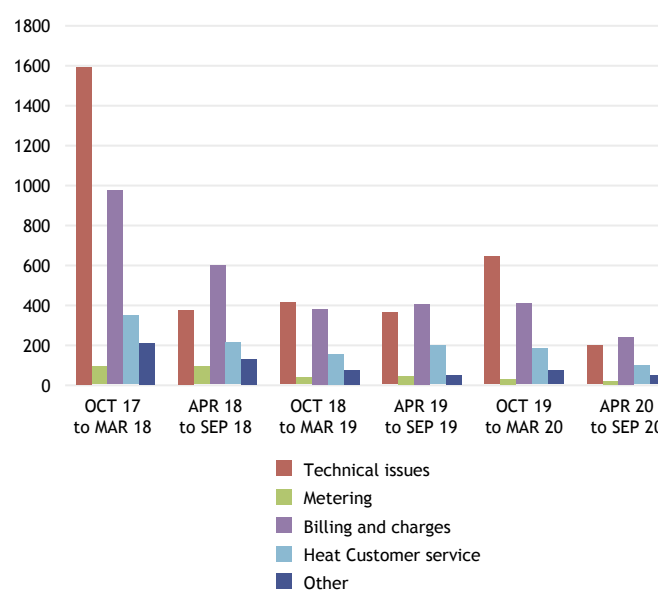


Figure 15 Breakdown of complaint categories over the last six monitoring periods

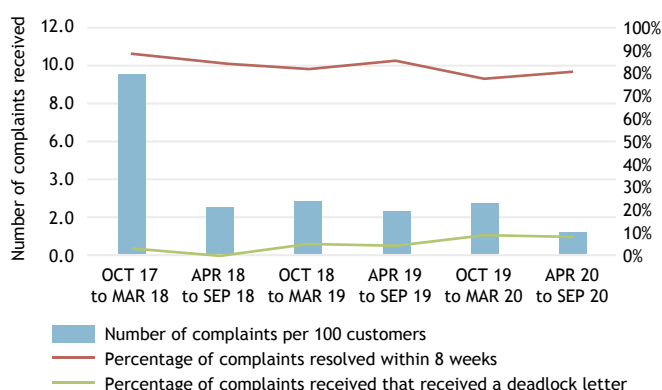


Figure 16 Complaints received and complaints resolved within eight weeks, and deadlock letters

The number of deadlock letters issued has increased in 2020 from previous years, see Figure 16, perhaps because customers were only taking the most serious complaints to suppliers during COVID-19, which were difficult to resolve internally

Overall complaints have remained low for the last two years despite an increasing number of customers registered with Heat Trust, see Figure 17.

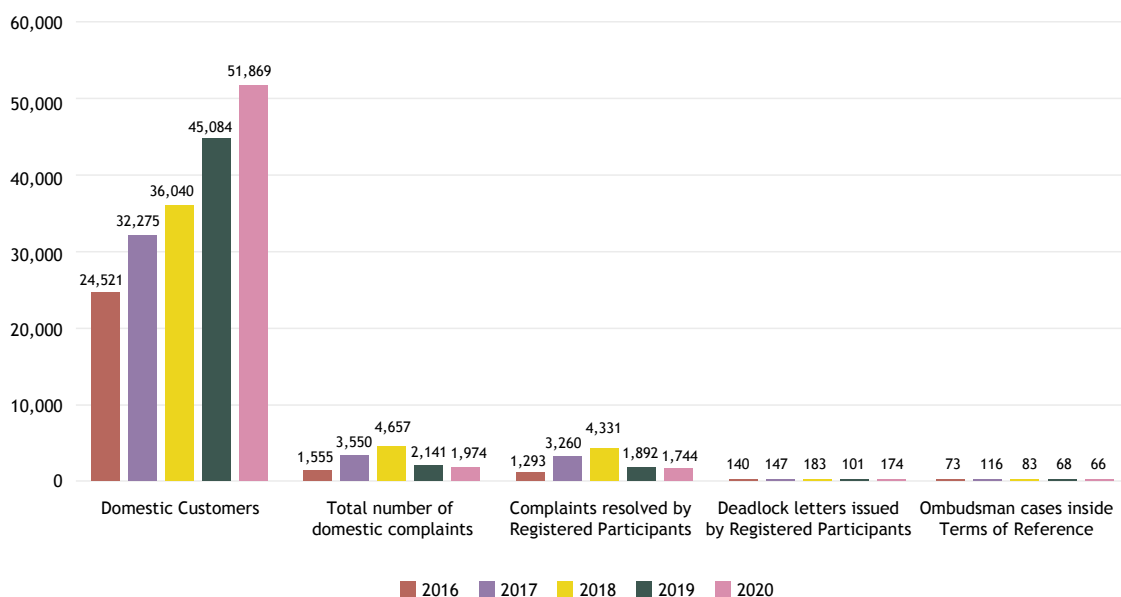


Figure 17 Complaints comparison over time

Audit Summary

The COVID-19 pandemic impacted the operation of both Registered Participants and Heat Trust. In particular, for us, it led to the temporary suspension of audit activity for the first two quarters of 2020.

During that time, dialogue continued with Registered Participants to ensure that they were giving customers the support they needed. Heat Trust also redesigned the audit process²³ to both improve the efficiency and effectiveness of the process, whilst reducing the costs of each site audited.

As a result, we were able to resume postponed audits in September 2020. With the improvements delivered to the process we now anticipate being able to manage a far larger volume of audits each year, improving the quality of customer assurance we provide.

Audits are a key part of our assurance to customers that the service they are receiving meets the standards that we set. Our audits are therefore comprehensive and offer both best practice advice where our auditors notice room for improvement as well as identifying any areas not yet reaching compliance. The process allows for remediation plans to be developed and assessed to bring practices up to compliance.

Nine sites were audited in the fourth quarter of 2020. Key issues identified by these audits have included:

- Issues with the time to respond to faults and emergencies;
- Issues with the processes for issuing deadlock letters to customers so they can take their complaints to the Energy Ombudsman; and
- Issues with the sending of reconciliation bills after correct meter readings have been taken.

We are working with Registered Participants to ensure these issues are resolved as soon as possible.

At the end of 2020, a further twenty-two sites were notified of our intention to audit them, as part of an ambitious forward audit programme.

5. Complaints referred to the Energy Ombudsman

Customers on heat networks that are registered with Heat Trust are able to access the independent dispute resolution service provided by the Energy Ombudsman.

How the Ombudsman works

If a customer complaint cannot be resolved through the Registered Participant's internal complaints procedure within an eight-week timeframe, the complaint can then be referred to the Energy Ombudsman, operated by Ombudsman Services. Customers access this service for free; all charges are paid by the Registered Participant (the heat supplier). The Energy Ombudsman will look at complaints that are within the Ombudsman's Terms of Reference²⁴. It is unable to investigate commercial decisions e.g. price increases.

Key terms:

Terms of Reference (TOR)

ITOR

Inside Terms of Reference, a complaint that probably will be accepted subject to confirmation.

OTOR

Outside Terms of Reference.

Contact (or PITOR)

(Potentially Inside Terms of Reference - term is being replaced by 'Contact'). The customer has created a case, but has not provided enough information to determine if it's within TOR.

Resolution types

There are three possible types of resolution for a complaint that is accepted by the Energy Ombudsman:

FCR

Facilitated Complaint Resolution - The Registered Participant has made an early proposal to the customer and the customer has accepted the proposed resolution. This is a non-binding decision because the Ombudsman has no involvement in the complaint itself and the agreement is between the Registered Participant and the customer.

Decided

Ombudsman Services has reached a decision on the case. In this status there are three subcategories:

- Decided: Accepted - where both the customer and Registered Participant have accepted the decision, and the decision is binding.
- Decided: Declined - where the customer has declined the decision and it therefore becomes non-binding.
- Decided: no response - where there has been no response to the decision by customer, and the Ombudsman has therefore closed the case as non-binding.

Appeal

The case has been appealed by one or both parties and Ombudsman Services have issued an appealed decision. This will state if the decision has been upheld or changed with reasons.



Summary of complaints sent to the Ombudsman

Between 1st January 2020 and 31st December 2020, 195 complaints were referred to the Ombudsman from customers on Heat Trust Registered Sites. Of those, 41% (80) were inside the Ombudsman Terms of Reference, 28% (55) were OTOR, 21% (41) were PITOR and 10% (19) were 'contact'. This is slightly higher than the number of cases opened in 2019 (171), as can be seen in Figure 18.

Seventy-one ITOR complaints were accepted in 2020 and all ITOR complaints in 2020 were from residential customers. Those not accepted were awaiting information from the customer.

As can be seen from Figure 19, the majority of complaints going to the Ombudsman in 2020 were related to billing, and the next highest cause was customer service. This pattern is largely unchanged from 2019. Ombudsman Services do not yet capture technical issues as a separate complaint category. Heat Trust is working with the Ombudsman to develop this.

Of those complaints related to billing which were completed in 2020, the secondary level of category can be seen in Figure 20. Disputed account balance and disputed 'other' charges were the most common billing related complaints. However, 29% of billing complaints were either settled or case closed early and 21% did not proceed, so level 2 categories were not obtained for either of these groups of complaints. Where a case has gone through the FCR process, resulting in a settled case, a full investigation does not take place so Ombudsman Services are unable to capture the detail of the secondary level category.

Taking a closer look at customer service complaints completed in 2020, 21% were due to the quality of customer service and 5% due to request not actioned. However, 63% of complaints were either settled or case closed

early and 16% did not proceed, so level 2 categories were not obtained for either of these groups of complaints.

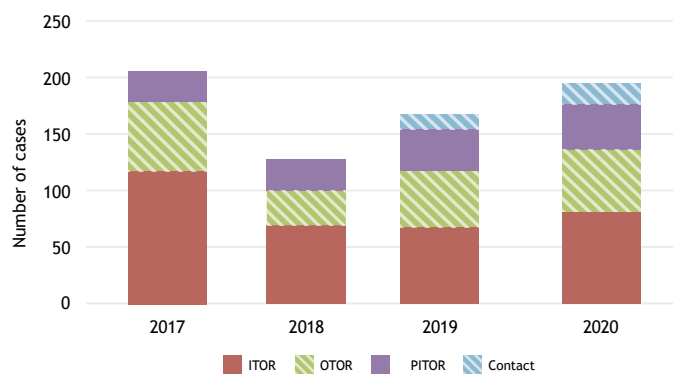


Figure 18 Numbers of opened cases over the last four years, by TOR type

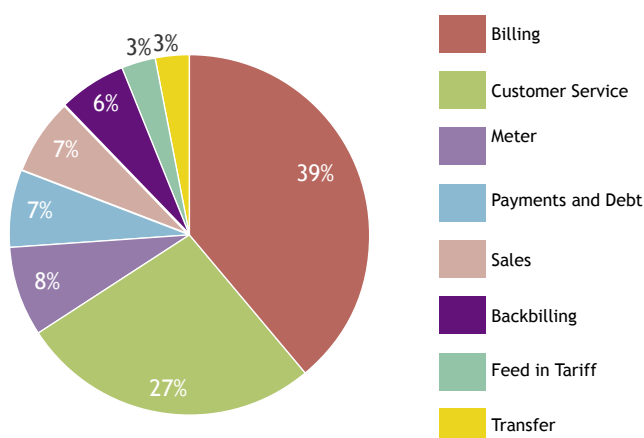


Figure 19 Breakdown of ITOR complaints in 2020 by type

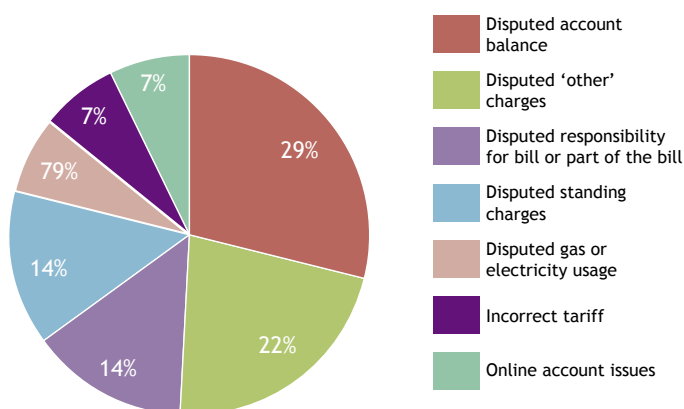


Figure 20 Breakdown of billing complaints in 2020

Outcome

Of all the completed cases in 2020, the majority (49%) were upheld or maintained (9%) see Figure 21. This means that in the majority of cases the Ombudsman agreed with the customer, offering important redress for heat network customers. This also shows an increase in suppliers making use of early offers to customers which are being accepted, as settled now makes up a third of outcomes (33%).

Of all those cases which were completed in 2020, just over half were decided, see Figure 22, and 16% were appealed, showing the value of the appeals process.

This increases for those that were upheld, where two thirds were decided and one third were appeal decided. All maintained and not upheld were decided, perhaps suggesting it is mainly the suppliers who are using the appeals process. All settled complaints were resolved through FCR.

Of all completed cases in 2020 39% were binding, where the Ombudsman has made a ruling that the customer accepted, and 61% were non-binding. This is a large change from 2019 (59%) and previous years (averaging at 70%), possibly reflecting the increased proportion of complaints which are settled, which are non-binding.

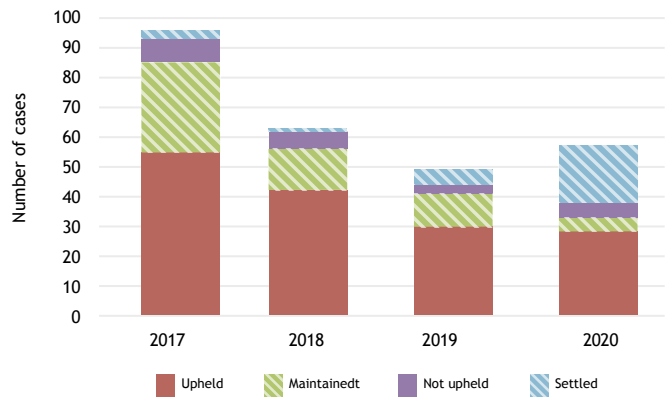


Figure 21 Outcome of ITOR completed complaints over the last four years

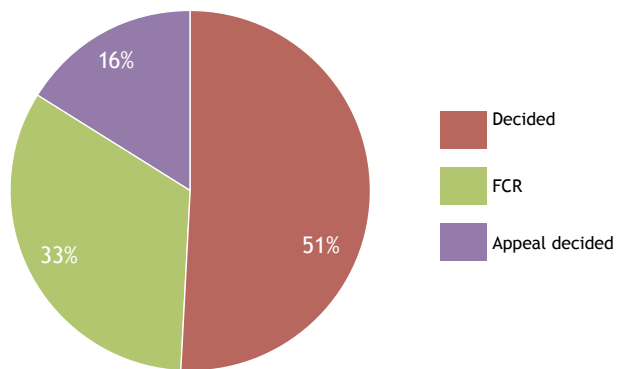


Figure 22 Decision method for complaints in 2020

Referrals

The most common way for a customer to find out about the Energy Ombudsman and take a complaint to them in 2020 was via their heat supplier, see Figure 23. The second most common route was by an internet search, and the third was direction from Citizens Advice.

Remedy Payments

In 2020 a total of £3,179.31 was paid to customers as a result of an Ombudsman decision. £1,690.00 of this was awarded as goodwill payments, by way of apology, and £1,489.31 was as credit payments, fixing errors in billing or payments. This is slightly lower than the total £3,965.74 issued in 2019.

Of all cases completed in 2020, 47% received a payment and the average remedy payment was £118.

In 2020 both the highest number of cases and the highest remedy payment amounts were related to billing complaints, see Figure 24. However, there was an anomalous payment of £980.20 in credit and £150 in goodwill for one customer with a significant billing issue.

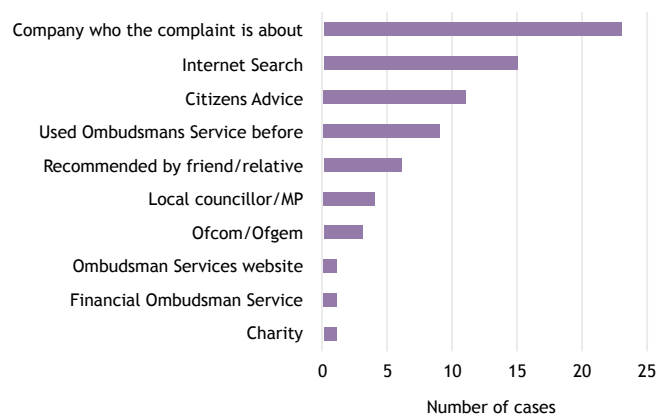


Figure 23 Sources of referrals to Ombudsman Services for all cases opened in 2020 (121 cases did not state a source of referral)

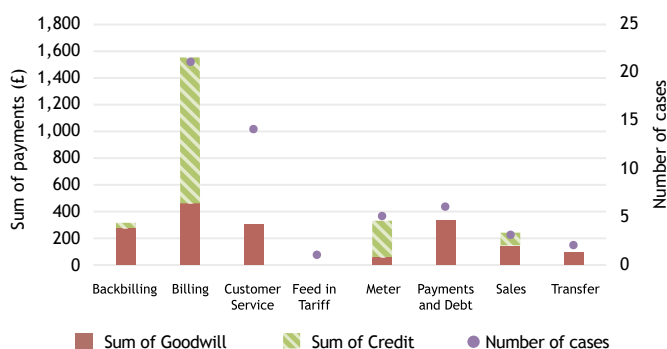


Figure 24 Payment amounts in 2020 per category of complaint, compared to number of cases

Photo credit: Aberdeen Heat & Power



5 • Energy Ombudsman case studies

Case Study One

Complaint Type 1: Billing

Complaint Type 2: Disputed Charges

Customer Complaint Summary

The customer moved into her property in 2012 and had experienced what she considered to be excessive bills. She explained that she had also experienced continuous issues with her heat supply and issues with the heaters not working. The customer advised that the Registered Participant and her housing association attended the property and discovered that there was a fault on both the heating system and the internal heating system.

Registered Participant's Response

The Registered Participant stated that the supply issues that the customer had experienced were secondary network issues within the heating system in the property [secondary network issues are not the responsibility of the Registered Participant]. This was because the customer confirmed that she had hot water but some of the heaters did not work. The Registered Participant did state that the engineer who attended advised that a heat sensor was installed in the wrong position and that this would affect the billing. Due to this, the Registered Participant took steps to remove over £400 from the billed charges.

Ombudsman Services Investigation

Ombudsman Services found that when the Registered Participant's engineer attended the property in December 2019, with a representative from the housing association, the engineer reported that a heat sensor was in the wrong position and due to this the Registered Participant agreed to apply a reduction of £410.46 to the account to compensate for this. Based on the evidence available, Ombudsman Services considered this amount to be reasonable.

While the customer made comments regarding experiencing issues with some of the heaters, the evidence showed that she did have access to hot water throughout, which indicates that the heat energy was maintained to the property by the Registered Participant.

Ombudsman Services reviewed the billing and had concerns over the high level of consumption in the initial period of October 2012 to March 2013, when the meter was exchanged with another meter. It was logical to consider this was due to some issue, but the details were limited due to the passing of time. Based on this, Ombudsman Services decided that a reduction in charges that resulted in a refund was required for this period of £326.03. This was based on the consumption between July 2014 and January 2020, when consumption was felt to be accurate.

The Registered Participant also offered to apply a credit of £243.71 to remove service charges from 1 April 2017 to 31 December 2019. Ombudsman Services did not find any evidence to suggest that this was required, but as this was to the customer's benefit, it was maintained. In addition, the Registered Participant also offered a £150 goodwill payment in recognition of the stress and anxiety this matter would have caused. Ombudsman Services agreed that this was a reasonable offer.

Ombudsman Services Remedy Decision

- Credit the account with £410.46 for the overcharge due to the incorrect position of the Heat Sensor
- Credit the account with £243.71 for the removal of the energy service charge for the period 1 April 2017 to 31 December 2019
- Credit the account with £326.03 to remove the excessive consumption recorded on the first meter which was in place for the first five months of the account

- Provide an apology in writing for the shortfalls in customer service and the inconvenience caused.
- Apply a credit of £150 to the account as a gesture of goodwill.

Outcome: Upheld

Case Study Two

Complaint Type 1: Customer Service

Complaint Type 2: Misinformation

Customer Complaint Summary

The customer stated that when he bought the property in 2015, the builders and developers provided him with information that indicated his heating and hot water charges would be lower than standard gas charges as the property was part of a Heat Network.

The customer felt that he was given inaccurate information about the level of charges and considered that the Registered Participant was responsible for the misinformation, as it applied to the heat charges under a business agreement with the developers.

The customer indicated that he received a forecast annual heating cost from the builders which indicated the cost of hot water would be £240 with heating being a further £185 per year - a total of £446. The customer stated the forecast incorrectly indicated this would be a saving against gas heating costs, which were noted as £638 a year. The customer considered this information as untrue, as it was more than his entire heating bill for his previous property.

Registered Participant's Response

The Registered Participant indicated that it reviews heat charges in the spring of each year and there is usually a 10% increase. It stated that this is a business decision and therefore, it is not required to give further information.

Ombudsman Services Investigation

Ombudsman Services' review found that the Registered Participant had provided the customer with clear information about the charges being applied within its bills, as required by Rule 15.4 of the Heat Trust Scheme Rules. Based on the standing charges being inclusive of repair, replacement and maintenance costs, there is no evidence the charges were unfair or unreasonable.

Ombudsman Services was satisfied that the Registered Participant had provided clear responses to customer contact, even though we did accept the Registered Participant did not provide the customer with the information sought relating to pricing information. However, as this is part of a business decision, we were satisfied that this did not have to be disclosed.

Ombudsman Services confirmed that while the tariff agreed between the developers and the Registered Participant for this type of heating system is a business decision, the charges being applied are in line with expected costs for a service that includes full maintenance and replacement of equipment. [Gas heating prices do not usually include boiler maintenance and repair.]

Ombudsman Services confirmed that any issue with the accuracy of the information the customer received about the Heat Network charges prior to purchase of the property, would be a third-party issue between them and the developers. The Registered Participant could not be held responsible for information that it did not provide.

Ombudsman Services Remedy Decision

- Ombudsman Services did not require a remedy or award from the Registered Participant

Outcome: Not Upheld

6. Outlook for 2021

Heat networks and decarbonisation of heating

Although heat networks only currently deliver heating to around 1.8% of homes in the UK²⁵, this is set to change dramatically over the next few decades as gas boilers are phased out. The Committee on Climate Change estimates that around 18% of UK heat will need to come from heat networks by 2050²⁶ if the UK is to meet its carbon targets cost effectively and the Government estimates that up to £16bn of capital investment will be needed to achieve this.

Heat networks are one of the most cost-effective ways of reducing carbon emissions from heating, and their efficiency and carbon-saving potential increases as they grow and connect to each other. They provide the opportunity to exploit larger scale renewable and recovered heat sources that otherwise cannot be used.

Public support for heat networks will be critical

This rapid growth in heat networks will only be possible with public support, which will require the sector to build a solid reputation for reliability, good value and high-quality customer service. This is sadly not always the case today.

Only universal regulation and oversight that ensures all heat networks are built and maintained to the standards necessary to deliver ultra-reliability and that delivers good value and high-quality customer service will provide the foundation on which rapid growth can be built.

Delay to regulation leaves the sector vulnerable

The failure to include heat network regulation in the 2021-22 Parliamentary session leaves the sector unregulated for another 3-4 years at a key point in its growth trajectory. The Heat Trust scheme offers consumer protection but only to the minority of networks that are registered with us. Likewise, the CIBSE/ADE technical standards (CP1) set the necessary standards for the ultra-reliable networks of the future, but developers don't currently have to adopt them.

Heat Trust has continued to grow since its launch in 2015 and has recently celebrated its 100th site being registered and now provides consumer protection to almost 58,000 heat network customers. Whilst this growth is good news for those consumers now protected, it still leaves the vast majority outside the scheme.

The continued fall in complaint volumes over these years, alongside the significant growth in customer numbers, demonstrates the power of the standards that we set to bring improvements to consumers.

²⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/838824/opss-delivery-report-2019-annex-e-heat-networks.pdf

²⁶ <https://www.theccc.org.uk/publication/element-energy-for-ccc-research-on-district-heating-and-local-approaches-to-heat-decarbonisation/>

All heat networks should register with Heat Trust before regulation

With regulation coming, and consumer protection so critical to the growth of the sector, it is time that all heat networks were registered with Heat Trust to give confidence to their consumers and to ensure they too are regulation-ready.

Heat Trust is working closely with both the industry and the UK and devolved Governments to expand the coverage of our voluntary scheme during the extended pre-regulation period to help plug the gap in regulation and help the industry build the solid reputation that it needs.

We are particularly keen to see the many local authority and housing association-run heat networks join us and were delighted to see the first housing association join earlier this year.

A seamless transition from Heat Trust to Ofgem

Whilst seeking to expand, Heat Trust will work closely with Ofgem to help prepare the industry for the transition to regulation and help Ofgem to better understand the heat network sector and the challenges that regulation presents. Ultimately, we aim to ensure a seamless transition from Heat Trust to Ofgem when regulations finally come into force.





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