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The Energy Ombudsman Will Be Your First Regulator

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Executive Summary

On 27 January 2026, Ofgem formally began regulating heat networks in Great Britain under the Heat Networks (Market Framework) (Great Britain) Regulations 2025. On that same date, just 290 heat network suppliers had registered with the Energy Ombudsman, listing around 3,000 sites against an industry estimate of over 14,000 operational sites in the UK. Registration coverage is partial. Most of the sector has not yet engaged with the statutory redress scheme that has been live since April 2025.

Most operators reading this paper will have a working assumption about heat network enforcement that runs roughly as follows: Ofgem is taking a collaborative approach in the early period, they are overwhelmed by the scale of the sector, they won't get to me in the first tranche, and by the time they do I will have had warning and time to prepare. Every part of that sentence is defensible. It is also the wrong model.

This paper sets out a different model: that the first enforcement encounter most operators will have is not an Ofgem audit. It is an Energy Ombudsman determination — consumer-led, process-bound, and adjudicated against the relevant Ofgem Authorisation Conditions and guidance whether or not Ofgem has yet looked at the operator in question. The Ombudsman has been the statutory redress body for heat network consumers since 1 April 2025. Its caseload is driven by consumer complaints, not by Ofgem's enforcement prioritisation. Its decisions are legally binding on the supplier once accepted by the complainant.

An adverse Ombudsman finding does not stay contained within the Ombudsman scheme — it can become the evidential foundation for Ofgem's own enforcement powers. Those powers include consumer redress orders that can apply to the affected cohort of consumers rather than only to the single complainant, and financial penalties of up to £1 million or 10% of annual turnover, whichever is higher.

And the Ombudsman's capped award — £10,000 for a domestic complainant, £20,000 for a small business — is not where the financial exposure ends. It is where it begins. Paragraph 10.13 of the Energy Ombudsman's Terms of Reference expressly empowers it to refer non-compliant suppliers to the relevant regulator. Ofgem is the relevant regulator. An operator found by the Ombudsman to have no back-billing policy has not just lost a £10,000 dispute — they have created a published finding that every consumer on their network may have been affected by uncontrolled back-billing, and that finding can travel to Ofgem along a named, contractual referral route.

The paper argues that compliance documentation — complaints procedures, vulnerability policies, billing and back-billing policies, fair pricing methodologies, Standards of Conduct statements — has been misunderstood as preparation for a future Ofgem audit. It is better understood as the evidence pack for a consumer complaint that could be lodged today and decided within weeks. Documentation is the firewall between a capped £10,000 dispute and the much larger regulatory exposure that sits behind it. Operators who engage early, self-report, and reach settlement before a final order can also benefit from a penalty discount of up to 30% under Ofgem's February 2026 Enforcement Guidelines — an incentive structure that rewards the compliance-ready operator twice.

The prescription is straightforward. Register with the Energy Ombudsman now. Map existing internal documentation against Ofgem's January 2026 Authorisation Conditions and Consumer Protection Guidance. Fill the gaps before the first complaint arrives, not after. Plan the internal briefing that ensures the policy is operating, not merely on file. The operators that do this before autumn 2026 will spend the rest of the regulatory transition implementing. The operators that do not will spend it responding.

1. The registration gap

On the day Ofgem formally commenced regulation, the Energy Ombudsman reported that just over 290 heat network suppliers had registered with its service, listing more than 3,000 heat network sites. Industry estimates put the number of operational heat network sites in the UK at over 14,000. Supplier count and site count are not directly comparable — one supplier can operate many sites — but the direction of the gap is unambiguous. The majority of the market has not yet engaged with the statutory redress scheme that has been live since April 2025.

This is worth sitting with before diagnosing it. The Energy Ombudsman's heat network jurisdiction was established by primary legislation (the Energy Act 2023) and given effect by secondary legislation (the Heat Networks (Market Framework) (Great Britain) Regulations 2025) after a multi-year consultation process. It commenced on 1 April 2025 — more than a year before the date of this paper. Every heat network supplier in Great Britain has, in that sense, had a year of advance notice of a statutory redress obligation, and the market's response has been partial.

There are recognisable structural reasons for this. Most heat network operators in the UK do not identify, culturally or operationally, as energy suppliers. They are housing associations, local authorities, developers with legacy block schemes, and ESCos managing assets owned by others. They fell into heat supply as building infrastructure, not as a regulated supply business. Gas and electricity retailers have established compliance infrastructure built over two decades of Ofgem oversight. Heat operators are being asked to build that infrastructure from scratch, and the instinctive response is to treat regulation as paperwork rather than operating discipline.

There is also a diffusion-of-responsibility problem that is particularly acute in this sector. The freeholder assumes the ESCo is handling it. The ESCo assumes the managing agent is handling it. The managing agent assumes the developer's original engineering team is handling it. The residents pay whoever sends the bill. Nobody has stood up and said *I own this regulatory perimeter*. The authorisation regime will eventually force a named entity to be the Authorised Supplier for each network, but day-to-day compliance responsibility remains diffused in the meantime.

And there is a cost-aversion calculation that is rational on its own terms. Compliance spending looks like money poured into a hole when the operational economics of many networks are already marginal. In the absence of a visible enforcement precedent — the first published determination, the first named operator, the first £1 million penalty — the expected-value maths favours watching and waiting. None of this is complacency in the dismissive sense. It is a coherent response to a specific reading of the enforcement environment. The problem is that the reading is wrong.

2. The working assumption most operators are running

The dominant working assumption in the sector runs on three beliefs. First, that Ofgem is the enforcer, and so Ofgem's capacity determines enforcement probability. Second, that Ofgem has said publicly it will take a collaborative approach in the early period, and so significant enforcement is unlikely before 2027 at earliest. Third, that even when Ofgem does begin to enforce, operators will receive warning — a letter, an information request, an opportunity to demonstrate compliance — and will have time to produce the documentation then.

The third belief is the critical one. If operators believed the first enforcement letter came without warning and with a short deadline, the behaviour we observe would be different. The quiet confidence that compliance documentation is a thing you can write later, in response to a specific ask, is what holds the current posture together.

Ofgem itself has, in fairness to operators, reinforced this reading. In its January 2026 commencement blog, Ofgem described its approach as flexible, with an initial focus on

working with the sector to embed the new rules, with compliance and enforcement applied when proportionate and where there is evidence of significant consumer detriment. Read in isolation, that sentence could reasonably support a grace-period reading. Legal commentary published around commencement has broadly corroborated this — Ofgem's early focus is widely understood to be guidance and sector support rather than enforcement action, save in extreme cases. So the working assumption has external validation. Why is it wrong?

Because Ofgem is not the first enforcement contact. The Energy Ombudsman is. And this isn't an incidental byproduct of how the regime came into force — it's designed that way. Ofgem's own Consumer Protection Guidance, published in January 2026, signposts the Energy Ombudsman as the route for unresolved complaints once internal procedures are exhausted. The Ombudsman is not a parallel track; it is the intended first escalation channel for consumer complaints, routed through by the regulator itself.

The Energy Ombudsman's operating model is structurally different from Ofgem's in ways that change the enforcement probability calculation entirely. The Ombudsman does not select investigation targets based on regulatory priority-setting — its caseload is complaint-led rather than selected through Ofgem's enforcement prioritisation. Its decisions are made on a process-bound timetable, not according to an enforcement strategy. And its decisions are legally binding on the supplier once accepted by the complainant — with no grace period, no transitional flexibility, and no collaborative approach to non-compliance.

The error in the current working assumption is therefore not an error about Ofgem. The statements Ofgem has made about its approach are accurate. The error is one of missing the other enforcement actor entirely. Operators have built a risk profile that contains Ofgem but not the Ombudsman, and the Ombudsman is the one designed to reach them first.

3. The Energy Ombudsman: mechanics and reach

The Energy Ombudsman has been the statutory redress body for heat network consumers since 1 April 2025, established by the Heat Networks (Market Framework) (Great Britain) Regulations 2025 under the Energy Act 2023. From 27 January 2026, all heat networks became regulated by Ofgem and authorised suppliers must register with the Ombudsman service.

Who is in scope

The Ombudsman's Terms of Reference for Heat Network Suppliers oblige every company carrying on the regulated activity of supplying heating, cooling or hot water to heat network consumers to become a Participating Company. The services within jurisdiction cover metering and billing, the provision of heat energy products and services, and specific duties relating to the EBRS and EBDS pass-through schemes. A "heat network consumer" is a person who takes a supply of heating, cooling or hot water from a relevant heat network —

meaning residents of communal heating schemes, district network customers, and (from 27 January 2026) micro and small business heat consumers.

Deemed authorisation and the 26 January 2027 registration deadline

There is a second regulatory clock running alongside the Ombudsman one. Every heat network that was active on 27 January 2026 automatically received deemed authorisation, allowing continued operation while the operator works toward full compliance. Deemed authorisation does not defer the compliance obligations — the Authorisation Conditions were enforceable from 27 January 2026 — but it does give operators time to complete formal registration with Ofgem through the Heat Networks Digital Service, due to launch in spring 2026. Registration must be completed by 26 January 2027. Operators approaching this date without having built the underlying compliance documentation will be registering while exposed rather than registering from a position of readiness.

Which networks are outside the regime

Certain heat network types are outside the authorisation regime, including Houses in Multiple Occupation (HMOs) — single houses or buildings with shared facilities and a shared heating system — converted buildings with a shared domestic heating system, and third-party waste heat producers. Operators of these network types should take specific advice on their position, but they are not the majority of operators reading this paper, and the large public housing estate, mixed-use development, and ESCo-operated district network populations are firmly inside the regime.

The retrospective reach

The Ombudsman can consider complaints where the subject matter occurred on or after 1 April 2025 for non-Heat Trust registered networks. Heat Trust registered networks have an earlier reach, under Heat Trust scheme standards. For small business heat consumers specifically, the retrospective cutoff is 27 January 2026, reflecting the date the small business definition came into force in the heat network regulations. The practical implication is that every day of domestic-consumer non-compliance since spring 2025 is now within Ombudsman reach. The clock isn't starting in the future — it started more than a year ago.

Award limits

Under the Energy Ombudsman's published scheme, the Award is capped at £10,000 per complaint for domestic consumers and £20,000 for micro business and small business consumers. Heat-specific definitions apply: a micro business consumes under 247,000 kWh of heat per year, or has fewer than 10 FTE and turnover or balance sheet under £2 million; a small business consumes under 420,000 kWh, or has fewer than 50 FTE and turnover under

£6.5 million or balance sheet under £5 million. These limits, on their own, are not what makes the Ombudsman route consequential. The consequential element is what the Ombudsman finds, not what it awards. That point is developed in Section 6.

The process

A complaint becomes admissible to the Ombudsman only after the operator has been given an opportunity to resolve it through its own complaints process. The main Terms of Reference provide that admissibility arises where the operator has issued a deadlock letter, or where the operator has not issued a deadlock letter within up to eight weeks of the complainant's notice. Once admitted, the Ombudsman investigates, takes evidence from both sides, and issues a Final Decision. The published service standard is that decisions are issued, on average, within about six weeks of case acceptance, though complex cases take longer. If the complainant accepts the decision, the Ombudsman notifies the Participating Company within 14 days, and the company then has 28 calendar days to provide the remedy. Failure to do so can result in referral to the relevant regulator — a mechanism that is developed in Section 7.

Two jurisdictional carve-outs worth naming

The Ombudsman will not accept a complaint about pipework or cabling that is not the responsibility of a Participating Company. And — this is the one that matters for housing associations — the Ombudsman will not accept a complaint where a heat network dispute concerns a tenant or leaseholder of a social landlord, is part of a wider housing issue, and is against the landlord. *Both* conditions have to apply. A pure heat-supply complaint against a housing association's heat supply arm is within scope. The carve-out is narrower than it first looks, and should not be treated as a general housing-association exemption — because it is not one.

4. The asymmetric enforcement topology

Put Ofgem and the Energy Ombudsman alongside each other, and the asymmetry becomes clear.

Ofgem is a new heat network regulator taking on a market with an estimated 14,000 sites. It has stated a flexible early approach, has said enforcement will be reserved for cases of significant consumer detriment, and has launched its Heat Networks Enforcement Guidelines (20 February 2026) confirming that enforcement action will follow where there is evidence of significant consumer detriment. Its powers are substantial — financial penalties up to £1 million or 10% of annual turnover whichever is higher, consumer redress orders, compliance orders, and in extreme cases revocation of authorisation — but those powers will be

deployed selectively, against targets Ofgem itself identifies, informed by information it has had time to gather.

The Energy Ombudsman is a redress body that has been handling gas and electricity complaints for two decades. It has an established process, established staffing, established technology, and established adjudication methodology. It took on heat networks as an extension of an existing scheme, not as a new function. Its caseload is complaint-led rather than selected through regulatory prioritisation — the investigations it runs are the ones brought to it by consumers, not the ones chosen by an enforcement strategy. Its decisions follow a process timetable measured in weeks, not the enforcement-strategy timetable measured in years that applies to Ofgem action.

Enforcement risk, as experienced by an individual operator, does not distribute according to Ofgem's priority-setting. It distributes according to whichever operator first has a dissatisfied resident articulate enough to submit an Ombudsman complaint. A 50-unit scheme operated by a small housing association is as exposed as a 5,000-unit scheme operated by a major EScO, because one articulate resident is all it takes.

This is why the registration gap matters so much. An operator who has not registered with the Ombudsman is not, in any meaningful sense, outside the scheme — they are within its jurisdiction by operation of law. What they lack is administrative readiness. A complaint lodged against a non-registered operator will still be investigated; the operator will still be contacted by the Ombudsman; evidence will still be requested; a decision will still be issued. But the operator will be handling all of this on the back foot, under time pressure, without established internal processes for responding. That is not a grace period. It is a structural disadvantage.

The structural disadvantage can be remediated — registration is a one-form step, and the underlying documentation required to respond effectively to the first complaint can be produced in days rather than the months required to build it from scratch. What cannot be remediated after the fact is an adverse Ombudsman finding that has already issued. The window for preparation is the period before the first complaint lands, not after.

5. What the Ombudsman will judge you against

The Ombudsman's published adjudication methodology is evidential. It looks at the supporting information available, the applicable law, any relevant regulation, and what is accepted as good industry practice. Each of those four limbs matters, but the second and third are the ones that now contain the Ofgem Authorisation Conditions.

From 27 January 2026, the Authorisation Conditions are "relevant regulation" for every heat network operator and supplier in Great Britain. The Ombudsman will be reading the relevant ones into its adjudication of heat network disputes — not the full set, because some conditions are supplier-facing, some operator-facing, and some (financial resilience, for example) are not directly relevant to consumer complaint adjudication. But the consumer-facing conditions are squarely in scope: Standards of Conduct, quality of service, billing and transparency, back-billing, heat supply contracts, protections for vulnerable consumers, and security of supply. Each of these translates into specific operational obligations. Each is enforceable. And each creates a predictable complaint archetype that operators can expect to see land within the Ombudsman process.

Consider the likely shape of the first ten heat network complaints the Ombudsman adjudicates in 2026. Based on the complaint distribution the Ombudsman publishes for gas and electricity — where billing is consistently the largest single category, followed by customer service and metering — the heat network caseload will almost certainly concentrate on billing accuracy, back-billing disputes, tariff changes, and complaints about how the operator handled a service failure. Each of those complaint archetypes has a specific Authorisation Condition benchmark: billing transparency (AC A8), back-billing (limited to 12 months in ordinary circumstances), fair pricing, and complaints handling (AC A9, which requires a documented complaints process made known to consumers at least annually, with adequate record-keeping).

A note on fair pricing. Ofgem's Fair Pricing and Cost Allocation Guidance is principles-based and iterative, not a prescribed tariff formula. This paper refers to the need for a tariff-setting methodology that can be documented and defended — not to a single universal methodology that all operators must adopt. Operators who already have a defensible approach to cost recovery and tariff-setting have the raw material for the evidence pack; what the Authorisation Conditions require is that the approach is documented, applied consistently, and capable of being explained to a consumer and an adjudicator.

The operator's defensive posture in each complaint category is determined largely by what documentation they can produce. An operator with a documented back-billing policy limiting recovery to 12 months has an affirmative defence against any back-billing complaint that falls inside that window: the policy is the evidence that the back-billing was a controlled operational decision, not a breach. An operator without a documented policy is defending back-billing on the individual facts of the case, with no reference point against which the Ombudsman can calibrate what ought to have happened. That pattern repeats across every relevant authorisation condition.

6. The evidence pack: what documented policy changes

Documented policy does three specific things in an Ombudsman adjudication that an undocumented operator cannot replicate after the fact.

First, it establishes that the operator knew what the standard was. An operator with a written complaints procedure meeting AC A9 is demonstrably aware of the standard; the document is the proof. An operator without one cannot credibly claim they were meeting an unwritten version of it — the Ombudsman does not have to prove ignorance, because the absence of the document proves it. This is particularly consequential for the Standards of Conduct, which are principle-based and require the operator to demonstrate that it has taken the principles into account in the design of its services. Without a Standards of Conduct policy statement, an operator is reduced to arguing that its behaviour incidentally conformed to principles it had never committed to paper.

Second, it shifts the evidential burden. With a written vulnerability policy and Priority Services Register, the operator can point to the policy and show the complaint was handled in line with it. Without one, every individual interaction has to be defended on its own merits, with the operator trying to reconstruct after the fact what their approach would have been. That is a losing evidential posture, and it is particularly fragile where the complainant is a vulnerable consumer — a category Ofgem has explicitly named as its enforcement priority.

Third, it contains the finding. An operator with a documented back-billing policy that was breached in one case has a discrete failure: the policy is correct, the implementation failed in one instance, the remedy is to re-bill that customer and retrain the staff member. An operator with no back-billing policy at all has a systemic failure that the Ombudsman can find applies across the whole network — and that finding travels. It becomes the pattern a second complainant cites. It becomes evidence Ofgem picks up when it does look. And it becomes the material a procurement team asks about when the operator's contract comes up for renewal.

Documentation does not win a case where the underlying conduct was poor. What documentation does is place the operator in a materially stronger defensive position where conduct was reasonable but contested, and — crucially — confine any adverse finding to the specific circumstances of the complaint rather than allowing it to generalise into a finding of systemic policy absence. The financial award itself does not change dramatically between the two scenarios. What changes is what appears in the finding and what that finding enables downstream.

The complaint visibility obligation

Under AC A9, operators must not only have a complaints procedure — they must make consumers aware of it, at least annually. Bills and billing information must signpost how to complain and how to access redress. A complaints procedure that exists but is not known to the consumers it is supposed to protect does not meet the condition. This creates a specific category of documentary risk: operators who have built complaints procedures but who cannot evidence that consumers have been notified of them annually will be found non-compliant on AC A9 regardless of how good the procedure itself is. The evidence pack is not just the policy; it is the record that the policy has been communicated.

The scale of the evidence pack

A complete evidence pack for an operator of typical size generally runs to between fifteen and twenty-five linked documents — the authorisation condition policies themselves, plus the supporting procedures, consumer-facing plain-language summaries, staff guidance, annual review and notification calendars, and the templates and record-keeping forms that produce the audit trail. The seven documentation areas in the table below are the policy spine; each sits within a broader set of procedural and operational artefacts that evidence implementation. An operator who treats the table as a seven-document project is underestimating the scope. The table is the minimum map, not the whole territory.

The evidence pack, mapped to authorisation conditions

Authorisation condition	Required documentation	Typical complaint	What the document does
Standards of Conduct AC A1 / B1 / C1	Standards of Conduct policy statement	<i>"They treated me unfairly when I raised a concern"</i>	Evidence the operator has considered and committed to the fair-treatment principles
Complaints handling AC A9	Documented procedure, annual consumer notification records, case records	<i>"I complained and nothing happened"</i>	Evidence of a compliant process and that this complaint was handled within it

Authorisation condition	Required documentation	Typical complaint	What the document does
Billing and transparency AC A8	Billing methodology, estimated-billing policy, minimum-information checklist	<i>"My bill is wrong / I can't understand my bill"</i>	Evidence the billing approach meets the prescribed minimum standards
Back-billing	12-month back-billing policy	<i>"They tried to charge me for usage from two years ago"</i>	Evidence of a controlled limitation aligned to Ofgem guidance
Fair pricing	Tariff-setting methodology, cost allocation approach, counterfactual evidence	<i>"The price rise is unjustified / my tariff is excessive"</i>	Evidence the tariff is cost-reflective and within the fair pricing framework
Vulnerable consumers AC B8	Vulnerability policy, Priority Services Register procedure	<i>"I am vulnerable and they didn't support me"</i>	Evidence of proactive identification and appropriate additional support
Security of supply	Continuity plan, supply interruption notification procedures	<i>"The heat went off and nobody told us what was happening"</i>	Evidence of a planned and communicated approach to outages

Each row is a specific Ombudsman complaint archetype, and each row has a document that either exists or does not. Where the document exists and was followed, the operator has a defence. Where the document does not exist, the operator has a finding against it that Ofgem may, at some future point, see.

7. The escalation pathway: from Ombudsman to Ofgem

The Ombudsman's award ceilings — £10,000 domestic, £20,000 small business — are not the ceiling of the operator's financial risk. They are the ceiling of one complainant's financial recovery. The operator's financial risk is the cumulative exposure across all consumers on a network where a systemic failing has been found, and that exposure does not crystallise at the Ombudsman stage. It crystallises at the Ofgem stage, after the Ombudsman's findings have become evidence.

The mechanism by which this happens is not a matter of inference. It is written into the Energy Ombudsman's own Terms of Reference. Paragraph 10.13 of the main Terms provides that where a Participating Company fails to provide the remedy within 28 days of the Ombudsman's notification, the Ombudsman may take further action — including, explicitly, referring the Participating Company to any relevant Regulator or Trade Body. Ofgem is the relevant Regulator. The Ombudsman-to-Ofgem escalation is a named, contractual mechanism within the redress scheme, not a speculative downstream risk.

Ofgem's enforcement powers under the Market Framework Regulations include consumer redress orders — directives that can require the operator to make compensation payments to affected consumers. These orders can apply to the affected cohort of consumers rather than only to the single complainant who triggered the original Ombudsman case, and they operate at a different quantum from the Ombudsman's capped awards. An operator found by the Ombudsman to have no back-billing policy has not just been exposed on that one consumer's back-billing; they have created a finding that every consumer on the network has been subject to uncontrolled back-billing, and that finding can serve as the evidential basis for a consumer redress order across the affected cohort.

Ofgem's broader penalty powers — up to £1 million or 10% of annual turnover, whichever is higher — sit above that. Those are reserved for serious or systemic failures, which is precisely what an accumulated pattern of Ombudsman findings can look like. The Heat Networks Enforcement Guidelines, published on 20 February 2026, confirm that enforcement action will follow where there is evidence of significant consumer detriment. The Ombudsman is not the whole risk. It is the gateway through which the whole risk is entered.

There is a corresponding opportunity worth naming. Under the Enforcement Guidelines, operators who engage early, self-report, and reach settlement with Ofgem before a final order can benefit from a penalty discount of up to 30%. The incentive structure is designed to reward readiness. Operators who are compliance-ready when a problem surfaces are also better positioned to self-report, settle early, and benefit from the discount. Operators who are compliance-unready are simultaneously worse-placed to defend and worse-placed to mitigate.

8. The procurement cascade

There is one further dynamic that deserves naming, because it is already beginning to show up in operator-client conversations.

Housing associations, local authorities, and institutional freeholders who contract out heat supply to ESCOs or third-party operators are beginning to ask for compliance evidence as a matter of routine contract management. The driver is not primarily regulatory — it is internal audit, reputational protection, and a reluctance to be the organisation named in a resident's Ombudsman complaint when the supplier they hired cannot produce a complaints procedure. Once one major housing association has been asked by its own Board why its heat supplier cannot evidence Authorisation Condition compliance, that question propagates across the sector rapidly.

The effect is that operators who can present a clean compliance record — the evidence pack described in Section 6 — will win retention conversations and new contracts. Operators who cannot will lose them, often quietly, without the contract loss being explicitly framed as a compliance issue. This procurement cascade runs on a different timetable from Ofgem's own enforcement schedule. It is driven by contract renewal cycles, internal audit schedules, and institutional risk committees — all of which move faster than regulatory enforcement priority-setting. An operator planning to build compliance documentation "in time for Ofgem" may find that their clients ask for it first.

For ESCOs and third-party operators specifically, the practical implication is that the Authorisation Condition documentation set has become a commercial asset, not just a compliance one. It is the evidence pack that travels with the operator into procurement conversations. The operators who can produce it on demand will find that their sales cycle shortens and their renewal rate rises. The operators who cannot will find they are being asked questions they cannot answer, by clients who have read the same Ofgem guidance they were meant to read.

9. Recommended actions

The action list below is not exhaustive and is not a substitute for specific advice on individual operator circumstances. It is the set of steps that any heat network operator should have completed, or be actively completing, as a matter of basic regulatory hygiene under the regime that commenced on 27 January 2026.

- **Register with the Energy Ombudsman now**, if not already registered. This is the gateway step. Non-registration does not remove jurisdiction; it removes administrative readiness. Registration is free to complete and takes very little time.

- **Plan for Ofgem registration before 26 January 2027.** Deemed authorisation expires at the point the Heat Networks Digital Service registration window closes. Build the documentation first and register from readiness — the less expensive sequence.
- **Map existing internal documentation against the January 2026 Authorisation Conditions.** The mapping exercise reveals the gaps. Most operators will find they have some of the required documentation in some form, but not in a structure that meets the authorisation condition specifications or that can be handed to the Ombudsman as defence evidence.
- **Fill the highest-exposure gaps first.** In rough order of Ombudsman exposure: a documented complaints procedure meeting AC A9; a Standards of Conduct policy statement; a vulnerability policy and Priority Services Register procedure; a billing transparency and back-billing policy; and a fair pricing / tariff-setting methodology document.
- **Evidence the consumer-facing communication, not just the policy.** Under AC A9, the complaints procedure must be made known to consumers at least annually. Build the communication calendar and the record-keeping alongside the policy itself.
- **Plan the internal briefing that makes the documentation operational, not just filed.** A policy that exists on paper but is not known to the staff handling consumer interactions is worse than no policy in an Ombudsman adjudication — because the Ombudsman will see both the policy and the failure to follow it.
- **Build the audit trail.** Complaints records, consumer communication records, billing records, vulnerability identification records. The authorisation conditions require them; the Ombudsman will ask to see them.
- **Engage early if a problem surfaces.** Under the Ofgem Enforcement Guidelines, operators who self-report, engage early, and reach settlement before a final order can benefit from a penalty discount of up to 30%.

The operators that do this before autumn 2026 will spend the rest of the regulatory transition implementing. The operators that do not will spend it responding.

A note on sourcing

Operators approaching the authorisation condition documentation set face a choice between internal drafting, legal-advisory commissioning, and specialist platform-produced templates. Internal drafting is the least expensive where regulatory capacity already exists in-house, but typically takes six to twelve months and requires ongoing update as Ofgem guidance evolves. Legal-advisory commissioning produces bespoke documentation but is typically an

order of magnitude more expensive and still requires the operator to build the internal record-keeping and communication infrastructure. Specialist platform-produced templates — the category this paper's publisher operates in — trade bespoke drafting for speed, standardisation, and ongoing alignment with published Ofgem guidance. Whichever route an operator chooses, the documentation must exist; the question is how it is produced.

About heatnetworkcompliance.co.uk

heatnetworkcompliance.co.uk produces the authorisation condition documentation set described in this paper. This includes the Standards of Conduct policy, complaints handling procedure meeting AC A9 (including annual consumer notification templates), vulnerability policy and Priority Services Register procedure, billing transparency and back-billing policies, tariff and fair pricing methodology frameworks, security of supply and continuity documentation, and the supporting consumer-facing communications, staff guidance, and record-keeping templates. The platform is updated as Ofgem publishes further guidance. It is operated by Sorted-IT (UK) Ltd, a heat network compliance consultancy working across multiple operator clients in the UK market.

It is built around the proposition set out in this paper: that an operator's compliance documentation is best understood not as audit preparation, but as the evidence pack that decides whether a consumer complaint is contained or escalates. Operators interested in a demonstration, or in discussing whether their existing documentation meets the authorisation condition specifications, can contact the team through heatnetworkcompliance.co.uk.

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Disclaimer: This white paper is for information only. It does not constitute legal or regulatory advice. Heat network operators and suppliers should develop their compliance arrangements with reference to the current final Authorisation Conditions and Ofgem's published guidance, and where necessary with the support of suitably qualified legal or regulatory advisers. All regulatory references are to instruments and guidance current at the date of publication (April 2026).

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