



A grassroots campaign taking action against mammoth fuel bills and working towards an affordable, sustainable and democratic energy system

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Fuel Poverty Action response to 'Heat networks regulation: fair pricing protection'

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We are not in a position to respond to most of your questions at this stage but want to make a couple of crucial and very specific points. Our responses are below.

Fair pricing

Q 8. Do you have suggestions to improve guidance in relation to the affordability principle?

In the page on "Interactions with existing housing legislation" in the September draft guidance, it is clear that you are looking to resolve a potential conflict with housing law on the issue of evictions being carried out (or threatened) on this basis. You have recognised the problem and intend to resolve it. However, in the meantime, these threats are continuing. While most social landlords manage without resorting to evictions, a few do not. Tenants are being taken to court in the London Borough of Lambeth.

As we have explained many times in the course of these consultations, the effect of such threats on residents is absolutely devastating, harming their mental and physical health, and their children's safety and development, as they are forced to work two or three jobs, go to debt sharks, lose sleep, and miss meals. Even if the case ends without an eviction, a great deal of damage is done.

This does not happen to people on any other form of heating system. It discriminates against heat network users, who cannot move, switch supplier, or (in unmetered homes) even go cold to cut down on their bills. It could not possibly pass a "fairness test".

Clear guidance against this practice would be one step to relieve this, pending any necessary adjustments to housing law. A clear statement that this discrimination is not expected or

acceptable could influence landlord heat suppliers, and would at least give moral support to the residents concerned, helping them to defend themselves.

In para 1.49 of the September draft guidance, you reiterate the principle of "repayment plans appropriate to consumers' ability to pay", and discuss measures for "where a consumer is identified as rationing heat usage or self-disconnecting", elsewhere suggesting that where a consumer is identified as rationing heat usage or self-disconnecting, the network should consider reassessing or reducing the consumer's debt repayment plan and refer them to third party debt advisors. Yet we cannot see you dealing with the question of what happens when a consumer is identified as at risk of losing their home - a life changing event even worse than rationing heat or self disconnection. And please note that rationing and self disconnection are not even available to people in unmetered homes.

Also in para 1.49, you reiterate the principle of making repayment plans appropriate to the consumer's ability to pay. In some cases this may be useful. But as Lambeth Tenants Heat Campaign has repeatedly explained, many tenants cannot afford the monthly charge (far above the national price cap). It is a mirage to expect them to pay extra under a "repayment plan", on top of that unaffordable charge. Failure to deal with the real world situation is leaving tenants vulnerable to serious health risks, and discrimination. They must not also face homelessness.

Cost allocation

Q 33 Do you have suggestions to improve guidance for cost allocation related to penalties and redress?

The principle that penalties will not be passed on to end users, who may be the ones who complained, is welcome, but residents will want to know what it means in practice. Many people are convinced that they will end up paying. Only evidence that the money will actually come from elsewhere will answer an assumption that, in among all the complex calculations that they cannot see or understand, somehow the cost is coming back to them. If your principle is that the costs should be taken from profits, you need to show how you will show that that is happening. And explain how this will work in relation to your principle of fair and reasonable returns.

Q 37. Do you have suggestions to improve guidance for cost allocation related to connection charges?

Your proposal to allocate connection costs to standing charges seems blatantly unfair to residents. If we understand it correctly it will be a disastrous step backwards.

It is our understanding that connection charges are now normally paid by building owners, at the time when the connections are being made. As such this is part of the landlord's capital budget, like the avoided cost of installing a gas boiler. If that is not the case, it should be.

To allocate these costs to standing charges instead, is to transfer them from landlords to end users, many of whom are already unable to pay existing charges, and are facing grave mental and physical health problems as a result.

Social housing tenants are not even supposed to be paying maintenance charges, as they already pay for this through their rent. Yet many are forced to do so. **Please note this response in relation to "general pass-through"**. Adding connection charges to standing charges would only exacerbate the injustice of making social housing tenants pay twice for the same costs.

Note that there is already a severe problem due to the bundling of heat charges with rent -- even leading to the threat of eviction. While they are considered rent for purposes of eviction, heat charges are not covered by Housing Benefit, and HB does not go up when you add extra costs, like this one. Do you really want to make this existing injustice even worse?

If you are concerned about affordability, you will definitely not increase standing charges this way. The standing charge is the part of the bill that even people in metered homes cannot avoid by cutting down on their heating, or eliminating it completely as some residents now do. It is an albatross around their necks. For people on prepayment meters, it often means that they are unable to access heat or hot water at all because of accumulated charges for past heat which they could not afford to access. No attention to "vulnerability" is realistic if it does not recognise such realities.

Your proposal also seems perverse for other reasons.

- 1) Connection charges are finite, but standing charges go on forever.
- 2) If connection charges are allocated to building owners as part of a development project, this makes them available at the time of need, before residents move in and start paying bills, helping to keep projects afloat in the period before their revenue stream begins.

About you

Q 39 Name: Ruth London

Q 40 Email: Contact@fuelpovertyaction.org.uk

Q 41 Responding as an organisation

Q42 Organisation: Fuel Poverty Action. We are a company committed to advocating and campaigning against fuel poverty. We have submitted many consultation responses to DESNZ on heat networks and heat network regulation, including as part of the present process, putting forward alternative proposals for pricing, as we have found the current situation to be disastrous for residents. Our proposals go much further than what is being presently proposed. All are available on our website, as well as in DESNZ records.

Q 43 Other: Advocacy organisation.

Q 44 No, nothing here is confidential.

Submitted 27/10/25