







Energy Ombudsman

Broker Dispute Resolution Scheme

Annual Review | Year 3

1 January 2025 – 31 December 2025

About Energy Ombudsman

Energy Ombudsman is an independent and impartial service that has been providing an alternative dispute resolution ("ADR") scheme to the UK energy sector since 2006.

Celebrating our 20th year in 2026, now as part of Trust Alliance Group, our purpose has always been to provide fair dispute resolution between consumers and businesses that builds trust, breaks deadlocks, and delivers the best outcomes for everyone involved.

We've been approved by Ofgem to provide a redress scheme in the energy sector and we collaborated closely with them on the introduction of the ADR scheme for brokers.

Because every dispute is managed by a single case handler from start to finish, we understand and empathise with consumers, building trust and ensuring a fair outcome for all. Our specialist and experienced colleagues have undergone comprehensive training and have the required support in place to make sure we reach fair and reasonable decisions for each consumer and ADR member that use our service.

As an ombudsman, our experience and expertise enable us to drive sector-wide improvements, enhancing outcomes for brokers, suppliers and consumers while making a positive impact for the greater good.

As stated in the 2024 report, from Year 3 (2025) onwards we'll report based on the calendar year. Therefore, in this and future reports, we set out our experience of providing a dispute resolution service for microbusinesses and small businesses that use Third Party Intermediaries ("TPI's") between 1st January 2025 and 31st December 2025. We reflect on our experience of running the scheme and resolving disputes.

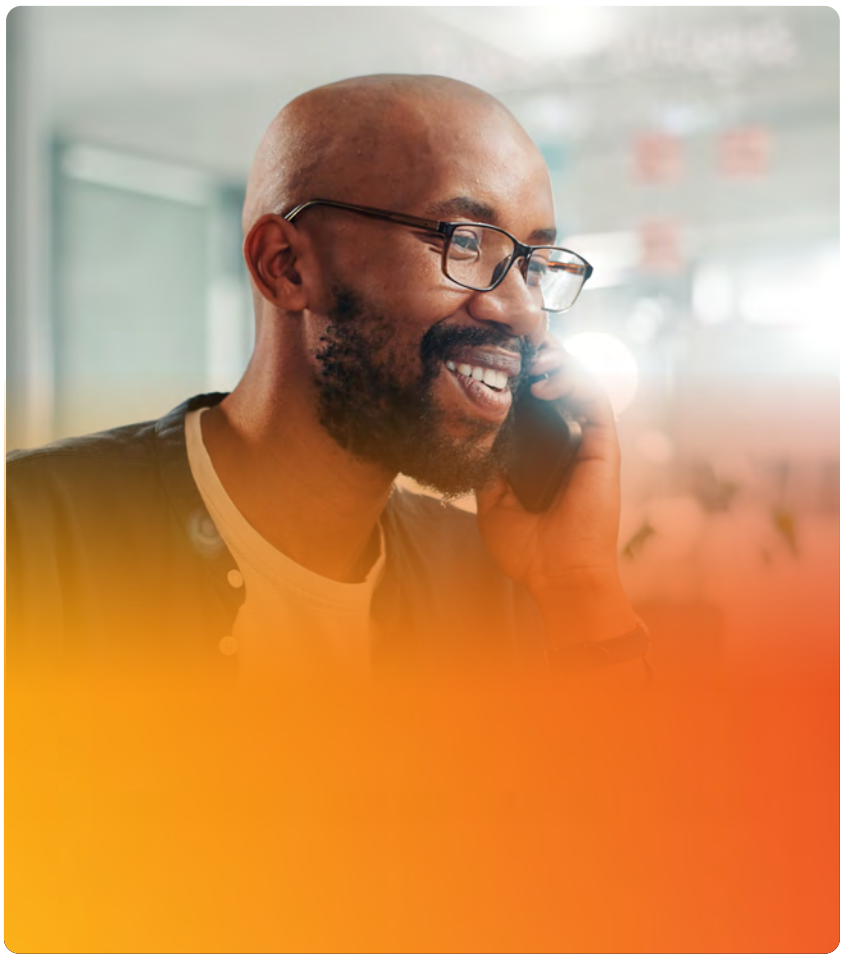
Changing our reporting period has created a one-month gap in our data coverage, with December 2024 now excluded from both the 2024 and 2025 reports. This data is available in the Appendix at the back of this report for transparency.

In this report, we'll refer to TPIs as "brokers". We use "brokers" as we feel there is a greater awareness among the public for that term, compared to TPIs.

In this year's report

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"This year we've taken firm action where members of our broker scheme have failed to meet their obligations, including instances where brokers have failed to inform consumers of the right to use our service."

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"We've since seen lower volumes of complaints regarding these specific products, better supplier/ broker relationships, and reduced detriment to consumers."

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Foreword from Ed Dodman

2025 marked the third year of Energy Ombudsman's Broker Dispute Resolution Scheme, a milestone that provides an opportunity to reflect on progress and look ahead to how we can best serve our members.

Changing regulation

The past year has been one of significant change, with Ofgem and DESNZ announcing their intention to introduce regulation of the Third-Party Intermediary market. We welcome the clarity this brings. Regulation represents an important step in strengthening consumer protection, improving transparency, and reinforcing trust across the sector. It is also encouraging that many brokers, through our customer experience surveys, have expressed support for proportionate regulation – particularly where it creates a level playing field and improves standards across the market.

Extending our remit

On 19 December 2024, our remit extended to allow small business with fewer than 50 employees to be able to resolve their energy supplier and broker disputes with our service. Previously, businesses with more than 10 employees had limited options for redress, with court proceedings often being the only recourse. This extension represents a major step forward in providing consumer protections for small organisations from unfair practices, and small businesses have continued to represent a proportionate level of complainants – underlining the importance of accessible, independent redress in this segment of the market.

The energy sector continues to evolve, presenting new opportunities for TPIs. This year, we partnered with the Flex Assure Domestic and Microbusiness scheme, which introduces a voluntary code of conduct for energy flexibility service providers. We may see more energy brokers moving into this area in future.

As regulation develops, ensuring that microbusinesses and small enterprises are adequately protected must remain central to the conversation.



"As we enter our fourth year of the broker scheme, our commitment remains unchanged; fair, independent and efficient resolution of disputes, delivered with expertise and integrity. "

Ed Dodman
Chief Ombudsman
Energy Ombudsman

Moving forward

Brokers have been candid about their concerns in the recent survey responses: implementation costs, operational complexity, and the need for practical guidance during transition. We recognise these pressures and remain committed to supporting the sector constructively.

This year we've taken firm action where members of our broker scheme have failed to meet their obligations, including instances where brokers have failed to inform consumers of the right to use our service. Expulsions are not decisions taken lightly, but they're necessary to maintain confidence in our service and ensure consumers are properly directed to independent redress.

In collaboration with external legal counsel, we've strengthened our internal guidance and training materials to help our case handlers with the most complex cases involving legal principles.

We've continued to listen and respond to suggestions from our members' feedback, demonstrated by the introduction of card payment options following stakeholder feedback. This reflects our commitment to continuous enhancement of the customer journey and we're hoping our members have benefitted from the added flexibility while processing transactions with us.

Reflections

As we enter our fourth year of the broker scheme, our commitment remains unchanged: fair, independent and efficient resolution of disputes, delivered with expertise and integrity. We'll continue to engage constructively with both regulators and stakeholders as the framework develops throughout 2026, ensuring that dispute resolution remains proportionate, accessible and effective.

Finally, the continued support of our broker scheme members has been critical in helping Energy Ombudsman to lay the foundations for this now established part of our service, and we wish them every success for what promises to be an exciting fourth year.

Ed Dodman

Chief Ombudsman
Energy Ombudsman



"The continued support of our broker scheme members has been critical in helping Energy Ombudsman to lay the foundations for this now established part of our service, and we wish them every success for what promises to be an exciting fourth year."

This year's highlights

We resolved 980 complaints in the reporting period.

The volume of complaints has reduced year on year, signalling the relative stabilisation of the energy market. We've been pleased to share insights with brokers to help them reduce the number of complaints being received and improved consumer confidence.

The proportion of complaints upheld in favour of the consumer has decreased hugely, indicative of an improved compliance position for the brokers receiving complaints.

Our scheme is growing; more brokers than ever are entrusting us with their ADR provision. Overall membership has grown by 140 brokers this year (this reflects 213 leavers and 353 joiners).

We're pleased to welcome back 39 brokers who had previously left Energy Ombudsman.

We're delighted to report that the timeliness of implementing remedies has improved significantly year on year, bringing a prompt closure to the issues experienced with their broker. It's good to see these improvements, but brokers need to ensure that they take appropriate action at the right time.

The signposting of consumers to our service has also improved year on year, providing increased confidence that consumers who need to use our service are reaching it.

These significant improvements are helpful for both consumer, broker and supplier in helping to build, maintain and restore trust in the sector.



A review of the scheme in numbers

For the third year of the scheme, we've adjusted the reporting period to align with the calendar year; where previously it was aligned with the scheme's anniversary date.

If you wish to see the data for December 2024, you can find this in the Appendix on page 30.

For 1 January to 31 December 2025...

- 1,812 members at the start of the reporting period.
- 1,952 members on the scheme at the end of the reporting period — up 140 on the start of the year.

Behind this figure, we had 353 joiners and 213 leavers, of which 39 returned.



Volumes

The following numbers are based on the reporting period of 1 January to 31 December 2025.



*Compared to previous reporting period.

**NPS measures customer recommendation by calculating the difference between the percentage of customers likely to recommend the service and those unlikely to do so. Small respondent base size (n=37). NPS is strongly linked to complaint outcome. The low NPS is largely explained by a shift in case outcomes, with a higher proportion of respondents with not upheld cases and a lower proportion with upheld outcomes.

Dispute types

Sales: 93%	Switching: 1%	Customer Service: 3%	Charges: 3%
Up 5% on previous period	Down 1% on previous period	Down 3% on previous period	Down 1% on previous period






Overdue remedies

Remedies implemented on time in 79% of cases, an improvement of 16% on previous reporting period.

Time taken to deal with a dispute

The average number of days to come to a decision was 27.83.

Membership of the scheme

Membership numbers sat at 1,952 on 31 December 2025.

Disputes about scheme members

Around 6% of scheme members have had disputes raised about them in 2025 (down from 25% in previous reporting period).

Signposting

40% in 2025 (32% increase on the previous reporting period).

A legal review of our service

As an established and credible alternative dispute resolution (ADR) provider within the energy sector, we continue to ensure that our Scheme meets the highest standards.

During the past year we've worked with an independent law firm to ensure our Broker Dispute Resolution Scheme meets the standard expected of members of the scheme, and to ensure it satisfies Ofgem's guidance for Third Party Intermediary Qualifying Dispute Settlement Schemes.

We're pleased that they've confirmed that the Scheme continues to do so. Brokers can expect to receive the same high level of service as members of our Supplier Dispute Resolution Scheme, which is approved by Ofgem.

Complaints are resolved in accordance with our Terms of Reference, at no cost to consumers, by Dispute Resolution Executives who possess appropriate training on energy regulation and legal principles, and hold the necessary knowledge and skills to resolve broker disputes efficiently and fairly.



Extending our remit to include Small Businesses

From 19 December 2024, small businesses with fewer than 50 employees became eligible to access Energy Ombudsman's independent dispute resolution services for the first time.

As a result, we can now help these larger businesses to resolve any disputes they have with their energy brokers.

The change was first announced in April 2024 by the Department for Energy Security and Net Zero (DESNZ) as part of a broader initiative with Ofgem to address hidden fees, billing issues and the mis-selling of energy services. Previously, businesses with 10 or more employees had limited options for redress, with court proceedings often the only recourse.

The extension represented a significant step in strengthening protections for small organisations and aimed to improve trust and transparency within the energy sector whilst providing a simpler, free route for resolving complaints.



of broker complaints during the reporting period were made by small businesses (57 cases in total).

Reflections on the last 12 months

In 2025, we continued to play a central role in supporting improvements across the sector, working closely with government, Ofgem and a wide range of stakeholders to ensure policy development is informed by evidence and practical insight.

Drawing on our scheme's data and casework experience, we've proactively engaged ministers, officials, parliamentarians and regulators to highlight emerging trends, recurring consumer detriment and areas where clearer standards would drive better outcomes.

By providing detailed analysis of complaints and dispute resolution patterns, we've not only responded to consultations and calls for evidence but sought to prevent issues from arising in the first place. This preventative approach reflects our commitment to supporting a well-functioning market in which consumers can access broker services with confidence and trust in the sector grows.

Alongside this engagement, we have strengthened relationships across the broker and wider energy industry landscape. Through regular dialogue with external organisations, we've deepened our understanding of the operational realities facing brokers, suppliers and their consumers. This engagement enables us to test our insight against industry experience, share learning from our casework, and build support for the highest standards in the sector.

We've also continued to work closely with advice and advocacy groups that support microbusinesses and small enterprises. These organisations provide

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valuable frontline insight into the challenges faced by customers using broker services. Through these channels, we're better able to understand the real-world experience of broker consumers and ensure their perspectives are reflected in our engagement with policymakers and regulators.

Through networks, roundtables, bilateral meetings and collaborative events, we've sought to raise awareness of the support available through our scheme and to understand where further support or clarity may be required. This engagement helps ensure that those who may need our service are aware of how to access it, while also informing our broader view of how the broker market is operating in practice.

Throughout the year – and across Great Britain – we have maintained a visible presence at conferences, webinars, seminars and industry forums. This has provided the opportunity to share insight, promote understanding of our role, and explore how to deliver the best experiences for energy broker consumers.

In 2026, we remained committed to using evidence to work collaboratively with all stakeholders, build a shared commitment to high standards, identify where improvements are required, and support informed discussion around any future moves towards regulation of the sector.



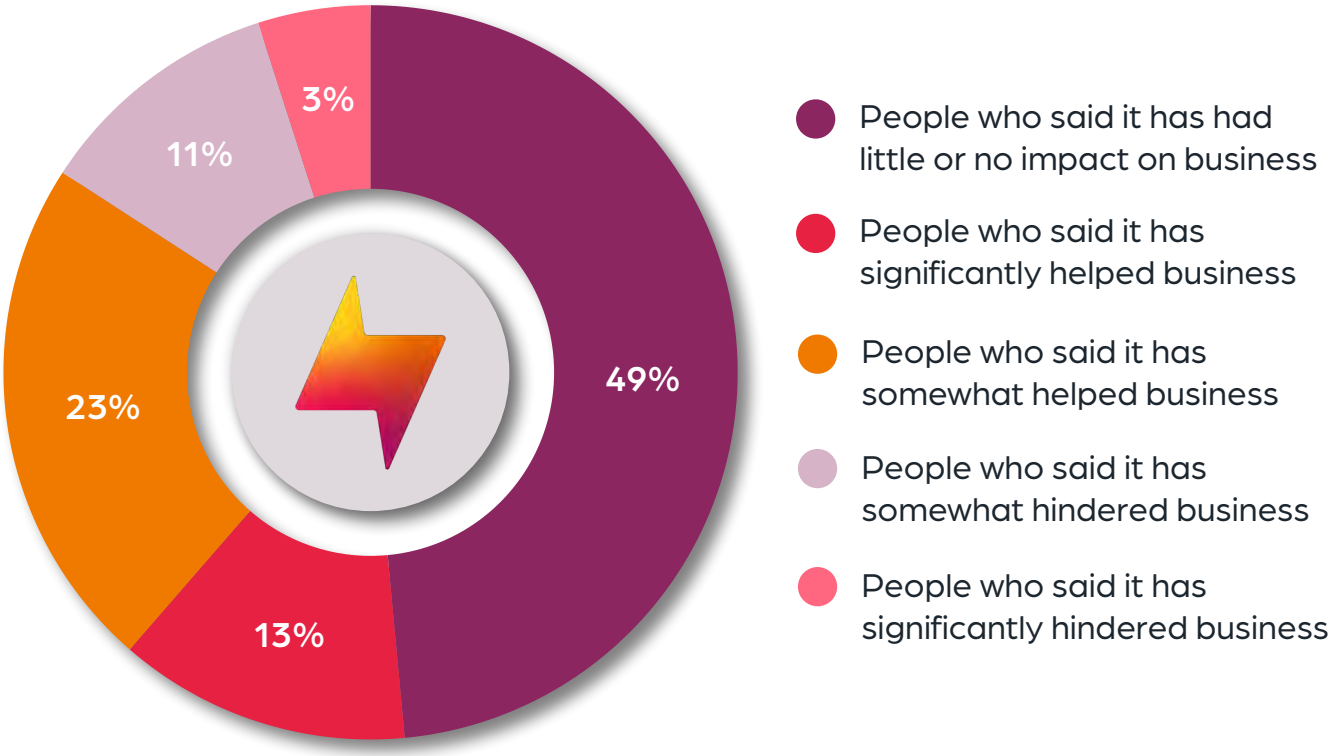
Welcoming team members from Energy UK to our Daresbury head office, where we shared insights and discussed key topics shaping the energy sector

Broker Survey 2025: Voice of the Broker

In autumn 2025 we surveyed energy brokers who are members of our scheme to understand their experience of current broker regulation, what they value in ADR, how they've experienced Energy Ombudsman's broker scheme, and their outlook for the market.

1) Current broker regulation

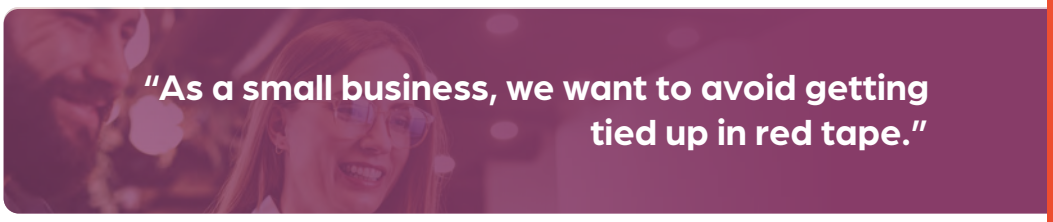
Views are broadly neutral on the impact that existing regulation of the energy supply market has had on business:





"A step in the right direction providing much needed transparency in the market."

Where regulation creates friction, brokers emphasise proportionality for smaller firms:



"As a small business, we want to avoid getting tied up in red tape."

What we'll do next

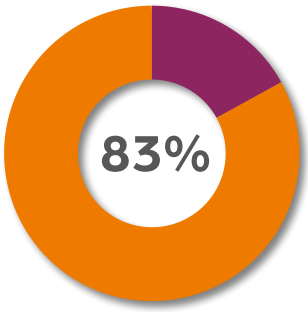
Strengthen communications about how the scheme supports fair, transparent practice, and ensure brokers – particularly smaller firms – can engage with complaint handling and redress without unnecessary administrative burden.

2) What brokers value in an ADR

The most selected attributes were:

Impartiality/ fairness	Industry knowledge/ expertise	Recognised by energy suppliers	Speed/ efficiency
70%	59%	56%	52%

4) Experience of Energy Ombudsman's Broker Scheme



of surveyed brokers have not had a complaint registered against them with us

Most surveyed brokers have not had a complaint registered against them with us: 17% have had a case handled and 83% have not. Of those who've received a complaint, feedback is generally positive on core service elements including timeliness of case-handling, impartiality of decision making, clarity of communication and case handler knowledge.

"The process was prompt and impartial, as well as thorough"

What we'll do next

Explore how we can better support all brokers through tools and knowledge sharing.

* Based on survey respondents (N=226)
** Based on a small sample (N=33)



5) Market outlook

Brokers consistently identify energy price volatility as the leading challenge over the next 12 months. They also point to supplier communication and billing/data issues as key drivers of complaint escalation.

"Energy suppliers not issuing statements correctly and taking ages to rectify them or not replying to queries at all."

On complaints and ADR across the wider market, brokers most often cite slow progress and inconsistency and lack of clarity between suppliers and ADR routes, particularly on processes, timelines and evidence requirements.

When asked what single change would most improve the market, brokers commonly call for clear, standardised rules applied fairly across brokers and suppliers, with action on misleading practice.

What we'll do next

Support DESNZ and Ofgem with insight and evidence as they consider their approach to regulating the sector in a fair and proportionate way.



Common types of issues we see in the disputes we addressed

Mis-selling on the basis of misrepresented market coverage

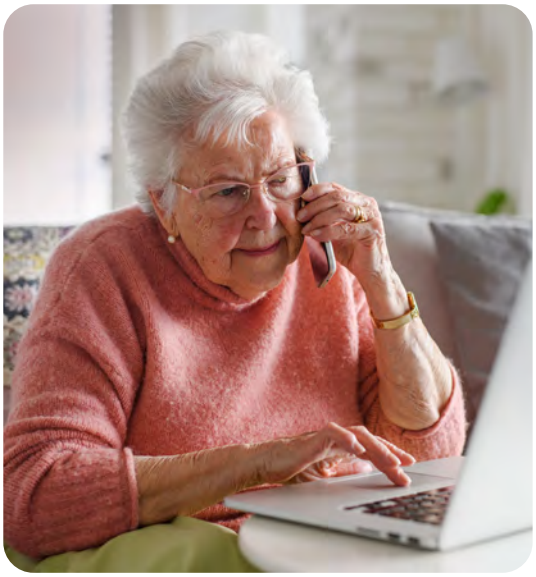
We've seen a number of examples where the broker has misrepresented how much of the gas and electricity market has been taken into consideration when recommendations are made. In some cases brokers have advised consumers that the prices offered are the best available on the market, even though their recommendations are based on a small panel of suppliers. In many such cases, the consumer finds later that cheaper rates are available and understandably feels misled.





Pressure selling

We're still seeing cases where consumers are advised that they need to 'lock-in' prices to avoid a future price increase. Brokers are entitled to talk about potential future market conditions, and consumers sometimes seek such insight. Of course, energy prices are volatile and predictions may turn out to be inaccurate. We therefore won't criticise a broker for commenting on future market conditions, as long as their comments are reasonable and based on relevant analysis. We're concerned that, in some cases, brokers have made predictions that they cannot justify and seem to be made to convince the consumer to sign up to a new contract.



Price differences

We've seen examples of cases where the prices quoted and included within the contract differ from the prices the consumer is signed up to. On investigating these cases, we've seen clear evidence within call recordings that the price quoted was either clearly different to the actual price, or there has been mis-quoting or mis-representation of total cost versus the contract price.

Product terms

As well as price, brokers are also sometimes failing to explain other aspects of a contract clearly. For example, we've seen cases where the broker has not made the consumer aware of certain clauses, such as volume variance or termination fees from the supplier or broker for exiting the contract early.

This can have a large financial impact on the consumer where they're not aware of the potential charges for under/over consumption, or when they move out of a property part way through the initial fixed term. In certain situations, we may view such clauses as a Principal Term, due to the impact it would have on the consideration of the contract by the consumer.



Non-notification of broker termination fees



Some brokers have a term in their contracts which permit them to charge the business a fee if they end their supply contract before the end of the contract term. We've seen a number of cases where the business has incurred a fee equivalent to the commission the broker has lost – when they've moved business premises.

We're concerned about how well known these terms are to businesses and how clear the broker is making these at the point the contract is entered into, as well as how fair it is to expect a business to reimburse a broker for lost commission due to leaving a business location, sometimes involuntary and at short notice.

Third party charges (also known as passthrough charges)

We've received disputes where the consumer is unhappy that the "fixed" contract has increased due to an increase in third party charges. Consumers understandably feel the rates on a fixed contract should not increase during the lifetime of the contract.

While we accept that suppliers are entitled to pass on increases in third party costs that are outside of their contract, this should be clearly explained to the consumer when they enter into a contract. In some of the disputes we've received, we don't think the broker has explained things clearly enough.

Brokers also need to ensure that they're not unnecessarily using industry jargon when speaking to consumers. We've listened to calls where brokers talk about, for example, pass through charges which the consumer doesn't understand. We think brokers can help consumers to better understand energy contracts and are entering into contracts in full knowledge of how they will work.

Blend & extend

We saw cases brought to us in 2025 where contracts sold by brokers included specific product features that consumers could activate during their initial fixed term. As referenced in our Year 2 Energy Broker report, 'Blend & Extend' products contained features that were marketed to consumers by both energy suppliers and brokers as a way of reducing their prices during the fixed period, if the wholesale cost of electricity fell at any time. Consumers could reduce their prices to a rate that was a blend between their original fixed price and the current (lower) rates available, by extending the contract term by a further 1–2 years.

This was an attractive product for consumers at a time of rapidly increasing energy prices during the energy crisis in 2022/23. Consumers were sold the product on the basis that their prices would not increase during the fixed term period but could fall in line with market rates.

On analysing these cases further, we found that the product features had been marketed by the brokers in line with the product information that had been provided to them by suppliers. In many cases, the broker had not provided accurate information to the consumer, but had also not omitted or failed to explain information that had been provided to them. The way in which the product information was worded led some consumers to believe their prices would fall to the current market rate, and not a blend between two prices.

With the unique insight we gain by running multiple schemes in the energy industry, we were able to identify the root-cause of the issue. Utilising our relationship with energy suppliers, we engaged with those where the product material and training provided to brokers could be improved and highlighted that this material could be misleading to consumers in the way that it had been written. Following this engagement, the supplier's product information sent to brokers was amended, ensuring that brokers had all the relevant information to correctly advise consumers, who in turn could make better informed choices in relation to the product they were signing up to.

We've since seen lower volumes of complaints regarding these specific products, better supplier/broker relationships, and reduced detriment to consumers.

Regulating Third-Party Intermediaries

DESNZ has been consulting on introducing regulation into the Third-Party Intermediary market over the past year and confirmed in late 2025 that Ofgem will be the regulator in this sector.

If you're a TPI and would like to be added to Ofgem's mailing list and kept informed of relevant updates in relation to TPI regulation as well as invites for events please complete the following form Ofgem TPI Information: forms.office.com/e/xGzU8xpP37

If you've any questions regarding this form, please contact Ofgem directly at TPI@Ofgem.gov.uk



Energy flexibility

From 8th January 2026, Energy Ombudsman are now also able to handle disputes for a number of flexibility service providers (FSPs) as part of Flex Assure's new 'Domestic and Microbusiness Scheme'.

As more households and small businesses engage in flexibility initiatives, Energy Ombudsman will ensure consumers have access to fair, independent dispute resolution; a key safeguard as the market continues to grow and potential regulation develops.

What does this mean for consumers?

Energy Ombudsman are now able to handle disputes for a number of flexibility service providers from 8th January 2026.

Domestic or microbusiness FSP customers that have an eligible* unresolved dispute with a provider listed on our website can register their dispute with Energy Ombudsman.

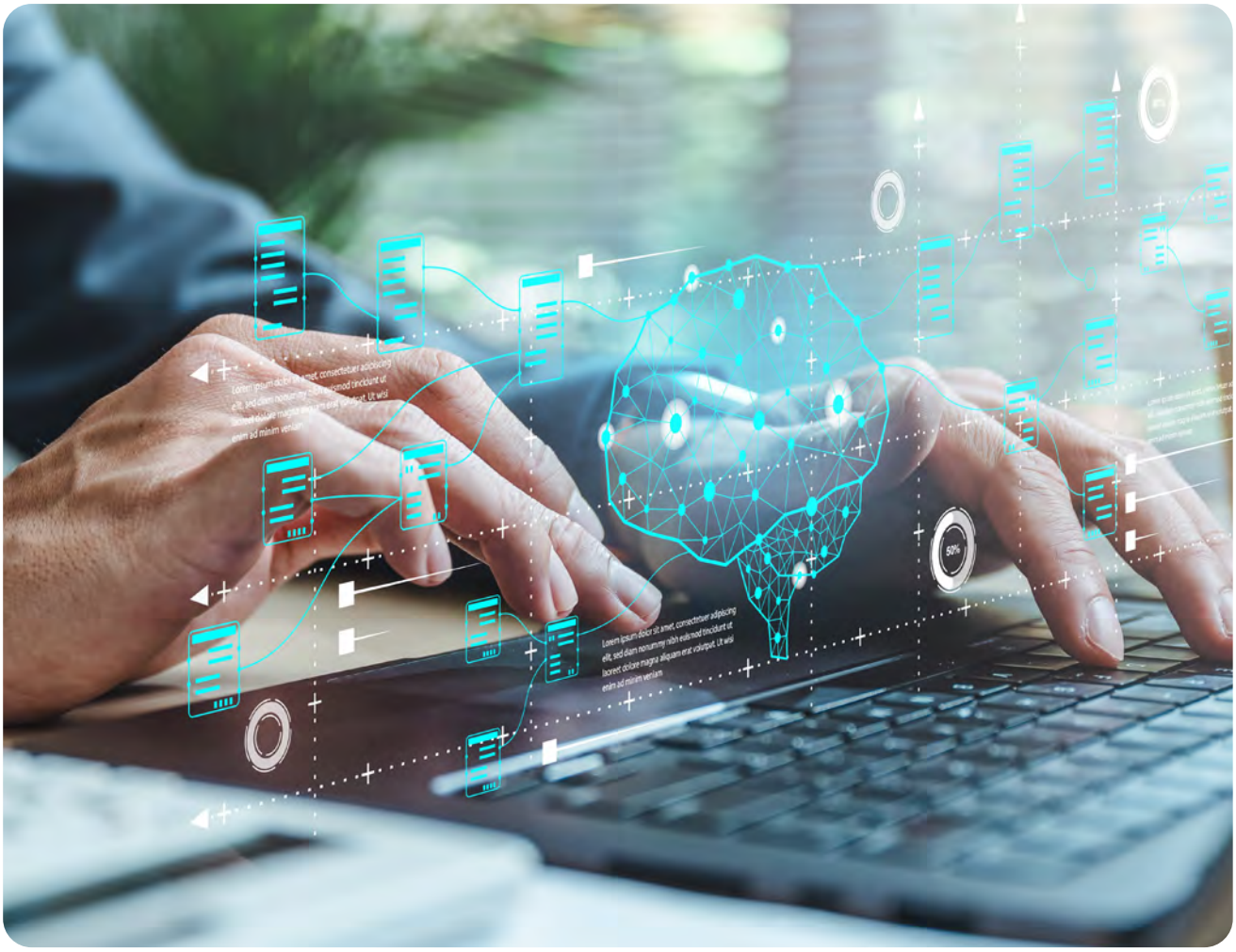
*Eligible disputes are explained in more detail here: www.energyombudsman.org/how-we-can-help/information-for-disputes-with-flexibility-service-providers

If you would like to find more information about the scheme, visit: flexassure.org/scheme-introduction

Artificial Intelligence (AI)

The last twelve months have also been a breakthrough year for Artificial Intelligence (AI), and its global integration into customer engagement and back-office processes seems to be gaining uptake at an incredibly fast pace.

As technology advances, dispute resolution frameworks must evolve accordingly. We look forward to seeing how energy brokers utilise this technology as it becomes more available, as AI has the potential to improve efficiency and effectiveness of firms' operations. However, while innovation can improve efficiency, it must be implemented responsibly with transparency and appropriate oversight.





"We look forward to seeing how energy brokers utilise this technology as it becomes more available, as AI has the potential to improve efficiency and effectiveness of firms' operations."

Appendix

1. Case study: Third-party charges

The microbusiness consumer engaged the services of an energy broker in relation to their energy contract with their supplier and agreed a 4-year deal.

During the quotation process, it was not disclosed to the consumer that network costs would be passed through separately, as opposed to being included within the unit rate. Although these charges were listed within the quotation and the contract document itself, the Energy Broker advised the consumer that they would not have to pay these charges.

Following the contract starting with the supplier and on receipt of their first invoice, the network charges were included as a pass-through charge, conflicting with what the consumer was advised by the energy broker.

Our findings:

Our investigation found that although the consumer had signed the contract which had all of the correct rates listed, they were explicitly assured by the energy broker that they would not need to pay the separate network charges. The consumer signed the contract based on the advice that had been given to them and therefore was of the understanding that these charges would not apply.

The energy broker confirmed to us that their agent had given incorrect information, and they had contacted the supplier with a view to cancelling the contract or amending the rates. The supplier's position was that they had accepted the signed contract in good faith and that the agreement was binding and could not be cancelled.

Our decision:

We found that if the energy broker had given the consumer the correct information in relation to the pass-through charges, they would have had all the required information to enable them to make an informed decision on whether they wished to proceed with agreeing the contract. As a result of receiving incorrect information, the consumer's energy costs were higher than they had been advised.

It was found that the consumer had ultimately ended up paying more than they needed to for their energy as a result of being given this incorrect information by the energy broker.

Our remedy required the energy broker to credit the consumer with an amount that would offset the difference between the incorrect prices they were told they would be paying and the correct prices that should have been communicated during the sale.

2. Case study: Failure to disclose Principal Term

The microbusiness consumer received quotations from the energy broker for their energy supply contract to their current business premises. Before signing the contract, the consumer informed the energy broker that they may be moving out of the property around 6 months after the date the contract was due to start and queried whether this would be an issue. The energy broker informed the consumer that this wouldn't be a problem, as when they move out of the property, they are no longer responsible for the supply, and the account would be closed.

When the consumer did move out of the property around 7 months into the contract, they received their final invoice from their supplier, along with a charge for energy not consumed under the 3-year contract. This charge related to a Volume Variance clause within the supplier's terms and conditions that stated, where the amount of energy consumed was above or below a certain percentage of the contracted volume, the supplier would charge the consumer a fee to cover the under or over consumed energy. The consumer complained to their supplier who advised this fee was clearly stated in the terms and conditions of the contract they had signed. The supplier advised the consumer that the charge was therefore vaild and due for payment. The amount of this charge was significant enough for the consumer to consider whether they would be able to continue to operate as a business.

Our findings:

On reviewing the case, we agreed that the consumer signed the energy supply contract and that the clause was indeed contained within the supplier's terms and conditions. What we then considered was whether the energy broker should have drawn the consumers attention to this clause, before signing the contract. The consumer had informed the energy broker

that they would be moving out of the property part way through the initial fixed term and we therefore considered that the energy broker was aware of this information during the pre-contract stage.

Before a microbusiness consumer enters into (signs) a contract, the Principal Terms of the contract must be brought to their attention. This is to allow the consumer to have all of the relevant information required to make an informed choice as to whether the product is suitable for them. Although not explicitly set out as a Principal Term, the Volume Variance clause in the supplier's terms and conditions would have a significant enough impact on the consumer for it to affect their evaluation of the contract. Therefore, due to the consumer making the energy broker aware that they may be moving out of the property part way through the contract, this term should have been brought to the consumers attention, as it is likely that they would not have entered into the contract had they known the financial impact of this clause should it be relied upon.

Our decision:

Though we could not require the supplier to remove the charge in relation to the volume variance clause, as they had accepted the contract via the energy broker in good faith, we did find that the energy broker should have brought the clause to the consumers attention as part of the Principal Terms. Had they done so, it is likely that the consumer would not have entered into the contract, due to the potential charge when moving out.

We upheld the complaint against the energy broker for failing to disclose the Principal Terms of the contract.

Our remedy included a maximum award of £10,000 however the financial detriment to the consumer far exceeded this amount.

3. December 2024 statistics

Broker members of the scheme at 30/11/24 = 1,819
Joiners and leavers = 1 joiner, 8 leavers
Cases accepted = 56
Signposted = 24%
Sales complaints = 80%
Customer service disputes = 3%
Upheld rate = 45%



Energy Ombudsman

energyombudsman.org