State of the market report

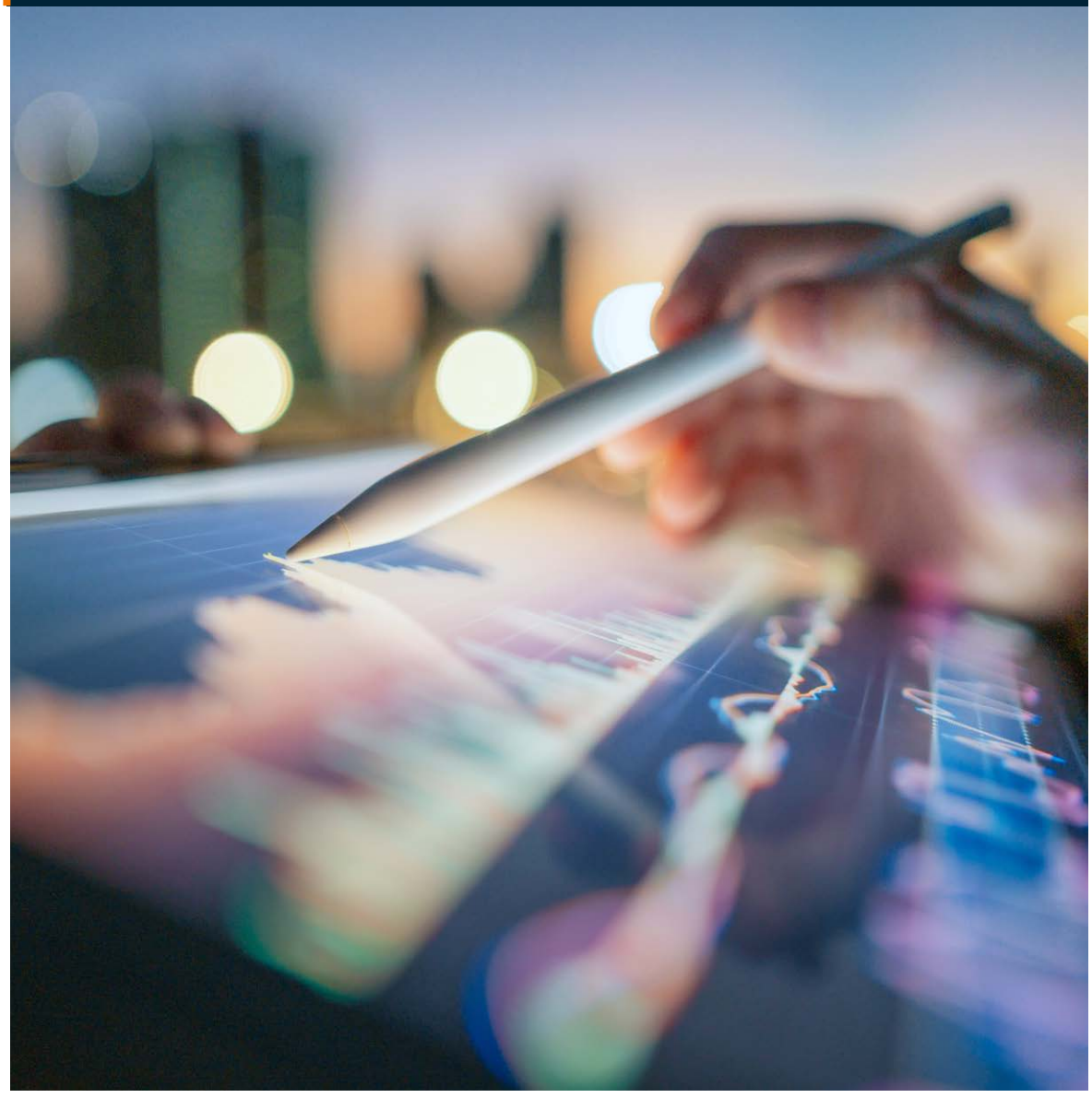
Energy retail markets highlights

ofgem

Making a positive difference
for energy consumers

Introduction

In this report we present findings from our most recent data on **Energy Retail Markets**. Our analysis covers key metric, trends, and insights linked to the outcomes as set out in Ofgem's **Consumer Interest Framework**. We aim to publish this report every six months.



Key findings

Fair Prices

The current price cap for an average household paying by direct debit for dual fuel increased to £1,849 in April 2025, primarily due to higher wholesale energy costs. After rising since 2021, business[1] electricity and gas prices, have started to decline, though they remain above pre-2021 levels. The number of available tariffs has increased, offering consumers more choice. Switching rates continue to rise, though these remain below pre-crisis levels. Debt and arrears reached a record £3.85bn in the fourth quarter of 2024.

Suppliers & Resilience

There are 23 active suppliers in the domestic gas and electricity retail market and 72 active suppliers in the business market. In the domestic market, the six largest suppliers hold a 91% market share. Octopus has grown rapidly since 2018, becoming the largest domestic electricity supplier and the second largest gas supplier in GB. Some new suppliers have exhibited high growth, though their overall market shares remain very small.

Quality & Standards

Domestic complaint volumes have decreased, reaching their lowest levels since 2022. Consumer satisfaction rates have been increasing, with 81% of domestic customers reporting satisfaction with their energy supplier, the highest level our survey has recorded.[2] Prepayment meter **('PPM')** customers have shown a high increase in satisfaction rates over the past year and now report levels of satisfaction in line with direct debit customers (historically, PPM customers have reported lower satisfaction levels than direct debit customers). In the business sector, 62% of businesses are satisfied with suppliers, a level similar to the previous year, with higher rates among larger firms.[3]

Low-Cost Transition

In the domestic market, the uptake of smart time of use **('ToU')** tariffs has increased by over 75% in the past year, as rising electric vehicle **('EV')** ownership encourages customers to shift towards more innovative and cost-effective energy solutions. This is also enabled by the smart meter roll-out, with smart meters now in 65% of homes and 61% of businesses. Around 90% of smart meters are operating in smart mode and Ofgem is undertaking compliance action with suppliers to reduce the numbers not operating in smart mode.

[1] In this report, 'businesses' refers to all customers with non-domestic energy contracts. This definition excludes those operating in domestic properties with domestic energy contracts but includes public bodies and charities with non-domestic energy contracts.
[2] Energy Consumer Satisfaction Survey
[3] Non-domestic 2024 research report | Ofgem

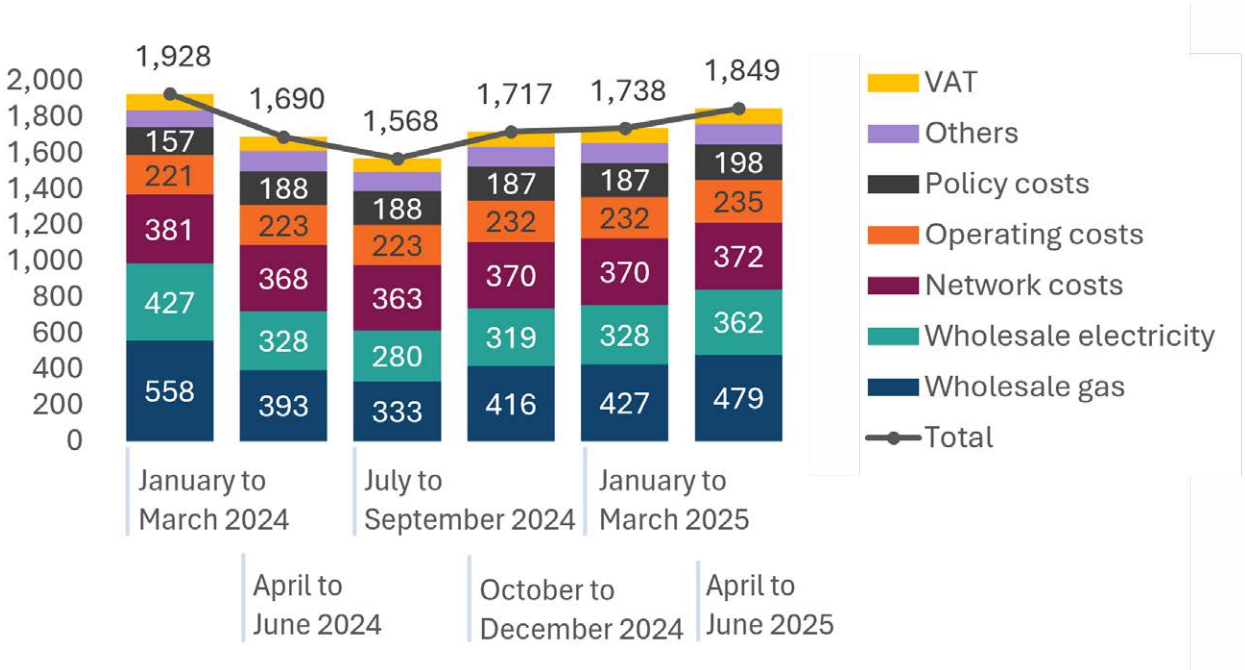
Fair Prices

In the retail household market, we have price protections through the price cap, ensuring it reflects efficient costs and protects consumers from the 'loyalty penalty'. Currently, energy debt is at a record high, with customers falling deeper into debt. There are also concerns about affordability of bills due to the broader economic situation.

Price Levels

The domestic price cap level has increased in April compared to the January - March period, now standing at **£1,849 for direct debit customers, £1,803 for PPM customers, and £1,969 for standard credit customers.** The main reason for the rise in the cap is higher wholesale costs, caused by volatile international markets, which are affected by factors such as events in Russia and the Middle East and other international factors. Additionally, policy costs have increased by £11, due primarily to increases in the Renewable Obligation and Green Gas Levy costs and the introduction of a new Network Charge Compensation scheme allowance.

Price cap components for a direct debit, typical dual fuel consumer January 2024 to June 2025, GBP (nominal prices)



Source: Retail market indicators | Ofgem

Note 1: Typical domestic consumer values refers to a household that consumes 2,700kWh of electricity and 11,500 kWh of gas per year.
Note 2: The wholesale electricity price includes carbon, capacity market, and Contract for Difference costs. Policy costs refer to the sum of the Assistance for Areas with High Electricity Distribution Costs (AAHEDC), Energy Company Obligation (ECO), Feed-in tariff (FiT), Green Gas Levy (GGL), Network Charging Compensation (NCC), and Warm Home Discount (WHD) schemes. Operational costs refer to retailers' EBIT, operational and smart meter costs.

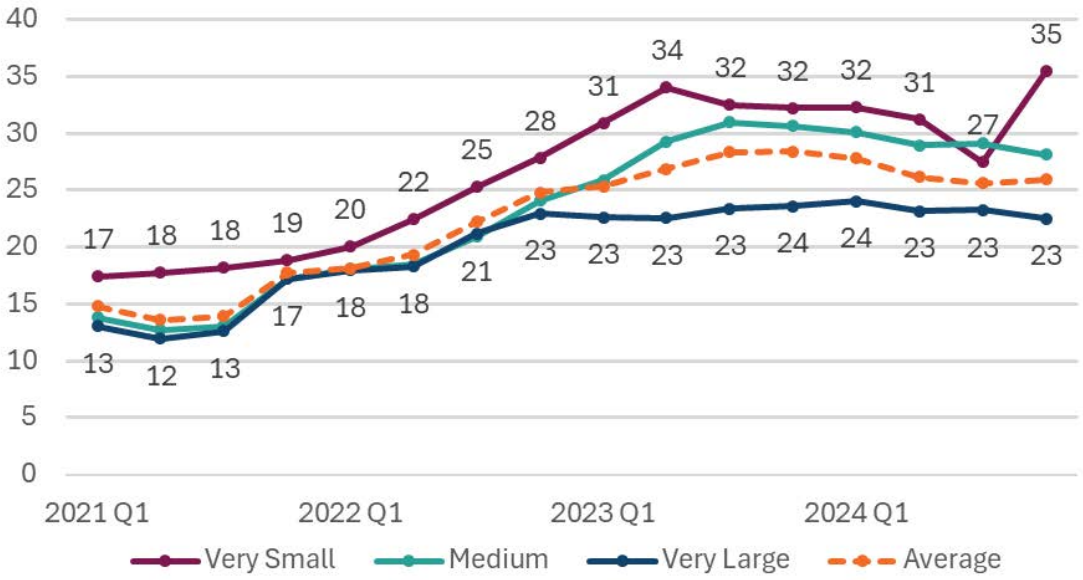
Bill Breakdown for dual fuel direct debit Standard Variable Tariff ('SVT') for a typical household use between April - June 2025, %

45% Wholesale costs	**20%** Network costs	**13%** Operating costs
11% Policy costs	**6%** Other costs	**5%** VAT

Source: Retail market indicators | Ofgem

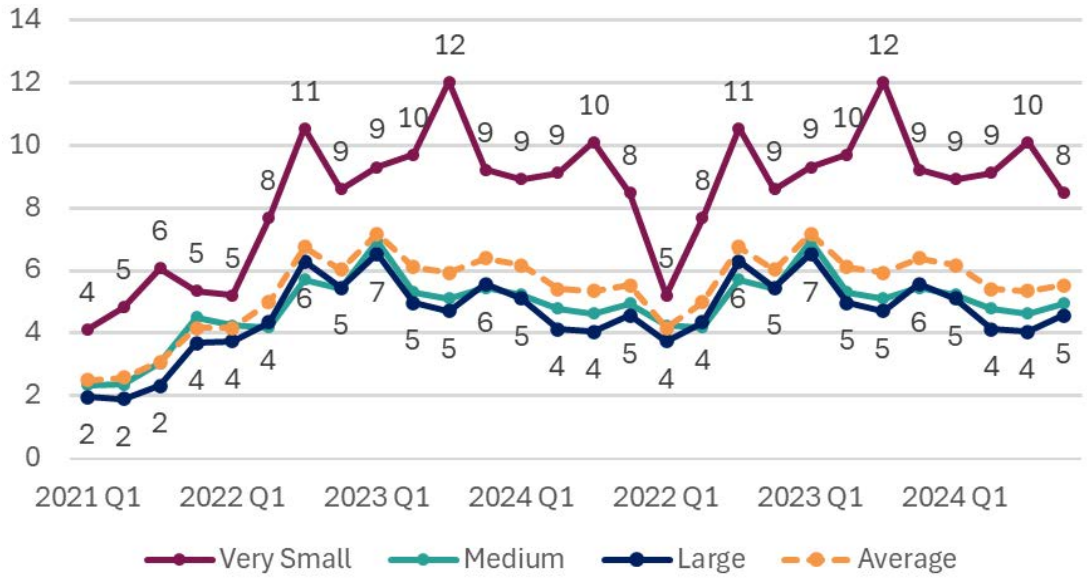
In the business sector, energy prices tend to vary by the size of the customer, with smaller users paying more than larger ones. Electricity costs fell through to the third quarter of 2024 for most customers. However, towards the end of the year, prices increased for smaller customers but kept decreasing for others. For gas, while there were more variations among customer groups, all saw price drops in 2024. Still, very small customers consistently faced higher gas prices than others.

Selected electricity prices by business size, pence per kWh (nominal prices)



Source: Gas and electricity prices in the non-domestic sector | DESNZ

Selected gas prices by business size, pence per kWh (nominal price)

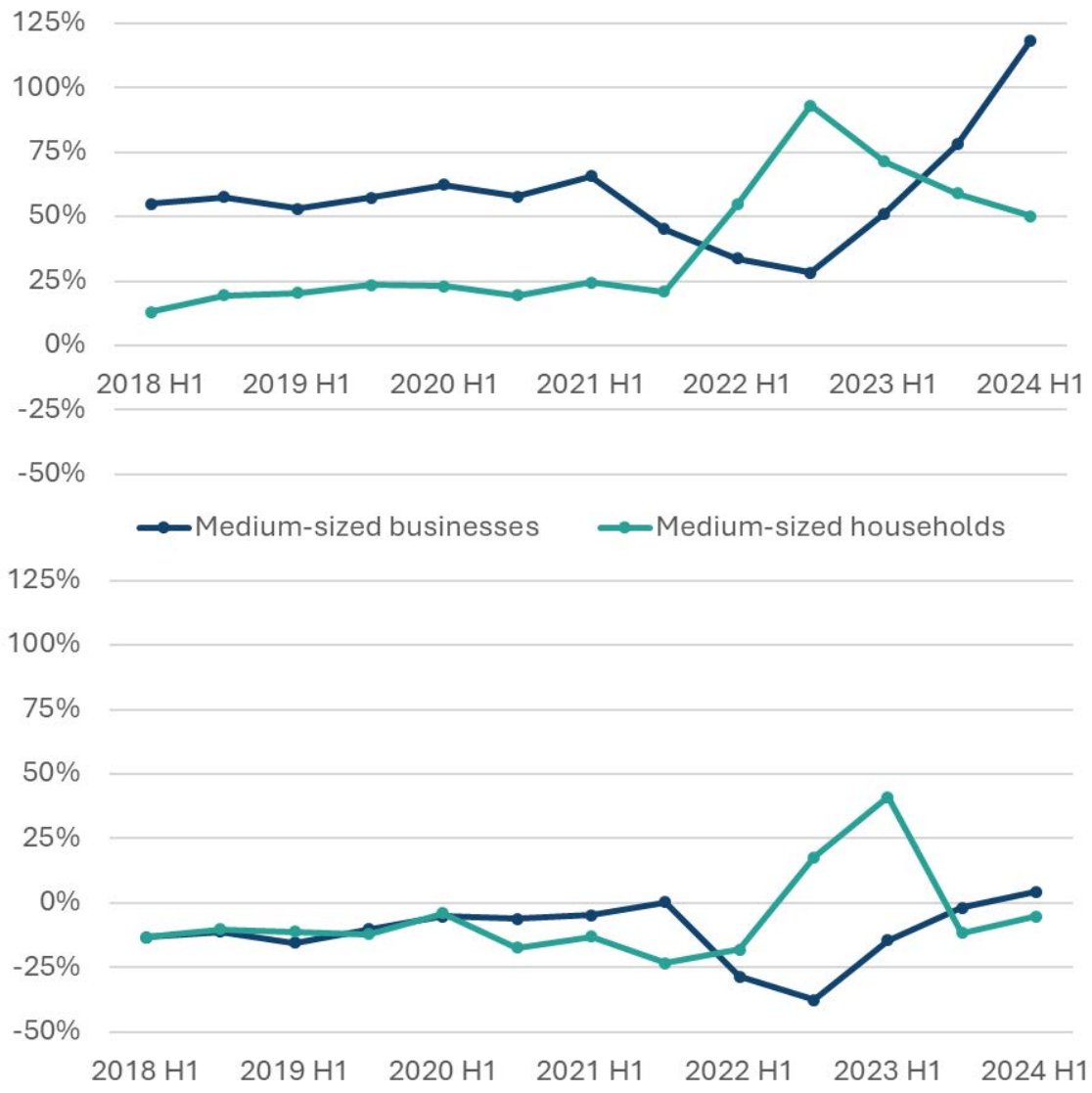


Source: Gas and electricity prices in the non-domestic sector | DESNZ

International Comparison

Electricity prices for both households and businesses in the UK remained among the highest in Europe in the first half of 2024. According to DESNZ's data, electricity prices for medium-sized businesses and households in the UK were 118% and 50% higher than the European median, ranking fourth and first highest in Europe, respectively. High electricity prices are mostly due to gas being the marginal source of power, which sets prices for wholesale electricity in the UK. Additionally, higher than average renewable and energy efficiency levies further increase the cost for non-exempt customers. Gas prices in the UK are much closer to the European median, with prices for medium-sized households ranking as the 14th highest in Europe.

Difference between average electricity (top) and gas (bottom) prices in the UK and the EU27+UK median, %

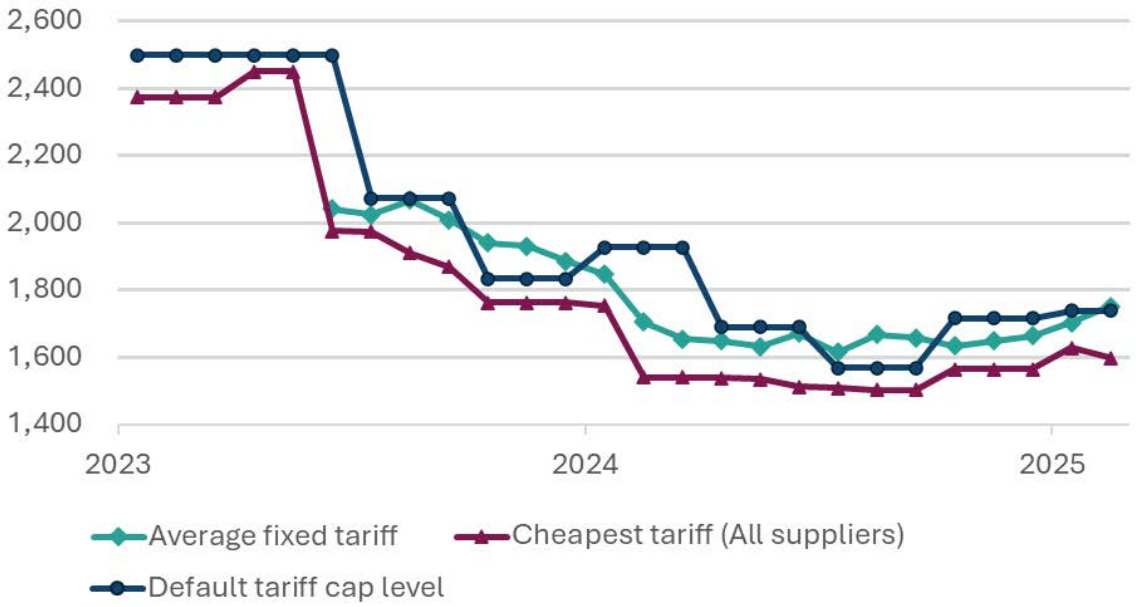


Source: International industrial energy prices - GOV.UK

Price competition

Since the second half of 2023, the number of tariffs available to consumers has consistently increased. Although the increase in costs has driven up the price cap, **the re-emergence of fixed-term contracts ('FTCs') following the crisis has led to an increase in the bill savings available from switching.** As of February 2025, the tariff differential between the cheapest tariffs and the price cap was around £140.

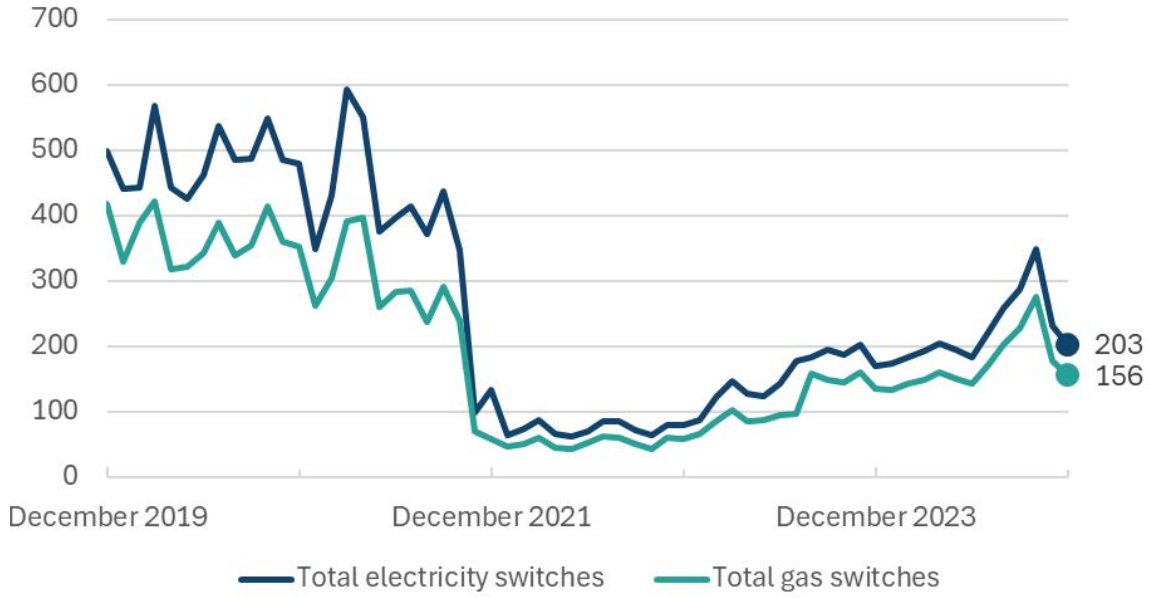
Retail price comparison by tariff type (domestic, GB), GBP per year



Source: Retail market indicators | Ofgem

Switching rates are gradually recovering from the post-crisis trough in 2021/2022, when almost all tariffs were set at the price cap. The return of price competition has boosted switching, though our surveys show that quality of service is an important factor in switching decisions as well.

Number of domestic customers switching suppliers by fuel type GB, thousands



Source: Retail market indicators | Ofgem

Motivation for switching to a new energy supplier in the last 6 months, %

44%
Get a cheaper tariff

19%
The supplier has a good reputation

16%
Issues with current supplier or tariff

16%
My suppliers customer service is poor, so I want to move to a new one

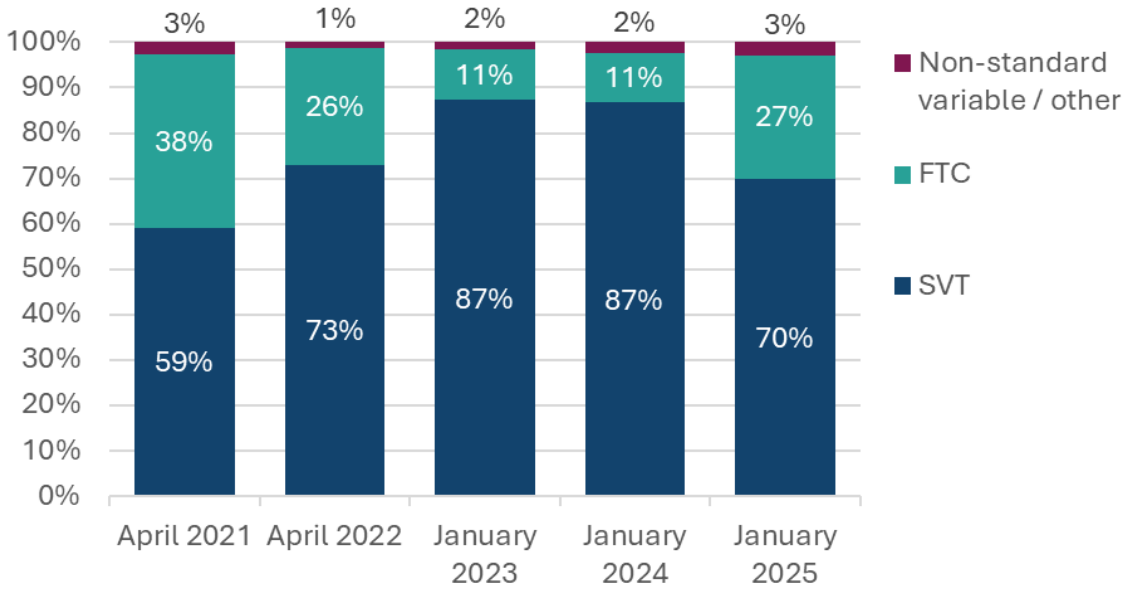
15%
The supplier offers good customer service

Base: All who switched supplier in the previous 6 months (174). C5: And why did your household compare or switch tariff or supplier? The research was conducted in January-February 2024.

Source: Consumer Impacts of Market Conditions Survey

Following the re-emergence of FTCs in the second half of 2023, the number of customers on these tariffs has more than doubled, rising from **11% to 27%** over the same period.

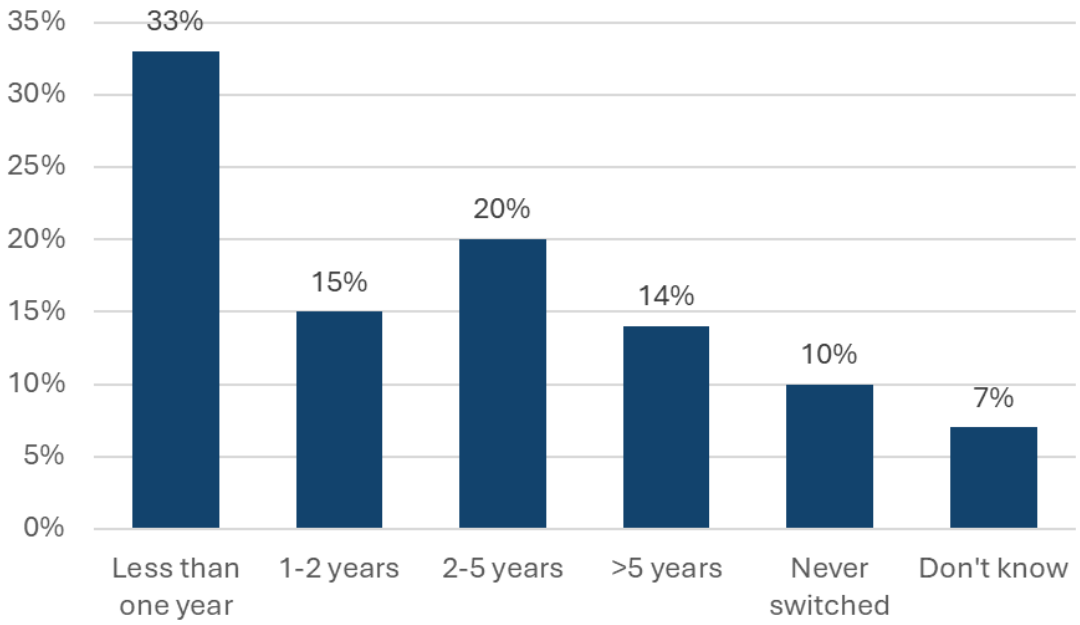
Electricity share of customers on each tariff type April 2021 – January 2025, %



Source: Ofgem Tariff RFI. Chart reporting dates reflect a change in the timing of data collection.

Ofgem's non-domestic 2024 research report, shows around one third (33%) of businesses said they changed contract in the past 12 months. The primary reason for switching was to secure better prices or deals. Unlike domestic customers, businesses place less emphasis on service quality, which does not rank among the top five factors driving switching.

The proportion of businesses who said they have switched their supplier or contract in the past few months and years, %



E1: Approximately when was the last time your business switched its supplier or contract? Base: 1,000 non-domestic energy consumers in Great Britain). The research was conducted in July-September 2024.

Source: Non-domestic 2024 research report | Ofgem

Five main reasons given for switching supplier in the last 12 months mentioned by businesses, 2024, %

29% Know contract was coming to an end

16% Price increase notification from previous supplier

14% Wanted a better deal

12% Renewal notice from existing supplier

9% Offered a better deal from new supplier

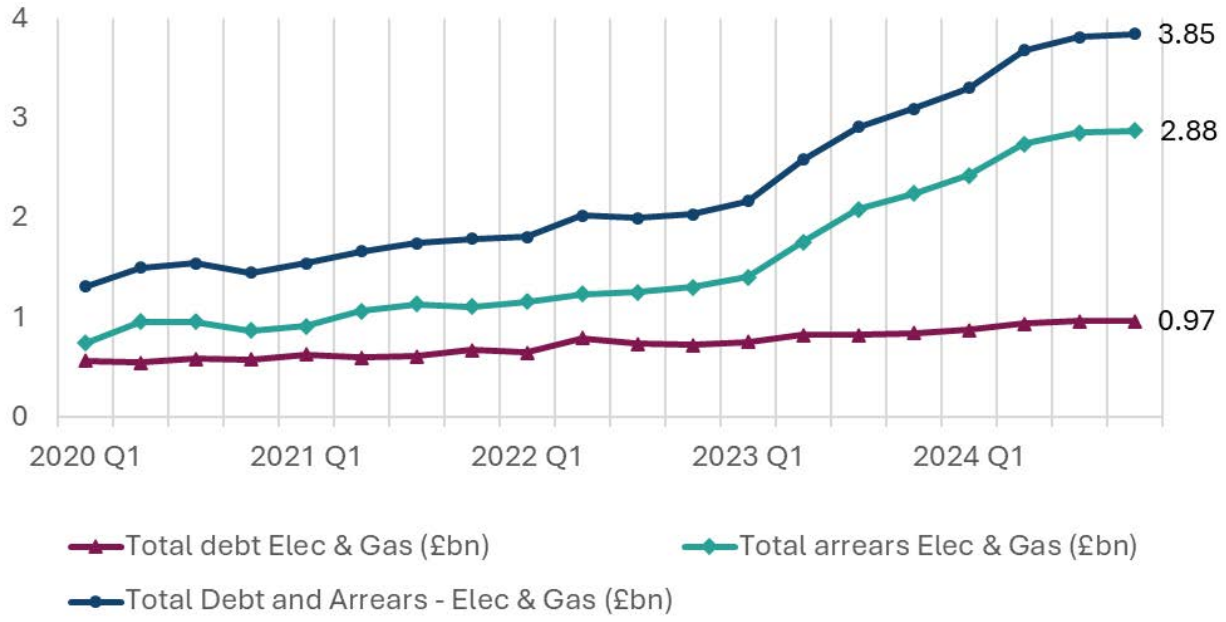
Base: Businesses who switched suppliers in the past 12 months (365). E2. What prompted you to switch [gas/electricity/gas and electricity] supplier or contract in the last 12 months? (Multi-code). The research was conducted in July-September 2024.

Source: Non-domestic 2024 research report | Ofgem

Debt and arrears

With energy bills remaining high compared to pre-crisis levels, **debt and arrears[4] have been growing for domestic customers** continually since the third quarter of 2022, reaching a record high of £3.85bn in the fourth quarter of 2024.

Total Financial Value of Domestic Customer Debt and Arrears (existing for more than 91 days), £bn (nominal values)

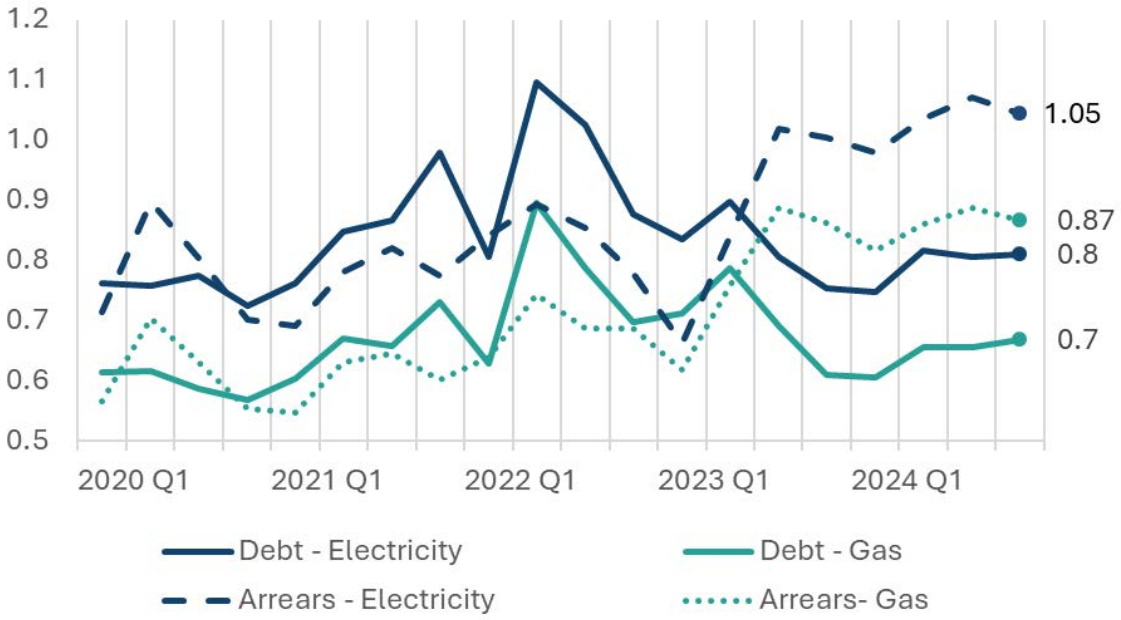


Source: Debt and arrears indicators | Ofgem

While the number of customers in debt or arrears only increased by 5% from 3.2m to 3.4m over the past year, the average debt per-customer (with or without an arrangement to repay) rose by 18%. **These trends show an increased debt and arrears intensity per customer rather than a rise in the overall number of customers in debt.**

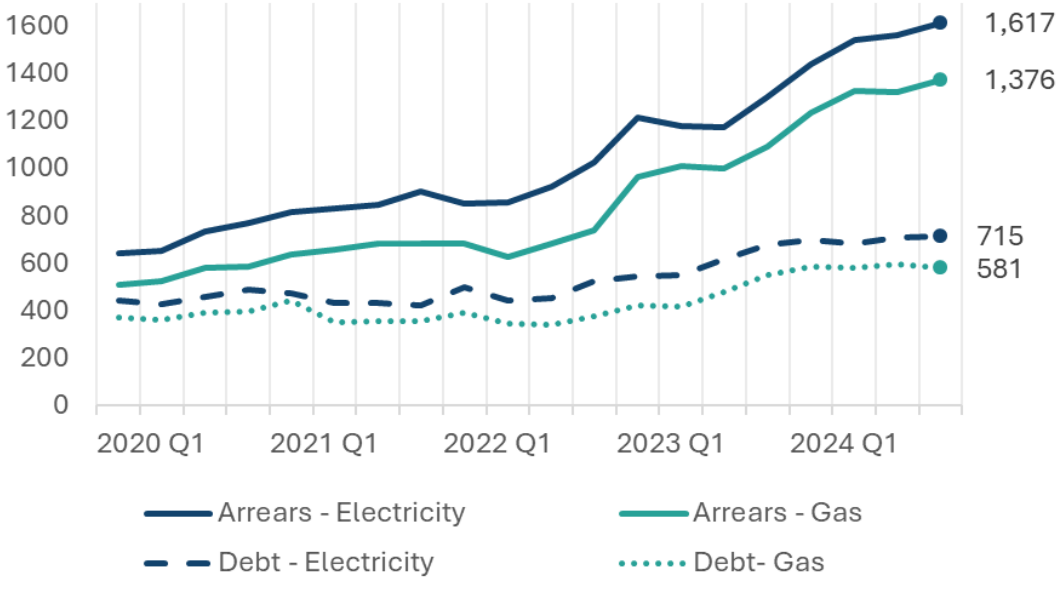
[4] The definition of arrears in this context is customers who owe a debt to their supplier, but do not yet have a debt repayment arrangement in place. Customers in debt have entered a formal arrangement with their supplier to repay outstanding debts, including all prepayment (PPM) customers repaying a debt, and non-PPM customers on debt repayment arrangements extending beyond 91 days/13 weeks.

Number of accounts with a consumer repaying an energy debt (solid line) and number of accounts in arrears where there is no arrangement to repay the debt (dotted line), millions



Source: Debt and arrears indicators | Ofgem

Average debt level where there is no arrangement to repay the debt (ie, arrears) (solid line) and average level of debt remaining where there is an arrangement to repay the debt (ie, debt) (dotted line), GBP (nominal prices)



Source: Debt and arrears indicators | Ofgem

Retail Energy Suppliers and Resilience

The retail markets should be efficient and resilient (see Consumer Interest Framework). Achieving this ensures that effective competition delivers secure supply and access to innovative products and services for consumers.

Before the energy crisis, the retail energy market had more debts than assets, which contributed to the failure of 27 domestic suppliers between autumn 2021 and autumn 2022. Ofgem has now introduced financial resilience measures, making suppliers more financially stable and the market more resilient to shocks. In April 2025, Rebel energy exited the market impacting some 90,000 customers. Ofgem has introduced tighter rules in this area and will be publishing more information and data on suppliers' resilience in the coming weeks.

23
Number of active suppliers in the domestic gas and electricity retail markets

72
Number of active suppliers in the business gas and electricity retail markets

The domestic retail market has become more concentrated in the last few years. In the final quarter of 2024, the six largest suppliers - British Gas, EDF, E.ON, Octopus, OVO, Scottish Power - accounted for 91% of the domestic electricity and gas markets. This figure is almost 20 percentage points higher than in 2020. However, the composition of the six largest suppliers has changed in the last 5 years, due to a few acquisitions (eg OVO's acquisition of SSE). Meanwhile, some new suppliers have exhibited high growth, though their overall market shares remain very small.

Octopus has grown rapidly since 2018 driven by customer switching and acquisitions of companies like Bulb and Shell, Octopus has increased its market shares for electricity and gas from 1% in the third quarter of 2018 to 23% in the third quarter of 2024. Since 2023, it has become the largest domestic electricity supplier and the second largest gas supplier in GB, after British Gas.

Market Shares	24Q3
Octopus	23%
British Gas	20%
E.ON	16%
OVO	13%
EDF	11%
Scottish Power	8%
Other	9%

Market Shares	24Q3
British Gas	27%
Octopus	24%
E.ON	14%
OVO	11%
EDF	9%
Scottish Power	7%
Other	9%

Source: Retail market indicators | Ofgem

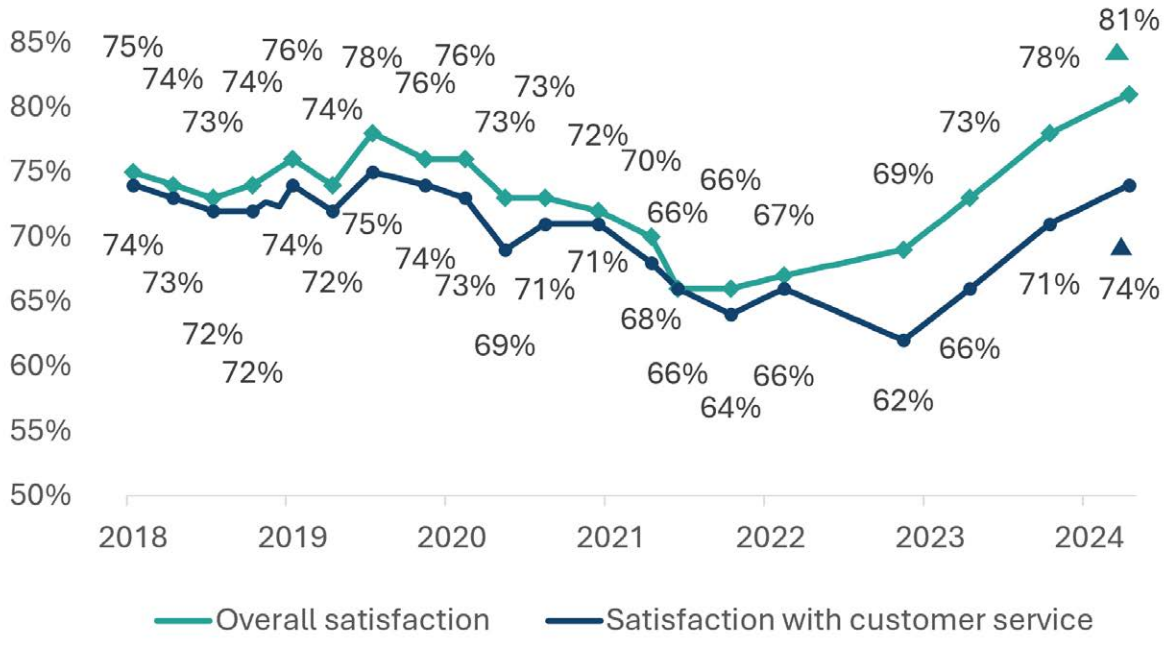
[5] Ofgem protects customers of Rebel Energy | Ofgem

Quality and Standards

As outlined in our Consumer Interest Framework, our role is to ensure that suppliers are held to account for providing effective customer support and service that is accessible, transparent and responsive.

Ofgem's Energy Consumer Satisfaction Survey shows that overall domestic consumer satisfaction with energy suppliers has been increasing since July/August 2022. **In the latest survey (conducted in January 2025), 81% of those surveyed reported being satisfied with their energy supplier, reaching the highest level recorded in this survey.** Looking at satisfaction with supplier by payment type, PPM customers have historically reported lower levels of satisfaction with their supplier compared with direct debit customers. However, since July 2024, PPM customers have reported levels of satisfaction that are in line with direct debit customers and the overall GB average. Satisfaction with suppliers' customer service has also risen to 74%, and there were improvements in satisfaction with billing accuracy and contact experience as well.

Overall satisfaction and overall satisfaction with domestic customer service over time, %



Base: 3,854 domestic energy consumers in Great Britain. A5: Overall, how satisfied or dissatisfied are you with your supplier? And A7. Overall, how satisfied or dissatisfied are you with the customer service you have received from your supplier? The research was conducted in January 2025.

Source: Energy Consumer Satisfaction Survey

Proportion of domestic consumers that say they are satisfied overall with their supplier by payment type, %

82%*	80%	76*
Direct Debit	PPM	Standard Credit

Base: Domestic Direct Debit consumers (2,610), PPM consumers (725) and Standard Credit consumers (631) in Great Britain. A5: Overall, how satisfied or dissatisfied are you with your supplier? The research was conducted in January 2025. Note: (*)Indicates a statistically significantly difference compared to the average of all other customers.

Source: Energy Consumer Satisfaction Survey

The number of complaints from domestic customers has been steadily falling and is now at its lowest level since early 2020. Supplier performance can be measured both by the volume of complaints and the time taken to resolve them. Performance varies substantially on both measures, with some of the suppliers receiving the most complaints being among the quickest to resolve them.

Complaints Received by Supplier 24Q4, per 100 Customer Accounts

Outfox	0.01
Green Energy UK	0.1
Ecotricity	0.2
E	0.4
Tru Energy	0.6
Octopus	0.8
So Energy	0.9
Utilita	0.9
E.On	1.0
Good Energy	1.2
British Gas	1.3
EDF	1.4
Scottish Power	1.4
Utility Warehouse	1.5
OVO	1.8

Fewest complaints
Outfox Energy

Industry average
0.9

Most complaints
OVO Energy

Share of complaints resolved by the end of the next working day 24Q4, %

E	88%
Utility Warehouse	84%
EDF	78%
OVO	73%
Good Energy	68%
Outfox	64%
Scottish Power	63%
Utilita	60%
E.On	60%
British Gas	60%
Octopus	58%
So Energy	24%
Green Energy UK	12%
Ecotricity	8%
Tru Energy	6%

Highest share of 1-day resolutions
E Energy

Industry average
54%

Lowest share of 1-day resolutions
Tru Energy

Source: Customer service data | Ofgem*

According to Ofgem's non-domestic 2024 research report, almost two thirds (62%) of businesses were satisfied with the overall service they had received from their supplier, which is similar to the level seen in 2023. Satisfaction is higher among large businesses (80%) compared to microbusinesses (62%). Small and larger sized businesses have seen the greatest increase in satisfaction from 2023.

*Note: Feed-in-Tariff customer accounts are not included in the customer account total that is used in calculation of complaints per 100 customer accounts.

Businesses' satisfaction with the overall service provided by their supplier, %

62%	67%	69%	80%*	62%*
Overall Satisfaction	Small Businesses	Medium Businesses	Large Businesses	Sole Trader and Micro-businesses

Base: All businesses (1,000). C1/C4/C7: On a scale of 1 to 5, where 1 means 'very dissatisfied', and 5 means 'very satisfied', how satisfied are you with the overall service that your [gas/electricity/gas and electricity] supplier offers? The research was conducted in July – September 2024. Note: (*)Indicates a statistically significantly difference compared to the average of all other businesses.

Source: Non-domestic 2024 research report | Ofgem

In relation to complaints, amongst those businesses who had tried to contact their supplier in the past 12 months, **almost a quarter (23%) reported raising a complaint with their energy supplier in the last 12 months**. When this is broken down by business size, small businesses were more likely to have complained to their supplier in the last 12 months (30%) compared to the average (23%).

Businesses' complaints made to energy suppliers in past 12 months by size, %

23%	30%*	29%	23%	22%*
Overall complaints	Small Businesses	Medium Businesses	Large Businesses	Sole Trader and Micro-businesses

Base: Businesses who had tried to contact their supplier in the past 12 months (720). C11: Have you made a complaint to your [gas/electricity/gas and electricity] suppliers in the last 12 months? Note: (*)Indicates a statistically significantly difference compared to the average of all other businesses.

Source: Non-domestic 2024 research report | Ofgem The research was conducted in July-September 2024.

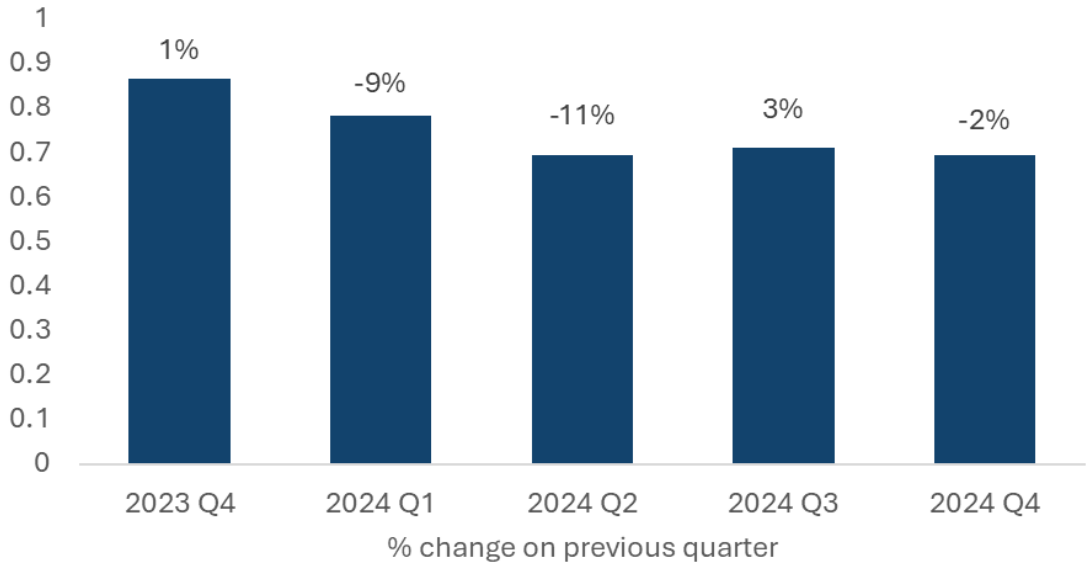
Low-Cost Transition

We aim to promote a market that delivers low carbon, low-cost products and services and we are committed to providing sustainable, carbon-free energy at least cost to consumers. Our Consumer Interest Framework supports customers adopting greener choices. As the market innovates, we expect consumers to choose products and services that are more sophisticated as well as leverage smart technologies to optimize their energy usage.

Smart meters

Smart meters are an important enabler of innovation. According to DESNZ, there were 36 million smart meters installed across households in Great Britain by the end of 2024, meaning that **over 66% of all domestic meters are now smart**. In the non-household sector, there are 2 million smart or advanced meters[6], representing 61% of the total. During the fourth quarter of 2024, large energy suppliers installed 670,000 domestic and 26,000 business smart or advanced meters, a 2% decrease from the previous quarter and a 19% decrease on the same quarter during 2023.

Quarterly smart meter installations by large energy suppliers – domestic and business, millions



Source: Customer service data | Ofgem

The performance of energy suppliers in achieving their smart meter roll-out targets varied significantly in 2024. Larger suppliers consistently fell below their installation target. Medium and small-sized suppliers showed considerable variability in achieving their smart meter targets.

[6] Advanced meters are very common for business customers. Advanced meters are different from smart meters as they transmit data only in one direction – from the meter to the energy supplier.

Percentage of Domestic Smart Meter Roll-out Target Achieved, 2024 – Large Suppliers, %

E.On	89%
Octopus	66%
EDF	63%
Scottish Power	62%
British Gas	59%
OVO	51%

Highest % of roll-out target achieved
E.On

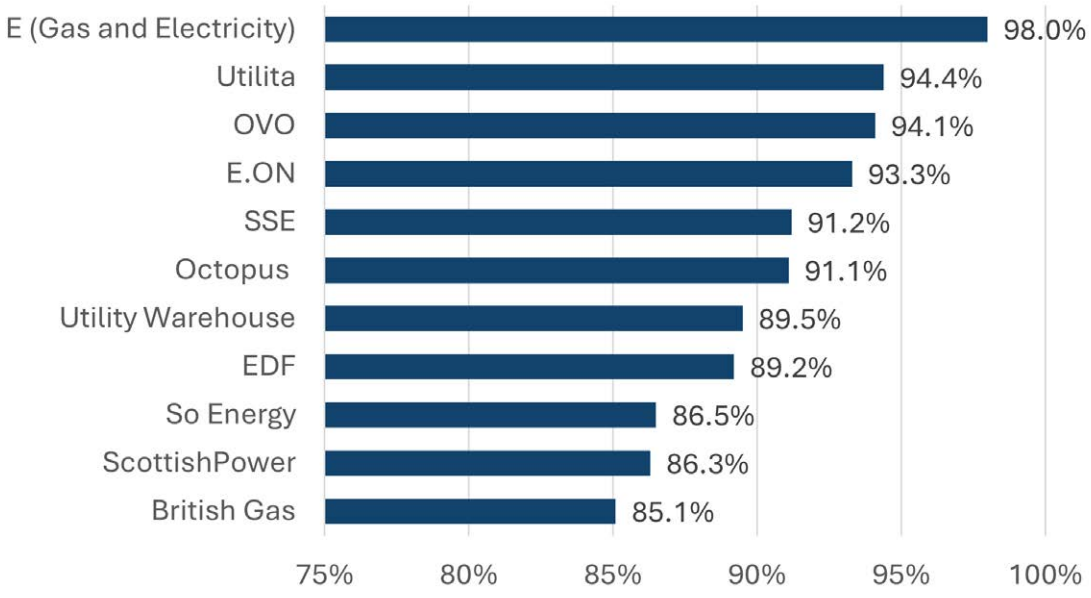
Large supplier average
65%

Lowest % of roll-out target achieved
OVO Energy

Source: Smart-meter-performance | Ofgem

Around one tenth of smart meters were not operating in smart mode as of December 2024. Under their licences, energy suppliers must take all reasonable steps to ensure that smart meters automatically send them your gas and electricity meter readings. This is called operating in 'smart mode', and Ofgem expects suppliers to be proactive in identifying and remedying non-operational smart meters. Suppliers vary in terms of the proportion of their smart meters that are in smart mode.

Smart meters operating in smart mode, %



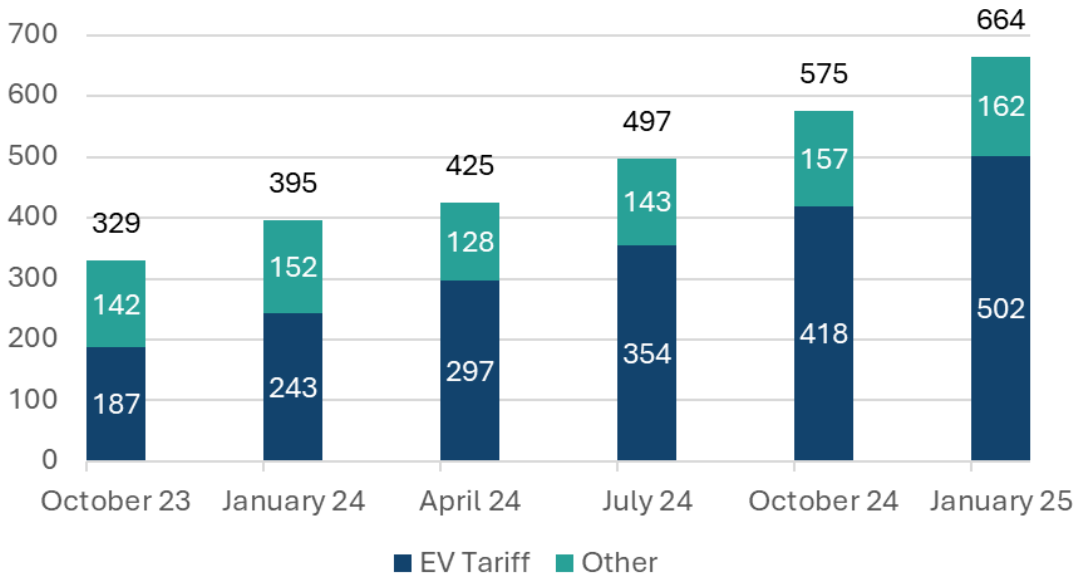
Source: Smart-meter-performance | Ofgem

Smart tariffs

The smart meter roll-out enables the development of tariffs that offer consumers greater understanding and control of their energy usage. For instance, smart ToU electricity tariffs[7] allow the owners of low carbon technologies such as EVs and heat pumps to directly benefit (in the form of cheaper prices) from the flexibility they add to the energy system.

The market penetration of smart ToU tariffs in the domestic retail market is currently at 2.3%, but take-up is increasing rapidly. The number of domestic customers on these tariffs increased by over 68% in the 12 months to January 2025, from 395,000 to 664,000. This was driven almost entirely by EV tariffs, which grew by 107%, from 243,000 to 502,000, compared to an increase of 7% for other types of smart ToU products.

Domestic customers on Smart Time of Use Tariffs by quarter, thousands



Source: Ofgem Tariff RFI. Chart reporting dates reflect a change in the timing of data collection.

There is potential for further growth in the use of EV and heat pump tariffs. Charge UK estimated that there were 809,000 home EV charge points as of June 2024, which would indicate that just over 60% make use of an EV tariff. On that basis, there should be potential for continued rapid growth in this product area. By contrast, only a small fraction of heat pump owners have adopted specialist tariffs – according to the Heat Pump Association, there were 313,665 cumulative heat pump sales from 2019 till the end of 2024. We estimate that under 5% of these are on a specialised heat pump tariff.

[7] Time of Use tariffs encourage more efficient use of the electricity grid by providing an incentive for customers to shift their consumption away from peak hours. They almost exclusively relate to electricity, as the gas grid is better able to deal with fluctuations in demand.

Low Carbon Technology ownership and smart tariff take-up, thousands

62%
Proportion of home EV charge points that make use of an EV tariff

<5%
Proportion of heat pump sales that use a specialised tariff

Note 1: The total number of private EV charge points are taken from June 2024, but the total number of specialised EV tariffs are taken from January 2025

Note 2: The total number of heat pumps sold are taken from the end of 2024, but the total number of specialised heat pump tariffs are taken from January 2025. The total number of heat pumps sold also include heat pump sold to business customers, thus, we are not able to assess the precise proportion of heat pump sales to households that use a specialised tariff.