

# Smart energy market review

Summary of webinar three

# Introduction to the review

## Improving information across the smart energy market

A key finding from CSE's Smart and Fair programme to date has been a lack of clear and consistent information across the smart energy market - both for and about the consumers to whom smart energy products, services and tariffs ('offers') are being marketed. This risks: i) consumers not participating in the market, ii) consumers taking up unsuitable offers, and iii) some consumer groups being left behind by innovation.

CSE's biannual webinar series aims to mitigate these risks through providing a regular heartbeat of key consumer fairness developments across the smart energy market. We will use the four elements below to track trends in relation to consumer access and outcomes and advocate for better marketing, design and regulation of smart offers.



### Market overview

Summary of new market offers and tracking of key quantitative metrics.



### Key themes

Deep dive into recent emerging themes or issues facing smart energy consumers.



### Data analytics

Analysis from the Smart & Fair data team on consumer outcomes.



### Horizon scan

Key insights and other relevant work in the Smart & Fair space.

This report give a summary of key findings from our third webinar using these four elements. Watch out for the next webinar and report, due in Spring 2026.

# Market overview

## Smart offer dashboard

We conduct regular monitoring of new smart energy offers coming onto the UK market. Since April 2025:

- 45 new branded offers have been added, bringing the total to 197 (left chart). There has been most net growth in smart products. Note some offers have also been removed from the market.
- No new smart offer types have been added (still 36 total). Offer types are defined by their function and the capabilities they require of consumers to take up/use them.

## Market volatility

The last six months have seen some new evidence of market unpredictability:

- Pauses in offer availability** e.g. Tomato Energy's smart tariff offerings.
- Tariff rate changes** e.g. Fuse Energy's Smart EV tariff off-peak rate tripling after launch.
- Discontinuation of offers** e.g. British Gas' Dimplex storage heater tariff.

## Technology-specific tariffs remain prevalent...

- EV tariffs predominant in early market and to this day (19 currently on market).
- Recent years have seen emergence of other technology-linked tariffs (heat pumps – currently 7), solar/battery (3), and storage heater (1).

## Persona 1

Small young family in council housing, with storage heaters and Economy 7 meter.

Offer types: 6

## Persona 2

Older single renter with limited digital skills. Gas central heating and prepay.

Offer types: 2 <sup>+1</sup>

## Persona 3

Owner-occupier couple with a heat pump, solar PV, EV charger and smart meter.

Offer types: 29

## Persona 4

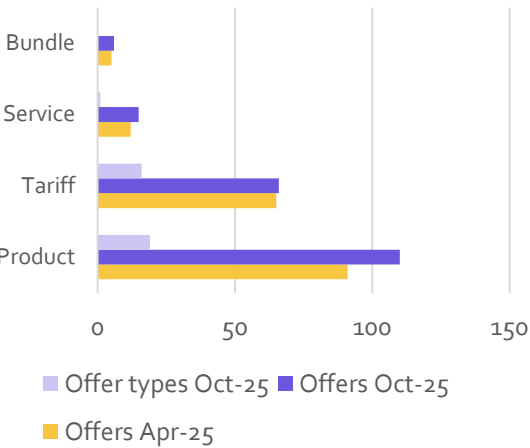
Large family owner-occupiers with gas central heating, hot water tank and a smart meter.

Offer types: 13

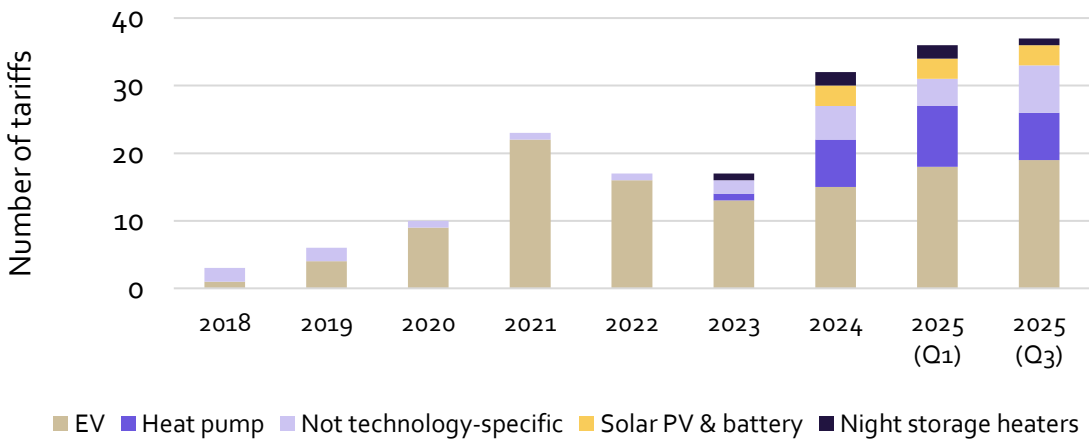
## ...but some significant new options that are no-tech/for prepay users

- There are now five static time-of-use tariffs available to consumers without any technology requirements.
- One of these is also available to prepay consumers (Utilita My Time).

Smart offers/offer types (Oct 25)



Smart tariffs by technology required over time



## Disparities in market access

We can use personas (see above) to help understand access across different consumer groups. With no new offer types since April 2025, the only significant change has been that prepay consumers can now access a smart tariff type (although remain excluded from all other smart tariffs).

Otherwise, access continues to be impacted most significantly by:

- Asset ownership:** impacts smart tariff and product eligibility.
- Tenure:** owner-occupiers have greater agency to invest in smart products.

# Supplier spotlights

Although we know a lot about what consumers can access smart offers in theory, there is less evidence about who is actually using smart offers in practice, and the different benefits they are receiving. We invited two major smart energy suppliers – OVO and Octopus Energy – to present some data to help fill some of these gaps.

## Consumer numbers



- **Smart becoming mainstream:** >2.1 million UK consumers across two suppliers using smart tariffs or services.
- **Majority of these are taking part in demand shifting services:** at least 1.6m on Octopus flex services.
- **Significant numbers on some advanced tariff offerings:** e.g. 300,000 on Intelligent Octopus Go: a time+type of use tariff.

## Consumer groups



- The market is **still skewed towards consumers with LCTs**: most of both suppliers' smart tariff offerings require a heat pump, solar PV or EV.
- **But some significant participation from engaged consumers without LCTs**:
  - >80% of those involved with Octopus flex services don't have an LCT.
  - c. 1/3 of those on Agile Octopus don't have LCT.
- **Some take-up amongst more vulnerable groups**:
  - c. 1/8 of Octopus smart tariff consumers on PSR.
  - c. 25% live in 50% most deprived UK areas.

## Consumer savings



- **Significant savings available (and not just for LCT owners!)**
  - >£400 annual average saving with OVO Heat Pump Plus.
  - £162 saving on Octopus storage heater tariff at normal E7 usage.
  - These achieved savings are broadly aligned with predicted modelling.
- **But a need for more granular savings predictions**
  - Intelligent Octopus Go saving = £315 @ 7,000 miles driven per year but £600 @ 10,000 miles per year.
  - Agile Octopus saving c. £150 without LCT, but about £300 with.
- **Savings in some cases significantly lower this year than last...**
  - e.g. Octopus Tracker annual savings to Oct 25 were £106, but > £400 in the previous year.

## How can we ensure more vulnerable consumers are able to benefit moving forward?

### Supporting inclusive innovation

Offer providers are focussing more on consumers without their own LCTs – e.g. shifting schemes, Octopus Tenant Power – this needs to be encouraged!

### Advice and support

Savings are out there for different consumer types: advice is crucial for matching consumers to suitable potential offers and savings

### Overcoming capability gaps

e.g. if apps are increasingly driving participation for groups without major assets: how can we include digitally disadvantaged groups within this?

# Policy outlook

We have seen three key recent developments in smart energy policy: what are the key takeaways in relation to market fairness?

## Clean Flexibility Roadmap

*A vision and plan from government, Ofgem and NESO*

### Implications for consumers.

- Clear signal about importance of flexibility in the future..
- Confirming consumers are at the 'heart of the transition'.

### Implications for industry

- Clarity and ambition – strong direction to guide decisions and investment.
- Flexibility for 'users of all kinds' including low income and vulnerable customers.
- Lots of work ahead.

### What's needed next

- **Addressing the gap** between those that can benefit from flex and those who are excluded.
- Transparency on system costs and supplier information is needed to **understand which consumers are benefitting from flexibility.**

## Smart Secure Electricity Systems Programme

*Regulation for smart appliances and load control providers*

### Implications for consumers.

- Provides customer protection and fair consumer treatment.
- Strengthened consumer confidence, supporting smart energy uptake.
- Enables switching between smart energy tariff and service providers.

### Implications for industry

- New regulation for some providers.
- Challenge of managing complexity in flex provision business chain.
- New standards for smart appliances.

### What's needed next

- Shaping a **culture of fairness and social responsibility** from offer providers, going beyond licence requirements.
- **Avoiding the risk that providers 'play it safe':** only focussing on already engaged consumers.

## Consumer-led Flex Engagement Framework

*Helping to engage and support consumers through coordination, standards, advice and communications*

### Implications for consumers.

- Opportunity for helpful support, information and advice.
- Reducing the risk of people being left behind.

### Implications for industry

- New way of working for industry? Some degree of sharing information and approaches.
- Need for upskilling and expanding advice/support provision.

### What's needed next

- Significant **expansion of energy advice** will be necessary. Tailored via multiple channels.
- **More clarity needed on how this will develop** in the context of rapidly developing market and 2030 Clean Power targets.

**Strategy + Regulation + Engagement** = Strong policy framework that works well for consumers and helps industry in delivering Clean Power ambitions.

# Horizon scan

## What we've seen in the last 6 months

- **Continued market expansion:**
  - 45 new offers tracked, principally smart tariffs and services.
  - >2.1 million consumers participating across just two smart energy suppliers.
- **Significant uptick in options for previously underserved consumer groups:**
  - New tariff options for consumers without major electrical assets, and prepay consumers.
  - >£150 savings on offer for these groups on some tariffs.
- Continued development of **policy framework to support enhanced consumer trust and fairness.**

## Areas for attention

- **Building advice and support offerings**
  - More smart energy advice required to match consumers with suitable offers that can deliver savings and help overcome any capability gaps.
- **More and better data**
  - We need more supplier data to help us understand winners and losers in the smart transition.
  - Savings are stratified: consumers need bespoke information on how much *they* could save.
  - More vulnerability mapping will help us understand take-up and benefit for vulnerable consumers.
- **Tracking complexity:**
  - Market volatility and potential for diminishing returns needs to be monitored closely.
  - Is the developing market delivering greater simplicity and useability for consumers?

## Other relevant work

- **Energy Choices Tool**
  - A self-serve tool to match consumers with suitable smart energy offers.
  - Designed to be used by both consumers themselves and energy advisors.
  - [Available to use for free now](#)
- **Smart Energy Advice Workshop key findings**
  - We ran our latest Smart Energy Advice Workshop in October.
  - See key findings from the last workshop we ran in early 2025 here: <https://www.cse.org.uk/resource/smart-energy-advice-forum-key-findings/>
- **Inclusive Smart Solutions**
  - Research analyses consumers most at risk from being excluded in the smart transition.
  - Identified three key principles of more inclusive smart offer design: i) meeting needs, ii) simplicity, iii) trust.
  - [Final report available here](#)

## Next steps

- The next review webinar is scheduled for March 2026.
- This is a summary output. If you would like to know more detail about any of our analysis, or the Smart and Fair programme, please get in touch at [nick.stromberg@cse.org.uk](mailto:nick.stromberg@cse.org.uk).
- Find out about the next review webinar, and CSE's other work, by [signing up our newsletter](#).