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Consumer Scotland
Luchd-Cleachdaidh Alba

Consumer Scotland

Annual Report and Accounts 2025-2026

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1. Performance Report

Chair's Foreword

Consumer Scotland is now entering its fifth year as Scotland's statutory consumer body. Over that time, we have continued to develop as a confident, evidence-led organisation, with a clear focus on improving outcomes for consumers and strengthening our impact across the economy.

This year has been marked by a challenging external environment. Many consumers continue to experience sustained cost of living pressures, compounded by global uncertainty and inflationary pressures. At the same time, the public sector continues to operate within a constrained fiscal context, requiring all bodies to demonstrate clear impact, prioritisation and value for money.

Against this backdrop, I am pleased to report that Consumer Scotland has continued to strengthen its role as a strategic leader within the consumer landscape. Our work has delivered tangible benefits for consumers across a wide range of markets, including energy, transport, post, water and housing. In particular, our focus on affordability, vulnerability and the transition to net zero has ensured that consumer interests remain central to key policy and regulatory decisions.

During the year, we have also seen a significant expansion of our statutory remit. In April 2026, Consumer Scotland was designated as a body with super-complaint powers, enhancing our ability to address systemic consumer harm. We have also taken on additional responsibilities in relation to consumer advice funding and heat networks, further strengthening our role within the wider consumer support system.

The findings of the independent Statutory Performance Review[i], led by Elaine Lorimer, provide a valuable opportunity to reflect on our progress to date and to consider how we continue to evolve. The Board welcomes the Review's positive assessment of Consumer Scotland's capability and impact, and we are committed to implementing its recommendations to further strengthen our influence, strategic leadership and delivery.

We have also continued to play an active role in supporting public service reform in Scotland. Through our work on the Consumer Duty, and our collaboration with other public bodies, we are helping to ensure that services are designed around the needs of users, delivering better outcomes and improved value for public funds.

As Chair, I would like to thank my fellow Board members and the Executive Team for their commitment and effective leadership during the year. I also wish to recognise the dedication and expertise of all staff, whose work continues to make a meaningful difference to consumers across Scotland.

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Looking ahead, Consumer Scotland is well placed to build on the strong foundations established over its first three years. We will continue to strengthen our evidence base, deepen our partnerships and maximise our impact, ensuring that the interests of consumers are at the heart of decision-making across Scotland's economy and public services.

Signed by:
David Wilson
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David Wilson
Chair
08 October 2026

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Chief Executive Statement

Introduction

As the statutory body for consumer advocacy and advice, Consumer Scotland works to prevent harm, protect consumers and encourage economic participation, contributing to consumer confidence, effective public services and economic growth in Scotland.

Throughout 2025-2026 the most significant challenge facing consumers remained the cost of living crisis, with some households still struggling to recover their financial resilience after the energy crisis. The start of the Iran war in February 2026 is exacerbating this, pushing up global oil prices, fuelling wider inflation and putting pressure on household budgets.

Consumer Scotland also continues to operate within a challenging external environment, characterised by ongoing fiscal constraint across the public sector, increasing expectations on public bodies to demonstrate clear impact and value for money, and a continued focus on public service reform. These factors shape both the priorities for our work and how we operate as an organisation.

Our Strategic Plan for 2023-2027 sets out how we work with the public, private and third sectors to benefit consumers by delivering our statutory outcomes. This includes measures to mitigate the current impact of international crises on consumers and to prevent similar impacts in future, alongside improving consumer outcomes across the economy. Consumer Scotland is now entering the next phase of its evolution and we have started developing our next Strategic Plan.

Performance and impact

During 2025-2026 Elaine Lorimer, the former Chief Executive of Revenue Scotland, conducted the Statutory Performance Review of Consumer Scotland, with expert input from Claire Bailey, the Chair of the Consumer Council for Northern Ireland, concluding that Consumer Scotland is “a small, expert organisation with capability in research, data analysis, policy making and investigations” and “has built a strong base from which to develop”.

The Lorimer Review has highlighted opportunities to further strengthen Consumer Scotland's impact, influence and strategic leadership role. We have accepted the Review’s recommendations in full and the Board and Executive Team are using the findings of the review to consider how the organisation should evolve to maximise outcomes for consumers. The Board and Audit and Risk Committee (ARC) will continue to oversee delivery of these improvements.

As you can see later in this report, we have refreshed our Performance Framework in line with the Lorimer Review so that we are better able to set out our work and its impact.

We continue to invest in our relationships with advice delivery bodies. During 2025-26 this included the commencement of our statutory heat networks advocacy and advice function, and new responsibilities for managing consumer advice grant funding streams.

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Also, in April 2026 we were designated through secondary legislation as a body able to make super-complaints - a significant addition to our statutory remit. In 2026-2027 we will focus on developing the processes and considerations needed to apply all our powers effectively.

People

After grants, the largest proportion of our budget is spent on staffing. During the year we had 34.12 FTE staff, with expertise across policy, research, analysis, strategic partnerships and operations. Our structure facilitates the application of analytical expertise across markets, in-depth policy insight and the development of strong stakeholder relationships. We encourage an open and participatory structure across the organisation and facilitate regular engagement within and across teams. Our annual staff survey was very positive.

Leadership stability

Consumer Scotland's leadership structure is composed of an Executive Team (ET) and a Senior Leadership Team (SLT). During the year two people joined the SLT, the Head of Energy Markets and the Head of Energy Transition. The ET and remainder of team heads continued in role during the year. There were positive assessments of people's experience of working with their managers and teams in the annual staff survey.

Resourcing and capability

While our core funding has remained broadly flat in cash terms, this represents a reduction in real terms over time. At the same time, the scale of grant funding delivered through the organisation has increased, reflecting additional responsibilities. This creates structural pressures on organisational capacity and flexibility, as core functions must be delivered within a constrained resource envelope while managing a growing and more complex funding model.

In 2025-2026 we took steps to prevent significant increases in our accommodation and corporate services costs from April 2026 and continue to carefully manage our corporate costs. As a small organisation the greatest opportunities for participation in the public sector reform agenda are likely to be realised through collaboration with similar bodies, and we are working constructively through the Scottish Delivery Bodies Group, and the smaller Non-Ministerial Offices cluster to help facilitate that.

Board governance

During the year two Board members, Nick Martin, Chair of Audit and Risk Committee who had been a member since our establishment, and Lesley Halliday, left the Board. I am grateful to them for their contribution. In February we welcomed two new Board members, Marion McDonald, the new Chair of Audit and Risk, and Jane Clark Hutchison.

There is a strong working relationship between the Committees and the Executive Team, facilitating strategy development, decision-making and governance oversight. The Board convened for eight alternating strategic and governance meetings during 2025-2026, as well as ad-hoc meetings and correspondence. The Audit and Risk Committee met quarterly.

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Conclusion

Consumer Scotland continues to transition from its establishment phase into a more mature organisation, with clarity of role, strengthened governance and increasing impact. Our staff's commitment to their work for consumers was recognised in a letter a member of staff received from a member of the public, thanking her for her work, and noting that "I have met an organisation in Consumer Scotland that must be commended for understanding the bigger picture and taking matters to corridors that many of the public do not know exists to try and improve matters for the public".

Signed by:

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Sam Ghibaldan
Chief Executive
08 October 2026

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Overview

The purpose of this overview is to give a brief summary of Consumer Scotland, its objectives, performance during 2025-2026, the principal risks it faces and a summary of future plans. It is supported by a more detailed performance analysis.

Summary Performance Appraisal

Consumer Scotland has made good progress towards achieving the objectives set out in its Strategic Plan 2023-2027 and 2025-26 Work Programme. Performance during the year met or exceeded expectations across a range of key indicators, including publication of research and investigations, stakeholder engagement, implementation of the Consumer Duty, support for advice services, media reach and influence on policy development.

The organisation published 169 reports and publications during the year, commissioned 13 research projects and continued to support advice services assisting around 26,000 consumers across Scotland. Progress was also made in securing action on a range of consumer issues, including energy affordability, legal services reform and access to essential services.

While performance was strong overall, financial pressures across the public sector and increasing demands arising from Consumer Scotland's expanding remit continue to present challenges. These risks are being actively managed through workforce planning, prioritisation of activity and strengthened performance monitoring.

Based on the evidence set out in the Performance Analysis section, Consumer Scotland considers that it is making appropriate progress towards its strategic objectives and statutory outcomes and remains well positioned to deliver consumer benefits in future years.

Key Messages

- This Annual Report and Accounts sets out how Consumer Scotland has discharged its statutory functions, managed public resources and delivered outcomes for consumers during 2025-2026. Consumer Scotland is a Non-Ministerial Office established under the Consumer Scotland Act 2020 and accountable directly to the Scottish Parliament. This report is prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000, the Scottish Public Finance Manual and HM Treasury's Government Financial Reporting Manual.

- The report provides assurance that Consumer Scotland has continued to fulfil and strengthen its statutory role. During the year, the organisation delivered its functions across consumer advocacy, advice, research, investigations, information provision and representation of consumer interests, while also preparing for the exercise of new statutory super-complaint powers and implementing the findings of the organisation's first statutory performance review.

- Consumer Scotland has maintained effective governance, risk management and accountability arrangements. The Board, Audit and Risk Committee and Executive Team have provided oversight of strategic delivery, financial management and organisational

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risk. The Annual Report confirms that appropriate systems of governance, internal control and assurance have remained in place throughout the year and that statutory obligations have been met.

- The organisation has continued to demonstrate stewardship of public money and a commitment to Best Value. Consumer Scotland operated broadly within its approved budget, strengthened its medium-term financial planning, continued to identify efficiencies through collaboration with other public bodies and ensured that resources were directed towards delivering statutory outcomes and consumer benefit.

- Consumer Scotland has complied with wider public sector duties and reporting requirements. This includes duties arising from the Consumer Scotland Act 2020, the Public Finance and Accountability (Scotland) Act 2000, the Islands (Scotland) Act 2018, the Fairer Scotland Duty, the Consumer Duty, climate-related financial disclosure requirements and the Public Services Reform (Scotland) Act 2010.

- The report demonstrates how Consumer Scotland is maturing as Scotland's statutory consumer body while ensuring accountability to Parliament and the public. Alongside reporting on performance and impact during 2025-2026, it provides transparency on governance, risk, workforce, financial sustainability and future priorities, supporting Parliamentary scrutiny and public confidence in the organisation's use of public resources.

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Statement of Purpose

What we do

1.1 Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020[ii], it is accountable to the Scottish Parliament. Consumer Scotland's purpose is to improve outcomes for current and future consumers.

1.2 Consumer Scotland's strategic objectives are:

- to enhance understanding and awareness of consumer issues by strengthening the evidence base
- to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
- to enable the active participation of consumers in a fairer economy by improving access to information and support

1.3 In delivering these objectives, we work collaboratively with a wide range of partners with expertise in consumer policy, markets and consumer advocacy.

What we are

1.4 Consumer Scotland is a Non-Ministerial Office (NMO) and vested on 1 April 2022. This means we are part of the Scottish Administration but not part of the Scottish Government, ensuring our operational independence. Our staff are civil servants.

1.5 In March 2023 we published our Strategic Plan for 2023-2027[iii], setting out how we will deliver our statutory purpose and priorities over the medium term.

1.6 Consumer Scotland publishes an annual Work Programme which sets out our planned activity for the financial year. The Work Programme for financial year 2026-2027 was laid before the Scottish Parliament and published in March 2026.

Funding and accountability

1.7 Consumer Scotland's core funding is provided through the Scottish Government's Budget Bill and approved annually by the Scottish Parliament.

1.8 In addition, Consumer Scotland receives grant funding from the UK and Scottish Governments to support statutory activity in the electricity, gas, heat networks, postal and water sectors.

Our structure and approach

1.9 We aim to be a high performing, forward looking organisation that can respond effectively to changing market conditions and evolving consumer needs and expectations.

1.10 We are committed to holding both the public and private sectors to account through evidence led analysis and recommendations. Our work is informed by our overarching priorities of affordability, climate change mitigation and adaptation, and consumers in

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vulnerable circumstances, and is delivered in partnership across the consumer landscape to support a coherent and influential consumer voice in Scotland.

Table 1: Our structure

Board		
Chief Executive and Accountable Officer		
Director of Analysis, Research and Investigations	Director of Policy and Advocacy	Director of Operations and Partnerships, and Deputy Accountable Officer
Analysis	Energy Markets	Governance
Research	Energy Transition	Finance
Investigations	General Markets	Corporate Services
	Post	Strategic Partnerships
	Water	Communications

Board members

- David Wilson (Chair)
- Lesley Halliday (to May 2025)
- Nick Martin (to January 2026)
- Angela Morgan
- James Walker
- Marion McDonald (from February 2026)
- Jane Clark Hutchison (from February 2026)

1.11 Board member attendance at meetings was 97%.

Executive and Senior Leadership Teams

- Chief Executive: Sam Ghibaldan
- Director of Operations and Partnerships: Sue Bomphray
- Director of Analysis, Research and Investigations: David Eiser
- Director of Policy and Advocacy: Douglas White
- Assistant Director, Operations and Partnerships: Jill Rosie
- Head of Communications: Andy Denholm
- Head of Investigations: Craig McClue

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- Head of Analysis: Eleanor Mullan
- Head of Research: Jane Williams
- Head of Energy Markets: Barry Coughlan (appointed May 2025)
- Head of Energy Transition: Alistair Hill (appointed April 2025)
- Head of Policy and Markets: Tracey Reilly
- Head of Water: Gail Walker
- Head of Post: Grace Remmington

Statutory remit

1.12 Our remit and statutory functions as set out in the Consumer Scotland Act 2020 can be found in the table below. A statutory duty also placed on Consumer Scotland is to ensure an independent review of our performance was carried out three years after the organisation was established. Elaine Lorimer, former Chief Executive of Revenue Scotland, was appointed in December 2025 to carry out the review with the support of Clare Bailey, Chair of the Consumer Council for Northern Ireland, as an expert advisor. The Lorimer Review was shared with the Scottish Parliament's Economy and Fair Work Committee, Scottish Ministers and published on the Consumer Scotland website in March 2026. The recommendations set out in the report will shape Consumer Scotland's priorities for 2026-2027.

Table 2: Our statutory functions

Statutory Functions
Providing consumer advocacy and advice to: • reduce harm to consumers; • increase the confidence of consumers in dealing with businesses supplying goods and services; • increase the extent to which public authorities take consumer matters into account; • promoting sustainable consumption of natural resources, and other environmentally sustainable practices, in relation to the acquisition, use and disposal of goods by consumers in Scotland, and • otherwise advancing inclusion, fairness and prosperity and other aspects of wellbeing in Scotland.
Representation of consumers views to bodies including Government, Local Government and Regulators
Delivery of research and investigations
Provision of advice and information to consumers
Establish or secure the establishment of a publicly available database of recalls of goods

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1.13 Examples of where we have used our statutory functions to help consumers over the last year include using our information and recall of goods functions to deliver a consumer awareness campaign on the importance of registering electrical goods. The campaign reached over 430,000 people in Scotland through radio, printed and social media, increasing consumer awareness of:

- the importance of registering electrical goods they've purchased
- the steps to take when they find themselves in receipt of an unsafe product good
- where they can obtain free advice on unsafe goods they have purchased and any harm the purchase has caused

During and shortly after the campaign, just under 2,000 people visited Consumer Scotland's website to retrieve information on recall of goods which also includes signposting to other safety websites such as food, electrical goods, vehicles, drugs and medical devices.

1.14 Consumer Scotland exercised its strategic function by publishing guidance for public bodies on how to apply the Consumer Duty to strategic decisions in February 2025. We continue to promote the duty and how it can support public bodies achieve our statutory outcome of improving consumer confidence enabling economic growth while also supporting the delivery of the Scottish Government's public service reform strategy.

1.15 We also now have statutory super-complaint powers, granted through secondary legislation, representing a significant addition to our existing functions. These powers enable us to formally raise concerns with the Competition and Markets Authority (CMA) where there is evidence of market practices causing widespread consumer harm.

Grant Funding

1.16 As the statutory leader for the consumer sector in Scotland, we are supporting our third sector delivery partners on behalf of the Scottish and UK Governments across the consumer advice support network while ensuring duplication is avoided and value for public sector money is delivered.

1.17 In 2025-2026, we delivered a total of £2.84M grant funding to the following organisations enabling approximately 26,000 consumers to access essential help and support while addressing or preventing financial detriment exceeding £43M.

1.18 This demonstrates Consumer Scotland's focus on maximising the impact of public funds, both through direct delivery and through effective funding of partner organisations.

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Table 3: Our third sector grant funding

Organisation	Workstream
Citizen's Advice Scotland	Advocacy and Education Work Programme
	Big Energy Savings Network
	Tier 2 Advice for Heat Network Consumers
Advice Direct Scotland	consumeradvice.scot advice service
	Tier 1 advice for Heat Network Consumers
Citizen's Advice	Consumer Workplan

Public Service Reform

1.19 Consumer Scotland plays an active role in supporting public service reform in Scotland, with a focus on ensuring public services are designed and delivered in a way that reflects the needs and experiences of consumers. Central to this is our leadership of the Consumer Duty, which requires public bodies to consider the impact of strategic decisions on consumers and to reduce harm. Through the development of guidance and our programme of engagement with public authorities, we are supporting more consistent and effective application of the duty, contributing to improved decision-making, better value for money and stronger outcomes for service users.

1.20 As a small Non-Ministerial Office, we also contribute to reform through collaboration and shared approaches with comparable public bodies. During the year, we have continued to work closely with other NMOs and through the Scottish Delivery Bodies Group to share expertise, align activity where appropriate and identify opportunities for efficiencies. This collaborative approach supports effective use of public resources while strengthening the collective impact of the wider public sector.

1.21 Through our statutory functions, convening role and sector leadership, Consumer Scotland is well placed to support system-wide improvement. We bring together evidence, stakeholder insight and cross-sector engagement to help embed a stronger consumer perspective in policy, regulation and service design. This system leadership role will continue to be an important contribution to public service reform over the coming years.

Operating Environment and Financial Sustainability

1.22 Looking ahead over the next two to three years, Consumer Scotland expects to continue operating within a constrained fiscal environment, with core grant-in-aid funding likely to reduce in cash terms. This will result in ongoing real-terms pressures as inflationary and pay-related costs increase.

1.23 At the same time, the organisation's funding model remains partly dependent on external sources, including levy-funded income and grant funding from UK and Scottish Government

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partners to support statutory functions across key sectors. While these arrangements provide important support for delivery, they introduce a degree of variability and dependency which requires careful financial planning and prioritisation.

1.24 Taken together, these factors will continue to shape the organisation's capacity and flexibility, requiring ongoing focus on prioritising activity, demonstrating value for money, and working collaboratively with partners to maximise impact within available resources.

Artificial Intelligence and Emerging Technologies

1.25 Artificial intelligence (AI) is playing an increasingly important role in the economy and in the way consumers access goods, services and information. During the year, Consumer Scotland continued to develop staff awareness and capability in relation to AI and emerging technologies. We will continue to assess the opportunities and risks these developments present for consumers and for our organisation, ensuring that any future use of AI supports effective delivery of our statutory functions and is accompanied by appropriate governance, transparency and safeguards.

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Performance Summary

1.17 This report is produced in accordance with HM Treasury's published 'Government Financial Reporting Manual 2025-2026[iv]'.

Performance Framework

1.18 In December 2023, Consumer Scotland published its first Performance Framework, setting out how we will measure our performance as an organisation. During 2025-2026 we reviewed and refreshed this framework, with the new framework approved by the Board in May 2026.

1.19 The Framework sets out:

- A simplified Strategic Theory of change, centred on our five statutory outcomes
- The information that we gather to monitor our performance
- Our approach to reporting on our impact, including:
  - A high level 'snapshot' of the benefits for consumers our work has delivered in the previous 12 months
  - A set of short case studies, demonstrating how our work on a range of issues has helped consumers in Scotland.
  - An overview of the recommendations we have made on behalf of consumers during the previous year, including a 'RAG' report on progress against our recommendations and a thematic report on the type of recommendations we have made to benefit consumers
  - Organisational activity indicators, which are quantifiable measures on our performance. These measures are split into two categories: measures provide information on how we are delivering our functions in order to achieve our statutory outcomes; and measures which provide information on the effectiveness of our governance and operations.

1.20 A full report on our Performance Framework for 2025-2026 is provided in the Performance Analysis section below.

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Table 4: Consumer Scotland's Fourth Year

2025-26 Work Programme delivered	£7.34M budget	Consumer Duty came into force 1st April 2025 - guidance published
Designated through secondary legislation as a body able to make super-complaints	£2.84M grants issued	Independent Statutory Review of Performance published
Significant media coverage on key consumer issues	Recall of Goods information campaign reached over 430k consumers	2026-27 Work Programme laid before Parliament & published
42 permanent staff 5 temporary staff 5 board members	Heat Networks regulation came into force 27th January 2026	81,483 website views 52,987 social media views
"Converting Scotland's Home Heating" investigation report published	"Used Cars" investigation launched	169 publications including 70 consultation responses

Strategic Risks

1.21 Consumer Scotland maintains a comprehensive Strategic Risk Register which is regularly reviewed by the Board and Audit and Risk Committee. The principal risks identified during 2025-2026 reflect the organisation's evolving remit, funding position and operating environment.

1.22 Our Strategic risks are identified, monitored and assessed regularly by the Executive Team, the Audit and Risk Committee and the Board, in line with our risk management framework. In 2025-2026, following the publication of the Lorimer Review, our key strategic risks were refreshed and are listed below with further detail on mitigation, controls and actions given at Table 9.

1.23 The most significant risks relate to:

- **Financial sustainability** – the risk that ongoing real terms pressure on core funding, alongside increasing reliance on constrained levy funding, limits Consumer Scotland's ability to deliver across the breadth of its statutory remit and demonstrate impact.
- **Funding model and external dependencies** – the risk that reliance on levy funding and funding partners may distort organisational priorities, reduce flexibility and create reputational risk where delivery is perceived as imbalanced across consumer markets.
- **Delivery, impact and reputation** – the risk that Consumer Scotland's work programme and investigations are not perceived as sufficiently evidence-led or impactful, reducing confidence among Parliament, funders and stakeholders.

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- **Organisational capacity and capability** – the risk that workforce capacity, capability and leadership do not keep pace with an expanding and increasingly complex remit, impacting delivery, resilience and long-term sustainability.
- **Operating model and flexibility** – the risk that Consumer Scotland's structure and ways of working do not provide sufficient agility to respond to emerging consumer harms, new statutory responsibilities and shifting priorities.
- **Strategic position and influence** – the risk that Consumer Scotland is not fully established as the strategic leader within Scotland's consumer landscape or does not successfully embed a consumer perspective within wider public service reform.
- **Statutory delivery and legislative constraints** – the risk that limitations in legislation, funding or capacity constrain the organisation's ability to fully discharge key statutory functions, including investigations and consumer duty responsibilities.
- **Third party and partnership** – the risk that insufficient oversight of third parties and delivery partners reduces assurance over the use of public funds and impacts delivery or reputation.

1.24 These risks are actively managed through established governance, financial planning, performance monitoring and stakeholder engagement arrangements. While a number of risks remain at medium to high levels due to the external fiscal and operating environment, controls and mitigation actions are in place and continue to be strengthened.

1.25 In addition to our Strategic Risk Register, we maintain an Operational Risk Register which is reviewed regularly with our staff, Senior Leadership Team and Executive Team. This includes risks we are actively managing but which are not considered strategic risks.

1.26 Risks are moved between the Strategic Risk Register and Operational Risk Register during the year as the impact/likelihood scoring changes in relation to the target range.

1.27 Mitigation strategies and key controls have been considered for our major risks taking account of our risk appetite; more detail is included at Table 9. These measures are being embedded in our processes and inform our Strategic Plan.

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Performance Analysis

1.28 We provide here an analysis of Consumer Scotland's performance in 2025-2026.

Our Strategic Theory of Change

1.29 Consumer Scotland was set up to deliver five statutory outcomes for consumers. We deliver our functions and duties to secure these outcomes. We have recently published a new, simplified Strategic Theory of Change, which sets out what we do, who we work with the impact our work makes to secure our outcomes.

Table 5: Strategic Theory of Change

Ambition: Every consumer can participate in a fair and sustainable economy, confident their needs and aspirations will be met

What we do	Who we work with	The impact our work makes	The outcomes we achieve
•We **represent and advocate** for consumers by providing **insight, information and recommendations** to decision-makers •**We gather, analyse and publish evidence** on the issues that matter to consumers •We **investigate** sectors or practices where there is evidence of consumer harms •We provide, or fund **advice and information** to support consumers •We ensure the establishment and operation of, a **publicly available database of recalls of goods** •We provide **guidance to public bodies** to inform their statutory duty to have regard to consumers interests	•Consumers •Small businesses •Governments •Parliament •Regulators •Public authorities •Businesses •Advice bodies •Enforcement bodies •Representative groups •Researchers •Third sector organisations •Media	•There is improved **awareness and understanding** of the issues that matter to consumers •**Policy, legislation and regulation** addresses the priorities of consumers in Scotland •**Decision-makers are held to account** for the impact of their decisions on consumers •**Businesses and public bodies adopt approaches that deliver positive outcomes for consumers** buying or using goods and services •**Organisations across the consumer landscape work better together** to deliver positive consumer outcomes •Consumers get access to the **advice and information** they need	•**Reduced consumer harm** •Increased **consumer confidence** in dealing with businesses that supply goods and services •Consumer matters are increasingly taken into account by **public authorities** •**The sustainable consumption** of natural resources and other sustainable practices is more widely promoted •**Inclusion, fairness, prosperity** and other aspects of wellbeing in Scotland are advanced

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Monitoring our performance

1.30 To inform our Performance Analysis and understand the contribution of our work to delivering positive outcomes for consumers, Consumer Scotland monitors a range of information on our delivery.

1.31 This includes information about:

- Policy, research and investigation reports published
- Our recommendations to key decision makers, recorded in our Recommendations Register
- Written and oral evidence provided to Parliament
- Formal consultation responses
- Formal correspondence with Ministers, regulators, businesses and other key decision makers
- Briefings provided to Parliamentarians
- Media coverage
- Membership of external advisory, policy and working groups
- Research projects commissioned and number of consumers engaged in our research
- Data sharing agreements with key partners
- Consumer information campaigns we have run or supported
- The number of consumers supported through advice services we fund and the type of advice provided
- Information on how public bodies have engaged with our Consumer Duty guidance

1.32 Drawing on this evidence, we set out below our analysis of the impact of our work in 2025-2026 across the economy, against our five outcomes.

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Impact Snapshot: key outcomes we have delivered for consumers in Scotland during 2025-26

Table 6: Impact Snapshot

More energy consumers will receive automatic payments of affordability support	Progress towards new bill support for terminally ill energy consumers	Better protection for consumers during the RTS switch off	Improved protections for small business energy consumers
Improved telecommunications systems for consumers in Scotland	Better system for consumers investing in green home heating	Stronger regulation and access to expert advice for heat network consumers	Water bill charging and affordability policy review commitment
Increased consumer awareness of the importance of registering electrical goods	More protection for people using legal services	Commitments to improved protections for tenants	Progress towards a more transparent system for water complaints
A more consumer-focused post office network	A stronger consumer voice in changes to the universal postal service	Better information for postal consumers	Stronger protections for people undergoing non-surgical cosmetic procedures
Tackling consumer detriment through high quality advice	A more citizen-focused approach to public services through the Consumer Duty	A stronger focus on consumers in environmental policy	Better information for bus users

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Reducing Consumer Harm

Progress towards new bill support for terminally ill energy consumers

1.33 Research by Marie Curie shows that terminally ill people's energy bills can be 75% higher than the average household's, depending on their condition, due to the cost of running medical equipment, and their other increased heating and power needs.

1.34 However, the support for energy bills currently available to consumers is generally income-based. It does not take account of the impact of higher essential energy usage, which means that terminally ill people do not receive the level of financial support that they require. This presents significant risks to their physical and mental health and places them at greater risk of falling into debt or disconnecting from their energy supply.

1.35 Consumer Scotland recognised this gap in the energy bill support system. Since late 2024 we have delivered a package of work to tackle this issue. This has included:

- new research highlighting consumers' own needs, experiences and preferences for energy bill support
- briefing papers setting out policy options and costings for extending additional support to terminally ill consumers
- working with third sector partners to strengthen the evidence base for our proposals
- work to set out a clear delivery vehicle, via the Special Rules for Terminal Illness (SRTI), through which our proposals could be realised
- engagement with Scottish Government officials and formal correspondence with the Minister and elected representatives from all political parties to set out our proposals
- highlighting the issue and our recommendations in the national media

1.36 The Sunday Mail picked up our proposals and ran a dedicated campaign backing our recommendations. Ahead of the 2026 Scottish Parliament elections a number of political parties included specific commitments in their manifestos to support terminally ill consumers with their energy bills, in line with our recommendation.

1.37 When enacted, our analysis indicates that additional energy bill support for those who are terminally ill will benefit more than 13,000 consumers in vulnerable circumstances across Scotland.

Better protection for consumers during the Radio Teleswitch Service (RTS) switch off

1.38 The signal for RTS electricity meters was due to be switched off at the end of June 2025. There was significant concern about the potential harm this could have caused for consumers in Scotland, including a risk of loss of heating or hot water. More than 100,000 consumers in Scotland were still using RTS meters in June 2025.

1.39 Consumer Scotland pressed Ofgem for action over many months to tackle risks to consumers presented by the switch off of RTS electricity meters:

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- Representatives from Ofgem attended our Energy Consumers Network, involving frontline advice agencies from across Scotland, to hear directly about consumers' experiences in trying to switch RTS meters
- We wrote formally to the Chief Executive of Ofgem in seeking assurance that regions in Scotland with high numbers of RTS meters would not be switched off first. We also sought assurance on the actions that would be taken to protect consumers in the event of an interruption in power supply and on the support and pressed for more financial support for consumers in covering some of the remedial costs associated with switching meters
- We raised issues through our membership of the Ofgem RTS stakeholder group
- We provided analysis to the Scottish Government to support their engagement with the energy industry on the issue
- We highlighted the issue through the media

1.40 The regulator provided written assurance on the phasing of the switch off, contingency planning, customer communications, escalation routes, engineering capacity, and enforcement and accountability. Only select regions with a small number of RTS meters were part of the early phases of the switch off in Scotland while further switch offs were paused until spring 2026 to minimise the risk of negative impacts over winter.

1.41 There were originally 250,000 consumers in Scotland who used RTS meters. By April 2026 approximately 35,000 consumers in Scotland were still using these meters

Increased consumer awareness of the importance of registering electrical goods

1.42 Consumer Scotland has a duty to ensure Scottish consumers have access to a recall of goods database.

1.43 We identified an issue with consumers choosing not to register electrical goods they've purchased. This is problematic as registration of goods is essential to ensure consumers are alerted about any recalls made by manufacturers of the goods they have purchased. Approximately 10% of consumers across GB have experienced electrical fire or shock caused by an unsafe electrical product they've bought online.

1.44 To respond to this problem Consumer Scotland ran a national safety information campaign in Scotland over December 2025 and January 2026 to raise awareness of the UK product safety recall database and the importance of registering electrical goods. The campaign was designed to raise national awareness across Scotland, ensuring consumers were informed about product recalls and the importance of registering electrical goods. The timing of the campaign was designed to reach consumers at a time when the volume of electrical goods purchased are high (Black Friday sales, Christmas shopping and New Year sales).

1.45 The campaign also signposted consumers who required, or could require support in the future, to the national advice service.

1.46 The campaign reached over 430,000 people in Scotland through radio, printed and social media, increasing consumer awareness of:

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- the importance of registering electrical goods they've purchased
- the steps to take when they find themselves in receipt of an unsafe product
- where they can obtain free advice on unsafe goods they have purchased and any harm the purchase has caused

1.47 During and shortly after the campaign, just under 2,000 people visited Consumer Scotland's website to directly access information on recall of goods. The website also includes information signposting people to other relevant safety websites such as food, vehicles, drugs and medical devices.

Stronger protections for people undergoing non-surgical cosmetic procedures

1.48 There has been a significant rise in recent years in the number of people in Scotland undergoing a range of non-surgical cosmetic procedures. A gap in regulations meant these procedures, which involve the piercing or penetration of a person's skin, could be performed by anyone without a need for qualifications. Evidence from medical professionals, advice agencies, enforcement bodies and elected representatives highlighted growing concern with the number and nature of physical and mental health problems experienced by many consumers who had undergone procedures.

1.49 Consumer Scotland responded to these challenges by applying our evidence and advocacy to inform new legislation to regulate non-surgical procedures in Scotland. We engaged with early Scottish Government work on the issue, provided written and oral evidence to the Scottish Parliament, issued briefings to MSPs, and secured high profile national media coverage drawing attention to the need for more action to protect consumers.

1.50 The Scottish Parliament passed new legislation in March 2026, introducing regulations to better protect consumers in Scotland when they access cosmetic procedures. The new laws, and the policy commitments made by government alongside the legislation, reflect many of the key priorities highlighted in Consumer Scotland's advocacy. This includes:

- Better information to ensure consumers are able to make an informed decision about potential treatments, to be delivered through a public awareness campaign, new requirements on providers and increased engagement with the Advertising Standards Authority
- More support for businesses to achieve regulatory compliance, helping to maintain consumer access and choice
- Measures to ensure the regulator of the new rules has sufficient monitoring and enforcement capacity
- Measures to ensure a cohesive approach between the new legislation and local licensing systems, so that the new system is clear and easy for consumers to understand and rely upon

1.51 The Scottish Government has estimated that 1,000-1,500 unregulated businesses have been providing non-surgical cosmetic procedures in Scotland.

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Tackling consumer detriment through high quality advice

1.52 Advice services play a vital role in supporting, empowering and gaining fairer outcomes for consumers across Scotland by:

- mitigating the impact of harm brought to consumers
- preventing issues developing into more complex ones
- where issues are more complex, using specialist skills to support vulnerable consumers navigate that complexity
- helping improve standards across industry, preventing harm coming to consumers
- helping remove more pressure on public services such as health and social security in the longer-term
- providing support to micro and small businesses who are deemed consumers in the Consumer Scotland Act 2020

1.53 In 2025-2026, as the statutory leader of the consumer sector, Consumer Scotland funded the delivery of the consumeradvice.scot service and the Tier 1 and Tier 2 advice services for heat network consumers. Informed by Consumer Scotland's strategic priorities, these services provide:

- Tier 1 level support to consumers who have experienced harm when purchasing goods or services, delivered by Advice Direct Scotland
- Tier 1 and 2 level support to consumers who are experiencing harm with their energy supply from a heat network delivered by Advice Direct Scotland and Citizens Advice Scotland respectively

1.54 In 2025-2026, the advice bodies supported a total of approximately 26,000 consumers and reported to either have addressed or prevented over £43 million of financial detriment faced by consumers.

1.55 The insights and intelligence the advice services provide also helps shape more effective decision-making by the public and private sectors. For example, advice service data is shared with Consumer Scotland, as the statutory body for consumer advocacy and advice, to inform our investigations pipeline, including our previous investigations into the used car market and green home heating.

Working across markets to reduce consumer harm

1.56 We delivered a range of additional activity across the economy to reduce consumer harm in 2025-2026. This work included:

- We engaged closely with the Competition and Markets Authority in response to the sharp rise in the price of **heating oil** experienced by consumers at the start of the Middle East conflict. We provided evidence to the CMA of the immediate experiences of consumers in Scotland and provided advice to inform the scoping of their market study into the sector, to ensure it takes account of the specific issues facing consumers in Scotland.

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- We engaged with Ofgem on its proposals for a **Debt Relief Scheme** for energy consumers. We advocated for the development of the scheme and provided advice on the data that should be used to identify eligible consumers, to avoid disadvantaging consumers in Scotland.
- We highlighted a number of problems with Ofgem's original plans for **standing charge reform**. The proposed changes would have benefited some consumers but we were concerned that the proposals would have introduced additional complexity and led to more consumers being worse-off. Ofgem has revised its approach to a more balanced model which will give consumers greater choice of tariffs.
- We advocated for improved consumer protection during the UK's **switchover to digital landline telephones.** One of our key recommendations was for action to improve public awareness and in June 2025 an industry-led awareness raising campaign targeting telecare users and their support networks was launched. We engaged with BT, Openreach and Virgin Media to influence the design of their outreach and engagement programmes to ensure these work effectively for consumers in Scotland.
- We provided evidence to Ofcom, the telecommunications regulator, to inform their work tackling **mobile messaging scams.**
- We worked in partnership with Young Scot to gather new evidence of **young people's experience of scams** in different markets. We will publish our results of this work in 2026.
- We continued to engage with the Scottish Government, regulators and industry to press for action to resolve the significant problems experienced by former clients of the **collapsed law firm McClures**. We received written assurances from the successor legal firm that those affected in Scotland would be contacted in the same timeframes as those in England and Wales, despite the more limited regulatory powers on this issue in Scotland.
- We launched our second investigation, to tackle consumer detriment in **Scotland's used car market.** Our work is focusing on causes of consumer harm, standards across different traders, consumer protection and quality assurance and remedies and redress when things go wrong and will be published in 2026.

Improving Consumer Confidence

Secured commitment to improved protections for small business energy consumers

1.57 The UK Government is introducing new legislation for Third Party Intermediaries (TPIs) to be directly regulated in the energy market. TPIs include services such as price-comparison websites, aggregators and auto-switching services.

1.58 A Consumer Scotland survey of small businesses in Scotland found that only 37% agreed they pay a fair and reasonable price for products in the energy market. Dissatisfaction with the role of intermediaries in the energy market was higher amongst Scottish small businesses than in other markets.

1.59 Consumer Scotland recommended that the UK Government introduce a "hybrid" authorisation regime for the new regulations, to enable closer scrutiny of high-risk TPI

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business models. The model we recommended was not in the options originally presented by UK Government, but they have subsequently given their support to our proposals.

1.60 This means that where TPIs have greater control over consumer decision-making, they will need to adhere to stricter rules allowing them to operate in the market. In turn this can help give the small businesses in Scotland that use TPIs greater confidence in their dealings with them. The Government's original preferred option was for a lighter-touch system of regulation.

1.61 The new regulations will help to better protect users of TPIs from risks such as poor customer service, difficulties resolving complaints and lack of transparency. This is vital to ensuring the 377,000 small businesses in Scotland can confidently use TPIs services to secure affordable and sustainable energy at a time when many are struggling with persistently high energy prices.

1.62 Consumer Scotland's work to help secure this positive outcome included:

- Gathering evidence of 700 small businesses in Scotland experience of energy markets and use of TPIs through our small business survey
- Responding to the UK Government's consultation on its proposal to regulate TPIs, recommending tighter rules for higher-risk TPIs
- A targeted programme of bilateral stakeholder engagement including UK Government, Ofgem, energy suppliers, small business representative bodies and the Energy Ombudsman
- Coordinated wider engagement and media activity to outline the key challenges and opportunities associated with TPI regulation

1.63 Our work on this issue is ongoing, with regulation due to come fully into force in 2027-2028

More protection for people using legal services

1.64 Consumers often use legal services in distressing or stressful life circumstances, raising risks around consumer vulnerability.

1.65 In June 2025 the Scottish Parliament passed the Regulation of Legal Services Act. The Act aims to reform the regulatory systems and create a more flexible, consumer focused legal services market. Consumer Scotland identified that the consumer protection elements of the draft legislation needed strengthening. We engaged extensively with the parliamentary process, working with other consumer bodies to secure improvements to the legislation so that it delivers more effectively for consumers.

1.66 Our recommendations focused on improving the accountability and transparency of regulators and strengthening consumer representation. Our advocacy informed changes which will:

- require regulatory bodies to demonstrate how they are meeting objectives
- provide more avenues through which a regulator's performance can be reviewed
- deliver a strengthened remit for the Independent Consumer Panel

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- ensure a post legislative review of the effectiveness of the legislation

1.67 To inform these improvements Consumer Scotland gave oral and written evidence to Parliament, provided written briefings for MSPs, engaged extensively with government officials, provided insight through our membership of the Scottish Legal Complaints Commission Independent Consumer Panel and delivered new research on consumer experiences of legal services.

1.68 The new legislation will help to make the legal regulatory system more responsive to consumer needs and experience, ultimately delivering improved consumer outcomes. This includes making it simpler and quicker for consumers seeking to resolve complaints against legal practitioners.

1.69 Consumer Scotland research shows that almost half (48%) of adults in Scotland have experienced events in the last two years that indicated they may have needed legal support. Almost a third (31%) told us they have used legal services in this period.

Progress towards a more transparent system for water complaints

1.70 Data on customer complaints can help to identify problems in services and provide an impetus for action to improve consumer outcomes. Publication of complaints data is widely recognised as good practice across UK essential services, supporting transparency, accountability and improvements in service standards.

1.71 However, while complaints data is routinely published and used to drive improvements in other regulated sectors, including energy, communications, financial and the water sector in England and Wales, there is currently no detailed or accessible breakdown published of customer complaints in Scotland's water sector. This limits the ability of consumers, regulators and stakeholders to assess performance, identify recurring issues and understand how complaints information is driving service improvement.

1.72 To address this issue, Consumer Scotland reviewed and compared how customer complaints data is collected, published and communicated across the UK energy, communications, water and financial services sectors. Drawing on examples of good practice, we assessed the accessibility, transparency and comprehensiveness of published data and identified gaps and inconsistencies. We set out clear findings and recommendations to improve the publication of water complaints data in Scotland, aiming to strengthen accountability, support regulatory oversight and enhance the value of complaints data for consumers and stakeholders.

1.73 Our analysis has helped to facilitate meaningful stakeholder engagement on how complaints data is used and published across the Scottish water sector. We are working with Scottish Water to develop a new approach to publishing complaints data over the coming year.

1.74 Scottish Water receives up to 300,000 customer contacts each year. 500 escalate to formal complaints.

Better information for postal consumers

1.75 As the statutory consumer body for post consumers in Scotland, Consumer Scotland identified that consumers in rural Scotland who purchased a number of Royal Mail's time-

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bound (e.g. 24-hour or 48 hour) parcel services were not always being given clear or timely information about delivery speeds at the point of purchase.

1.76 Many rural postcodes in Scotland are not guaranteed to receive deliveries of these services within the advertised delivery windows. However, the online consumer journey meant there was a significant risk that these consumers would be unaware of this, as information that their postcode area was exempt from these products was not easily available.

1.77 This created a risk of consumers in rural Scotland not being able to make an informed choice and making transactional decisions which could cause frustration, inconvenience or detriment. The issue was particularly significant given the reliance on the postal service for rural businesses and consumers.

1.78 Consumer Scotland formally engaged with Royal Mail to raise concerns about the consumer journey for purchasing time-specific parcel products. We requested that Royal Mail review how information about delivery speed and service performance was presented during the purchasing process, with a focus on ensuring that consumers were clearly notified when a service was slower than advertised before they completed a purchase.

1.79 Royal Mail committed to undertaking a review of its online purchasing journey for parcel services and to implement changes to improve transparency and clarity for consumers, including making improvements to how information about delivery speeds is presented to consumers purchasing time-specific parcel services.

1.80 It is estimated that around 475,000 consumers in Scotland, across affected postcode areas, will benefit from clearer, more transparent information about Royal Mail's time-specific parcel services as a result of this work.

A better system for consumers investing in green home heating

1.81 More than two million homes in Scotland will need to move to low or zero-emissions heating by the end of 2045 to meet the Scottish Government's net zero targets. This will require the mass adoption of low-carbon heating systems by consumers.

1.82 Consumer Scotland published a major investigation into the green home heating market in 2025. We reported, drawing on a substantial evidence base, that significant work is required if this transition in home heating is to work well for consumers. We identified that consumer confidence in this market in Scotland is low, and uptake of green heating is lagging. Problems consumers face include scams, misleading marketing, rogue trading and upfront costs.

1.83 We put forward a package of recommendations to the UK and Scottish Governments and industry to tackle these barriers. Our recommendations focused on the need for action and improvement across key consumer priorities including awareness raising, advice and support, funding, service standards, consumer protection and enforcement and complaints systems.

1.84 The launch of our investigation report secured significant media coverage across print and broadcast media and was well received by stakeholders across government and the consumer landscape.

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1.85 The Scottish Government is now taking forward work that addresses a number of the issues highlighted in our report. This includes reforms to Energy Performance Certificates, confirmation of funding for a central source of funding and advice for consumers and initiating work on the design of a future advice service and funding schemes. Consumer Scotland continues to work closely with government and standards bodies on our recommendations to support their implementation and deliver improved consumer outcomes.

Better information for bus users

1.86 Access to accurate information is important for consumers being able to make informed decisions about their use of bus services. Transport Scotland has developed proposals to expand the journey planning data available to bus consumers, providing additional information to passengers.

1.87 Consumer Scotland welcomed these proposals but identified potential risks of consumers being overloaded with information and with ensuring the accuracy of live information. We engaged with Transport Scotland and other key stakeholders to highlight these issues and advocated for the new measures to be piloted with consumers and phased in to ensure, accuracy, ease of use and accessibility for consumers. Transport Scotland recognised this advice and committed to creating supporting guidance on information provision in collaboration with bus operators and to undertaking further work on the best way for additional data to be presented to avoid consumer confusion.

1.88 Alongside others, we also advocated for longer distance bus journeys to be included within open data, as rural consumers in particular rely on some of these services regularly. Transport Scotland committed to revisiting this issue and to undertake additional work to examine how best to make open data on long-distance coach journeys available, potentially through legislation.

1.89 Nearly 6% of people in Scotland travel to work by bus.

Working across markets to improve consumer confidence

1.90 We delivered a range of additional activity across the economy to improve consumer confidence in 2025-2026. This work included:

- We chaired the stakeholder group which led the work to introduce the first ever code of practice for suppliers in **Scotland's non-domestic water market**, to improve the services delivered to business consumers. The code of practice has been in operation since April 2025. We are now leading the Code of Practice Governance Group, which provides a dedicated forum to drive continuous improvements to the Code of Practice, with the aim of delivering better outcomes for customers.
- We published new research on the experiences of **700 small businesses in Scotland, examining their experiences as consumers in 11 different markets**. Our recommendations highlight the need for a greater focus by regulators on the issues that small businesses encounter as consumers. Our work secured prominent media coverage and we are engaging with key stakeholders on the delivery of our recommendations, including the Competition and Markets Authority, FCA and Ofgem.

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- We provided evidence to the UK Government and the Financial Conduct Authority to press for improvements for consumers in Scotland across a range of issues in the **financial services sector**. Our recommendations included proposals for improvements on Buy Now Pay Later, contactless payment limits, deposit protections, targeted consumer support and changes to the sector's redress system
- We gave advice to the UK Government to inform the development of a new statutory code of practice for **private parking**. Our recommendations represented the interests of consumers in Scotland on issues including parking charges, debt recovery fees, consumer information and redress
- We have engaged with the Scottish Civil Justice Council on proposals to **introduce opt-out group proceedings (class actions).** We have provided our support for the proposals but made recommendations to strengthen consumer safeguards to ensure transparency, fairness and effective consumer participation.
- We provided evidence to the UK Government to inform their proposals intended to improve the pace, predictability, proportionality and process of the UK's **competition regime**

Improving consideration of consumer matters by public bodies

A more citizen-focused approach to public services through the Consumer Duty

1.91 Users of public services need those delivering these services to have a deep understanding of their priorities and to put their interests at the heart of service design, delivery and reform.

1.92 The Consumer Duty requires public bodies in Scotland to take account of the interests of consumers when making strategic decisions. As Scotland's statutory consumer body, Consumer Scotland has a key role in the delivery of the Duty.

1.93 In 2024-25 we delivered comprehensive guidance for public bodies, to help them strengthen their focus on putting citizens and users at the centre of public services. In 2025-2026 we extended our programme of engagement, delivering information sessions on the Consumer Duty with around 40 public bodies including government, local authorities, health boards and regulators. We also delivered 10 bespoke webinars to public bodies at senior decision-maker level.

1.94 These sessions have demonstrated to authorities the wider benefit of the Consumer Duty such as enhanced consumer confidence in public services and the potential to contribute to economic growth. Effective application of the consumer duty will deliver:

- more effective and inclusive decision making by public bodies
- better value for money, with less time and resource spent resolving complaints
- stronger cross-sector working
- increased user confidence in public services, which are more reflective of their needs

1.95 We will continue our programme of activity in 2026-2027 to identify best practice from across the public sector in application of the Consumer Duty and a stronger user-focus in service delivery.

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Water bill charging and affordability policy review commitment

1.96 In Scotland, a process called the Strategic Review of Charges decides what consumers will pay for water and sewerage services over a six-year period. These charges also determine the level of investment that Scottish Water is able to make in its infrastructure and services during that time.

1.97 This process must strike the right balance for consumers today and consumers of the future. If water services and infrastructure are not invested in properly now there is a risk of service failure, or even higher costs in future. But consumers today need to be able to afford the charges that are being asked of them.

1.98 To tackle this challenge Consumer Scotland agreed a Memorandum of Understanding with Scottish Water and the Water Industry Commission of Scotland to put consumer voices at the heart of the review process.

1.99 We commissioned an independent research programme to engage over 100 household and non-household consumers to inform, review and test Scottish Water's business plan. We gave consumers the opportunity to learn about the services provided by Scottish Water and the sector's strategic priorities and challenges. Consumers were able to directly put questions to senior leaders in Scottish Water and WICS to challenge areas of concern and strengthen their understanding around the drivers of decisions and how Scottish Water will be held to account.

1.100 Our consumer research had demonstrable impact on the shape of Scottish Water's Final Business Plan. Our participants were clear that they expected a different balance between affordability and customer outcomes linked to water services in the final plan. The company subsequently reduced its proposed annual charge increase from CPI+4% (as set out in its draft plan) to CPI+3.3% - the equivalent of £400 million that would have been asked to pay. We have since carried out further research to allow consumers to give the view on Scottish Water's final Business Plan and provided that to the Water Industry Commission for Scotland to inform their draft Determination of Charges.

1.101 Alongside our work on the Strategic Review of Charges we published separate new analysis on the affordability of consumers' water bills in Scotland and made recommendations to the Scottish Government to increase the discounts offered to consumers, to tackle water poverty. The government has now committed to reviewing the system for affordability measures in the sector during the next water charging period, recognising the limitations of the current system. This responds directly to one of the key recommendations in our report.

1.102 2.6 million households in Scotland and 160,000 non-household customers, receive services from Scottish Water.

A more consumer-focused post office network

1.103 Post offices deliver a range of important services for consumers, including access to postal services, banking, utilities and government services.

1.104 In 2025 the UK Government set out a Green Paper on the future of the Post Office in the UK. Consumer Scotland engaged with this process to represent the interests of consumers in Scotland. The key priorities that we advocated for included:

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- Retaining the current requirement for a minimum of 11,500 post offices across the UK.
- Retaining current geographical 'access criteria' for post offices. This guarantees that 99% of the UK population must live within three miles of their nearest post office branch and 95% of rural households must be within three miles.
- Introducing a stronger consumer focus with an emphasis on high quality service delivery in the future ambitions for the post office network
- Ensuring sufficient funding available to deliver the range of services provided through post offices, to ensure access for consumers and the sustainability of branches

1.105 We submitted a detailed, evidence-based response to the Post Office Green Paper and engaged directly with UK Government officials. We delivered new quantitative research to inform our contribution. Our key research findings about the importance of the post office for many young people in Scotland secured prominent media coverage.

1.106 The UK Government published its response to the Green Paper in early 2026. In line with our recommendations the government has retained both the requirement for there to be a minimum of 11,500 post offices across the UK and the existing geographical access criteria, which are particularly important for rural consumers in Scotland. It has also committed to providing £180 million in subsidy to the post office network over the next three years and to investing up to £483 million over the next two years to modernise technology and premises.

1.107 The government has also introduced a stronger consumer focus in the strategic objectives for the post office network and has committed to developing a baseline set of customer service standards on what consumers can expect from their local post office. These actions align with Consumer Scotland's specific recommendations on the need for an increased focus high quality service delivery for consumers.

Promoting Sustainable Consumption

A stronger focus on consumers in environmental policy

1.108 The Climate Change Committee has estimated that households' low-carbon choices will contribute to one-third of emissions reductions in 2040.[1]

1.109 For consumers to participate effectively in the transition to net zero, their priorities must be recognised and tackled by policymakers. However, consumers are currently far from the centre of net zero decision making, with plans often focussing more on territorial emissions and technical change. Consumer Scotland's independent research showed that while consumers are supportive of action to tackle climate change, they are not clear about the most effective actions they can take.

1.110 In response Consumer Scotland published a new, strategic consumer framework for addressing climate change. The framework identified **cost, convenience, clarity, and confidence** (the 4 Cs) as key issues which must be addressed to support consumers to make the transition to a more sustainable future. It has been welcomed by the Minister for Climate Action as "*a valuable tool that will…help us continue to place people at the heart of designing and implementing net-zero policies and programmes."* The Scottish Government's new

[1] https://www.theccc.org.uk/publication/the-seventh-carbon-budget/

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Environment Strategy subsequently included a specific commitment to *"Work with Consumer Scotland to ensure that action to drive consumer choices is informed by its Consumer Framework for Addressing Climate Change, with a focus on key consumer issues of clarity, cost, convenience and confidence."*[2]

1.111 The Sustainable Scotland Network[3], Scotland's public sector network on sustainability and climate change are also working closely with Consumer Scotland on action to integrate the framework into their net zero work with the public sector in Scotland.

1.112 These commitments will help to ensure that consumers play an increasingly important role in the decisions and actions to tackle climate change in Scotland.

Working across markets to promote sustainable consumption

1.113 We delivered a range of additional activity across the economy to promote sustainable consumption in 2025-2026. This work included:

- We have delivered a programme of research and advocacy on the changes required to enable more people in Scotland to **take-up Electric Vehicles (EVs)**. We have launched a new research study on the experience of EV drivers and engaged with government and parliament on key issues for users, including the introduction of Electric Vehicle Excise Duty.
- We published new research and recommendations on the actions required to make it easier for consumers in Scotland to take-up **low carbon technologies such as heat pumps and solar PV.** We have engaged closely with the Scottish Government on its plans for **heat in buildings**, representing consumer interests on the government's heat in buildings strategy group.
- We published new research on the barriers to consumers taking up more **sustainable transport.** Our work secured prominent media coverage and we engaged with government and delivery agencies on our recommendations. A number of actions are now being taken forward which address key issues highlighted in our report, including on cost, safety and information.
- We published new evidence on consumer views on **climate change and Scotland's water sector**. Our recommendations focus on the need for government and industry action to support public engagement, provide accessible information and better enable consumer behaviour change.
- We published new evidence of **consumers' views on the circular economy in Scotland**, including product stewardship, single use cups and the Deposit Return Scheme and made recommendations to ensure these systems will be easy for consumers to use.
- We published new research on the **decarbonisation of postal services**, setting out recommendations for government, regulators, online retailers and the parcel industry. Our proposals focused on action that can be taken to improve consumer information, understanding and choice when selecting delivery methods to support more sustainable consumption. We also emphasised the importance of support for small businesses.

[2] https://www.gov.scot/publications/environment-strategy-scotland/
[3] https://sustainablescotlandnetwork.org/

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- We provided evidence to the Scottish Government and Scottish Parliament to inform the development and scrutiny of the government's new **Climate Change Plan**, highlighting the key issues of importance to consumers, informed by our '4 Cs' framework.

Advancing inclusion, fairness, prosperity and wellbeing

More energy consumers in Scotland receiving automatic payments of affordability support

1.114 Energy affordability and debt are pressing concerns for consumers in Scotland. Consumer Scotland's affordability research shows 16% of Scottish households, equivalent to 393,000 households struggle to keep up with energy bills, while 19% (equivalent to more than 400,000 households) are in debt or arrears.

1.115 Against this backdrop effective support for those struggling to pay their bills is vital. The UK Government's Warm Home Discount (WHD) scheme provides £150 towards winter electricity bills for those on low incomes. For winter 2024/25, Ofgem reported that around 280,000 households in Scotland received the Warm Home Discount. However, while almost all eligible consumers in England and Wales receive this payment automatically, only a third of consumers in Scotland did so. Instead, the majority of Scottish consumers had to apply for the discount through their supplier.

1.116 Consumer Scotland identified several concerns with these arrangements:

- some eligible working-age consumers in Scotland were missing out on payments
- payments were not arriving in winter when consumers needed the help most.
- the level and targeting of support was insufficient.

1.117 We raised these concerns and called for action from UK Government. Our work included publication of position papers, consultation responses, bilateral engagement with UK and Scottish Governments, engagement with consumer landscape partners and advice agencies and bringing the issue to wider public attention through media engagement.

1.118 In January 2026 the UK Government announced that automatic payment of the Warm Home Discount would be extended to an additional 345,000 eligible households in Scotland, in line with our recommendations.

Improved protections for tenants

1.119 The Housing (Scotland) Act was passed in September 2025. The Act makes a number of changes to improve outcomes for tenants in Scotland.

1.120 Consumer Scotland put forward a number of recommendations during the passage of the legislation to help shape the improvements it will deliver. We submitted written evidence to the lead Parliamentary Committee, provided briefings for MSPs in advance of the Stage 1 and Stage 2 debates, engaged directly with Scottish Government Ministers and officials, provided insight as part of our membership of the Regulatory Review Group and published analysis of the key challenges facing tenants.

1.121 We sought the following outcomes in our advocacy:

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- Better information provision to ensure renters and landlords are aware of new and existing rights. Renters need to know how to exercise their rights which could be achieved by public awareness campaigns and updated tenancy information and guidance.
- Additional information to help clarify what rent controls would be based on and might look like. Evaluation and monitoring of the operation of rent controls through a review of these within 2 years of the bill passing.
- A review of eviction grounds for Private Residential Tenancies, to help protect renters against unfair evictions.
- Further review of property factoring, given the likelihood of property factors being given further responsibilities with forthcoming tenement reform.
- The reinstatement and roll out the 'Fund to Leave' programme to help domestic abuse survivors leave abusive relationships and access their own tenancies.

1.122 The Scottish Government committed to a review of all eviction grounds within 2 years, an accelerated review of property factoring, and a review of rent controls after 5 years. The government has also committed £1 million to a permanent Fund to Leave programme and is rolling this out across the country.

1.123 There are around 320,000 privately renting households in Scotland.

Improved telecommunications systems for consumers in Scotland

1.124 The UK Government provides Ofcom, the telecommunications and post regulator, with a formal statement on its strategic priorities for each 5-year period. This sets out the outcomes the government wants to achieve and Ofcom must formally report on the actions it takes each year as a result of the statement.

1.125 Consumers in Scotland experience poorer levels of connectivity in communications markets than their peers elsewhere in the UK. A lower number of providers can mean consumers don't get the benefits of competition, they may have less choice, experience poor service or find it harder to switch providers. Consumer Scotland wanted to ensure that the UK Government's statement of priorities for the next 5 years was more responsive to the specific needs of consumers in Scotland.

1.126 We highlighted to the UK Government the needs of Scottish consumers, especially those in rural areas, on low incomes or those in vulnerable circumstances. Building on our previous work on the transition to digital calling (VOIP), on pricing practices and consumer information and on network development and resilience, we put forward a range proposals to improve consumer outcomes.

1.127 The UK Government published its final statement in February 2026. The statement responds to our evidence proposals and includes new elements that will help improve consumer outcomes in Scotland.

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1.128 This includes:

- a requirement to monitor differences in prices across areas so that consumers in rural areas do not face unreasonably higher prices due to a lack of local network competition.
- improvements in reporting on mobile network availability and quality so that consumers can access the information they need in an easy to understand and user friendly format
- provisions to review the effect of power outages on fixed voice and broadband networks across the UK
- more emphasis on consumer protection, affordability, access to information, safety and choice, fairness, transparency and resilience

1.129 There are 2.92 million premises in Scotland that can access telecoms services. Around half a million or 17% of these consumers are in rural areas.

Stronger regulation and access to expert advice for heat network consumers

1.130 New regulations to protect heat network consumers across Great Britain went live in January 2026.

1.131 Consumer Scotland is the statutory representative for heat network consumers in Scotland. We have engaged extensively with the UK Government and Ofgem during the past year as they have designed the new regulations, to ensure that these new protections deliver effectively for heat network customers in Scotland. Our evidence and insight has influenced key aspects of the new regulation system, including measures on pricing, billing, cost recovery and consumer protection.

1.132 Alongside our work to help shape the new regulations we have set up new advice services for heat network consumers in Scotland, working closely with our partners Advice Direct Scotland and Citizens Advice Scotland. These new advice services have been available to heat network customers in Scotland since April 2025.

1.133 We engaged widely with the heat network industry in Scotland to raise awareness of the new regulations and promote the advice and support available for consumers. We hosted an event for MSPs in the Scottish Parliament in March 2026 on heat network regulation and advice, which coincided with the launch of our new guidance for advisers.

1.134 Over 33,000 households and non-domestic premises are currently on heat networks in Scotland. This number is expected to grow substantially over the coming years and could reach as many as 400,000 properties by 2030 if Scottish Government targets are met

A stronger consumer voice in changes to the universal postal service

1.135 The postal service is important for consumers in Scotland, enabling them to send and receive letters to essential service providers, including the NHS, banks, energy suppliers and legal services . It is particularly important for those who are digitally excluded, older consumers, disabled consumers, rural consumers and small businesses.

1.136 In 2025 Ofcom, the regulator for postal services, announced changes that will reduce the number of days on which second class mail is delivered.

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1.137 Consumer Scotland recommended to Ofcom that any significant changes to the universal postal service, such as changes to the number of delivery days, to the speed of deliveries or to the cost of services, must be informed by a structured process of engagement with key stakeholders. We argued that the views of consumers and consumer representatives should be at the heart of this process and we provided examples of how such models had worked in other regulated industries.

1.138 The regulator subsequently instructed Royal Mail to establish a Customer Engagement Forum to provide advice and feedback to the company as it implements changes to its services. Consumer Scotland is representing consumers in Scotland on the Forum. We have engaged with parliamentarians on issues their constituents have experienced with postal services and we are raising these matters as part of our work on the Forum. Royal Mail has already taken onboard feedback from Consumer Scotland about the need to provide written communications to consumers about changes to the universal postal service.

1.139 74% of consumers in the UK sent letters or cards in the last year, with 87% receiving these, according to Ofcom data. 61% of consumers in Scotland said they would feel cut off from society if they could not send or receive post.

Working across markets to advance inclusion, fairness prosperity and wellbeing

1.140 We delivered a range of additional activity across the economy to advance inclusion, fairness prosperity and wellbeing in 2025-2026. This work included:

- We encouraged more action by Ofgem and the UK Government to improve **the roll out of energy smart meters**, highlighting that the supplier-led roll out programme is significantly behind in Scotland in general and in rural and remote Scotland in particular, compared to other parts of Great Britain.
- We published commentary of the UK Government's work to date on **the Review of Electricity Market Arrangements (REMA)** and set out our views on the next steps that are required to deliver positive outcomes for consumers in Scotland.
- We published new analysis on the actions required in the future **GB energy retail market** to ensure a just transition is delivered for consumers in Scotland, focusing on energy bill support, consumer protection, innovation and digital inclusion.
- We have engaged with Ofgem and provided detailed evidence to represent the interests of consumers in Scotland in the initial phase of the regulator's **cost allocation and recovery review in the energy market.**
- We published in-depth new research on the **experiences of disabled consumers in rural Scotland in accessing transport, leisure services and health and social care**. Our recommendations make proposals for improvements in each of these sectors and in the government's strategic approach to addressing the concerns of disabled rural consumers. Our report attracted significant media coverage and the Scottish Government has committed to using our findings in its forthcoming review of the Accessible Transport Framework.
- We provided evidence to the UK Government and parliament to inform the development of **Great British Railways**, highlighting key issues of importance for consumers in Scotland, including accessibility, investment and alignment with delivery in

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Scotland. The UK Government has accepted our recommendations that the new passenger watchdog that is being created should collect increased data on accessibility and to have a statutory duty to promote and improve accessibility.

- We provided advice to Ofcom to inform it's **Telecoms Access Review**, with our recommendations focusing on the actions required to ensure that consumers in remote and rural Scotland receive a fair and equitable quality of service
- We have convened third sector organisations across Scotland to provide insight and advice to inform improvements to the system of providing **postal services for consumers with no fixed address.** Our work has focused on identifying key issues that may have specific impacts for users of the system in Scotland, to ensure that these are understood and responded to in UK-wide systems.
- We provided evidence to Ofcom to inform its review of **affordability and pricing in the postal market**, with our recommendations focusing on the need to ensure ongoing affordable access to second class post for all consumers. Our work on this issue has attracted significant media coverage.
- We launched new research to examine **how effectively letters, parcels and post offices deliver for consumers in Scotland's islands** and identify priorities for improvement. We will be publishing initial commentary on the emerging findings from this research in early 2026-27. **The Scottish Government has recognised the importance of postal services in its new National Islands Plan**, reflecting our evidence about postal service standards in Scotland's islands. The Scottish Government has committed to working further with Consumer Scotland on this issue.

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Recommendations Analysis

1.141 In 2025-2026, Consumer Scotland made a total of 305 recommendations to key decision-makers.

1.142 We assessed progress against these recommendations by assigning a RAG rating as follows:

- substantial progress
- in progress / some progress
- no or limited progress.

1.143 The results are set out in Table 7. In addition, we undertook a thematic review to identify overarching trends and lessons.

Table 7: Recommendations RAG Rating

Policy area	Number of recommendations 25/26	Substantial progress	In progress / some progress	No / limited progress
Consumer markets	**124**	**38**	**77**	9
Cross market	**12**	**0**	**11**	1
Energy Transitions	**40**	**5**	**28**	**7**
Energy Markets	**52**	**14**	**27**	**11**
Investigation	**9**	**4**	**5**	**0**
Post	**35**	**17**	**16**	**2**
Water	**33**	**8**	**25**	**0**
TOTAL	**305**	**86**	**189**	**30**

1.144 While most recommendations were directed at the Scottish Government, UK Government, parliaments, regulators, and other public bodies, they also extended to businesses, advice services, standards bodies, and trade associations. Some recommendations we made during 2025/2026 repeat or build upon work we started in previous years.

1.145 Overall, our analysis shows that in the majority of cases, at least some progress has been made in implementing our recommendations or these remain in progress. Only 10% saw no or limited progress. In some instances, this reflects external factors rather than lack of engagement. For example, recommendations linked to the Wellbeing and Sustainable

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Development Bill were not taken forward following the Bill's lapse at the end of the Scottish Parliamentary session.

1.146 Many of the cases where substantial progress has been achieved are highlighted in the details of our described above, according to our five statutory outcomes.

Thematic Analysis of Recommendations

1.147 Our thematic review of our recommendations identified five topical areas:

1. Consumer expertise

1.148 A significant proportion of recommendations reflect our role as an expert consumer body, ensuring that consumer perspectives are properly represented in policy decisions. These recommendations are often technical and context-specific, spanning a wide range of sectors. Examples in 2025-2026, demonstrating the diversity of our work include input on legal aid reform, opt-out group actions, Electric Vehicle Excise Duty, regulation of non-surgical cosmetic procedures, smart meter standards, the Warm Home Discount, cost allocation reviews, Buy Now Pay Later schemes, and motor finance redress.

2. Affordability and vulnerability

1.149 Some recommendations focus on affordability pressures and the disproportionate impact on consumers in vulnerable circumstances. Recent examples include recommendations on water affordability in Scotland, targeted energy support for terminally ill consumers, and the retention of Ofcom's safeguard cap for second-class letters.

3. Place based and evidence gaps

1.150 Recommendations to UK Government and regulators in a number of cases highlight Scotland-specific impacts that may otherwise be overlooked. Examples include our input on smart meter rollout, the Telecoms Access Review, and proposals for an energy debt relief scheme. Where evidence gaps exist, we have called for more robust analysis to inform policy decisions.

4. Accountability, transparency and consumer voice

1.151 A further group of recommendations addresses regulatory effectiveness, enforcement, and transparency. This includes strengthening the enforcement landscape against rogue trading and scams in relation to Converting Scotland's Home Heating (e.g. Investigation) , improving regulatory oversight of heat networks, and enhancing transparency through publication of complaints data and performance standards (e.g. recommendations relating to Scottish Water, Great Britain Railways, and the Telecoms Access Review). Similarly to last year our recommendations continue to highlight the absence of consumer representation as well as the need for government, regulators and other organisations to ensure that they consider more directly how proposals will affect consumers and take into account their views. Example here include the work we undertook on the impact of being disabled living in rural areas, our work on social housing and when responding to the UK Government's green paper on the Future of the Post Office.

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5. Consumer awareness, information and advice

1.152 Finally, a cluster of recommendations focus on improving consumer awareness and access to information and advice. This includes calls for coordinated consumer engagement strategies - particularly in the context of net zero - and action to address misinformation about low-carbon technologies. We have also highlighted the need for clear, accessible information linked to new legislation, for example on non-surgical cosmetic procedures or the new tenant rights under the Housing (Scotland) Act 2025 and for user testing where it is provided. The ability to access high quality effective information sources applies not only to consumers but to small businesses and we have made recommendations highlighting the need for stakeholders to work together to identify who is best placed to deliver this.

1.153 Our recommendations recognise that information alone is not always sufficient. Advice services play a critical role, particularly for consumers in vulnerable circumstances. Our recommendations relating to private rented tenancies for example highlight the need to ensure access to early, high-quality advice, including referral pathways to specialist support and formal redress mechanisms. Our investigation makes recommendations on the importance of consumers having access to a single, reliable and adequately resourced source of independent advice and support, such as the Home Energy Scotland service. We also recommended that the Scottish Government should commit to funding the Home Energy Scotland service – or an equivalent body - sufficiently so it can deliver that function to the appropriately high standard as volume in this sector increases.

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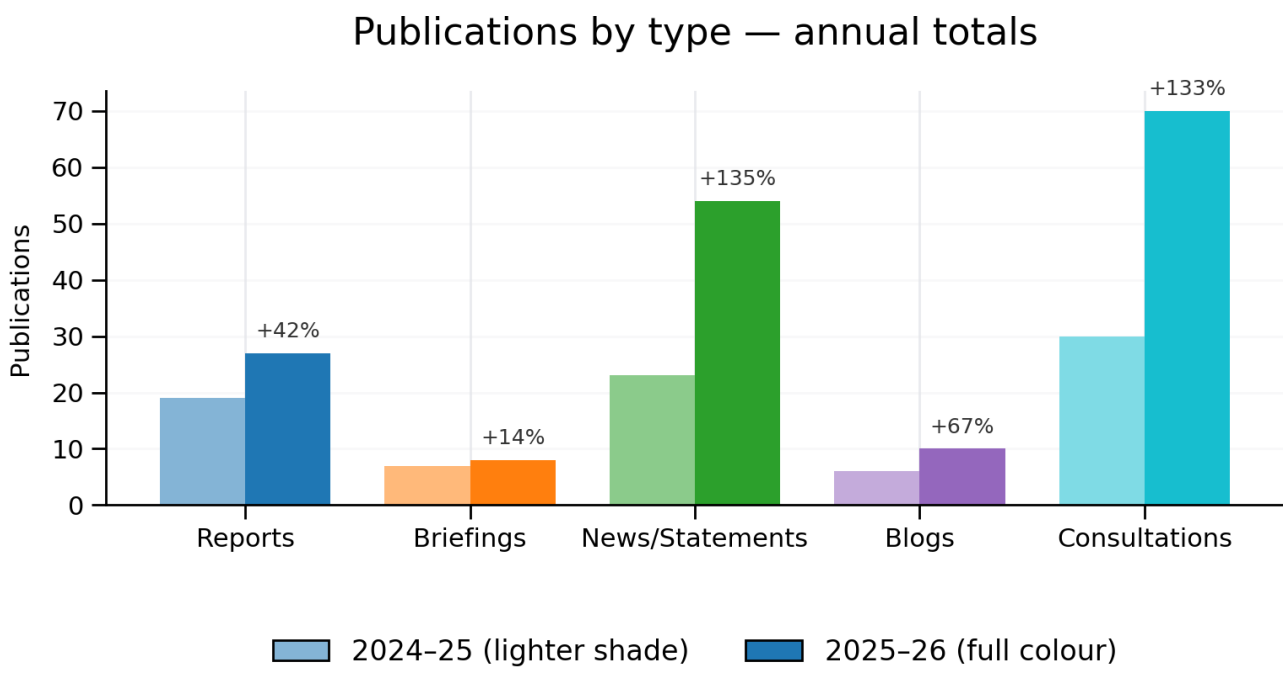
Consumer Scotland Organisational Activity Indicators

Annual Progress on Organisational Activity Indicators FY 2024-25 - FY2025-26

Publications

Measure: Number of publications including reports, briefings, consultations, news and blog posts

Metric	2024–2025	2025–2026	Change %
Total publications	91	169	85.70%
Reports	19	27	42.10%
Briefings	7	8	14.30%
News releases/statements	23	54	134.80%
Blogs	6	10	66.70%
Consultations	30	70	133.30%



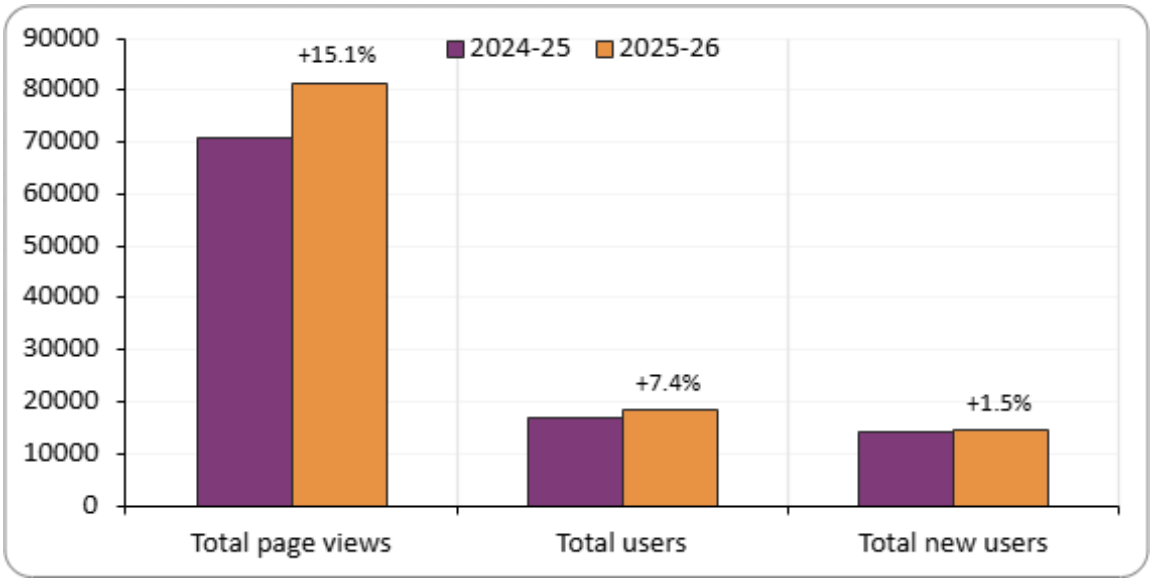
The number of publications increased significantly over the past year reflecting in particular an increase in shorter, more focused policy reports on key issues, our increasing use of news releases and news statements to highlight our work to the media and the public and a rise in the number of consultations we responded to from key bodies including government and regulators to ensure the interests of consumers are reflected in decision making.

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Website interaction

Measure: Number of users and views of Consumer Scotland pages on the website

Metric	2024–2025	2025–2026	Change
Total page views	70,790	81,483	15.10%
Total users	17,035	18,296	7.40%
Total new users	14,192	14,406	1.50%



Website performance improved across all key audience metrics, with particularly strong growth in overall users and page views, indicating increased reach and sustained audience engagement. Publications remain the most popular destination on our website reflecting interest in our policy findings and recommendations, consumers continue to use our website to access essential information about where to get help. Our guidance pages for public bodies and consumers on how to use the Consumer Duty has also seen strong interest and users of our website are also regularly accessing our news and blog post pages.

Measure: Number of views of Consumer Scotland top 5 pages on the website

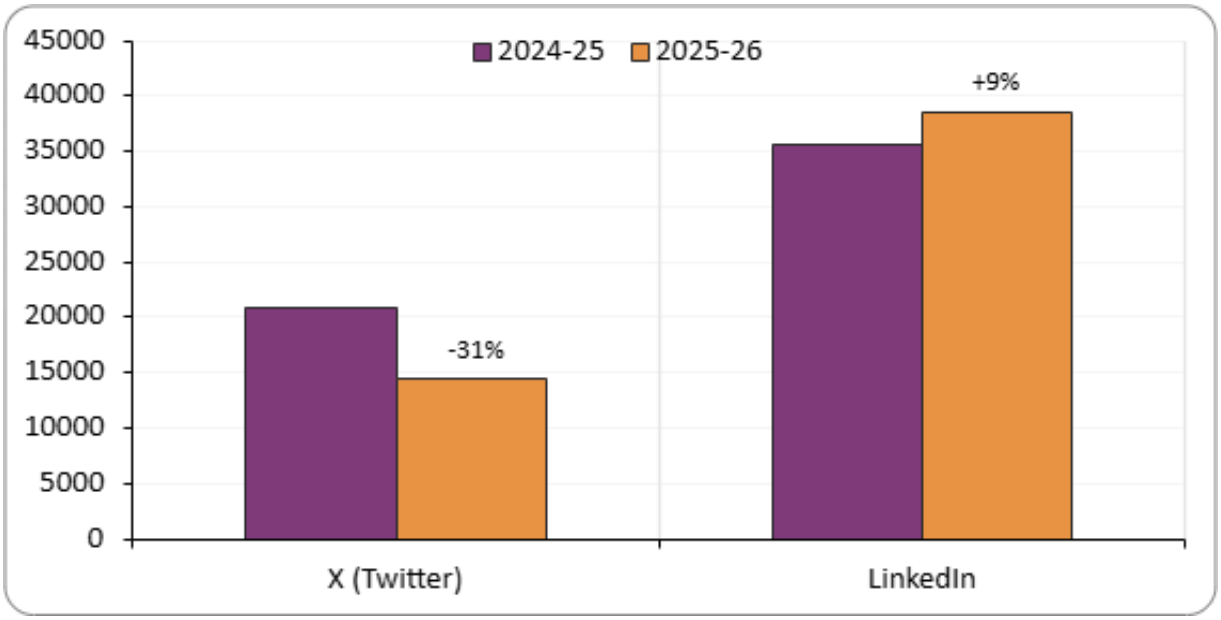
Top 5 pages	Total views (Apr 2025–Mar 2026)
Publications	7,853
Information for consumers	2,906
About us	2,746
The Consumer Duty	2,022
News and blogs	1,858

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Social media

Measure: Number of views on LinkedIn and X (formerly Twitter)

Metric	2024-2025	2025-2026	Change
X (Twitter)	20,840	14,418	-30.82%
LinkedIn	35,545	38,569	8.51%
Bluesky	N/A	N/A	N/A
Total	56,385	52,987	-6.03%



Social media engagement was led by LinkedIn, which increased year-on-year and accounted for the majority of total activity in 2025-2026, while X (Twitter) declined significantly. This pattern aligns with wider trends in the UK, where X has experienced declining user activity and engagement.

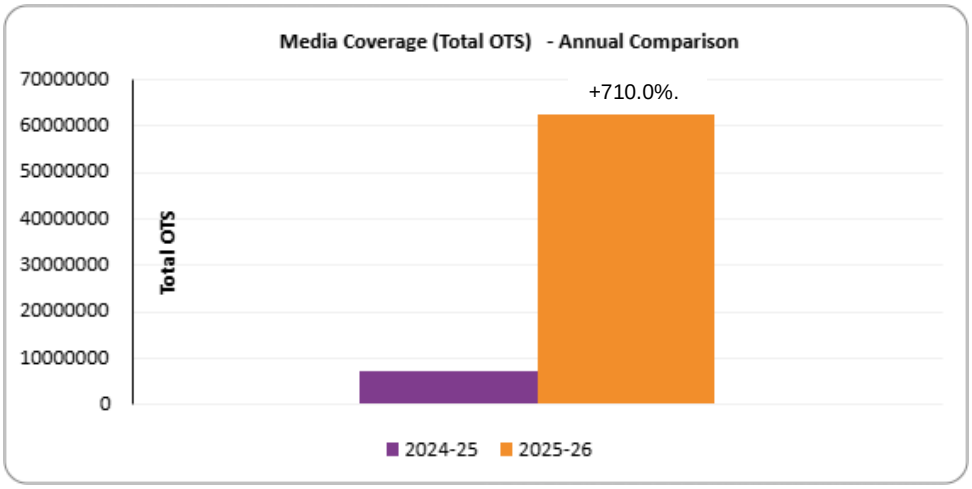
We operate on Bluesky, but the platform currently has no publicly available analytics. Given that LinkedIn continues to expand its UK user base and strengthen its position as a key professional and organisational channel this will continue to play an important role for us and we are launching a Facebook channel to offer an alternative to reach a new audience to ensure wider public awareness of our work.

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Media coverage

Measure: Number of 'Opportunities to See' related to media circulation figures

Metric	2024-2025	2025-2026
Total OTS	7,710,550	62,453,219



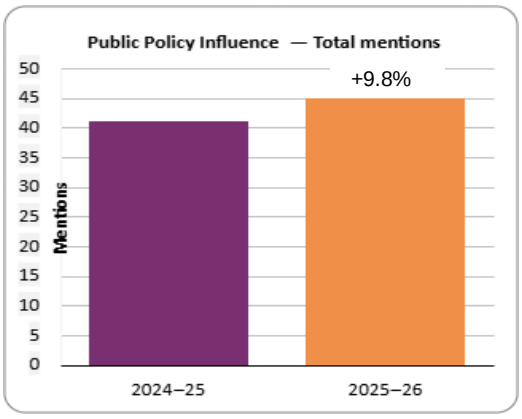
Media coverage saw a very significant increase in 2025-2026. Coverage with broadcast media was responsible for the vast majority of growth with our work regularly featuring on BBC Scotland radio and television, STV and the BBC website. Highlights included our investigation into the used car market and unfair energy contracts for small businesses. Newspaper coverage included recommendations for energy support for the terminally ill, covered as an ongoing campaign by the Sunday Mail and resulting in manifesto commitments by a number of political parties. We are currently reviewing our use of the industry measure of 'Opportunities to See' because, while it captures trends, the figures record potential exposure rather than actual engagement.

Public policy influence – parliament and government

Measure: Number of citations in parliamentary and government publications and business

Metric	2024–25	2025–26	Change
Total mentions	41	45	4

Our influence in government and parliament continued to grow reflecting the increasing number of political briefings for parliamentarians on key legislation and constituency issues which were cited during debates and committee sessions. We also appeared in person at committee sessions at Holyrood and Westminster covering issues such as rural postal services and non-surgical procedures. Our research was also cited in Spice briefings and policy papers.

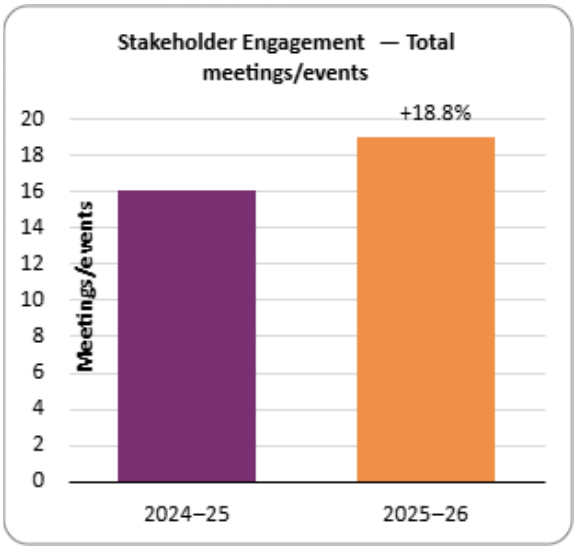


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Public policy influence - stakeholders

Measure: Number of multi-stakeholder events hosted/convened by CS

Metric	2024–25	2025–26	Change
Total meetings/events	16	19	3

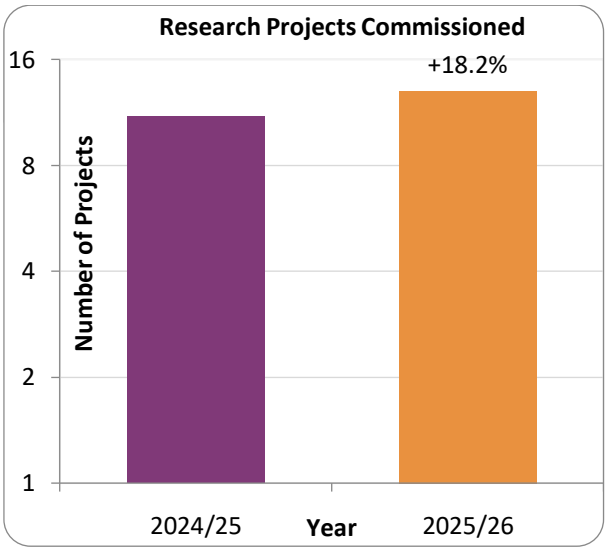


Consumer Scotland continues to Chair a number of sector-leading meetings and networks including the Consumer Network, the Advisory Committee for Consumers in Vulnerable Circumstances, and the Energy Consumers Network. In 2025, we also setup a new forum - which we Chair - for Chief Executives to discuss strategic issues and set the direction for the consumer advice sector in Scotland.

Consumer research

Measure: Number of research projects commissioned to gather consumer views

Metric	2024–25	2025–26	Change
Total research projects	11	13	2



This year we commissioned 13 research projects, including the second year of our multi-year programme on water charging. Projects employed a mix of methodologies including seven surveys, four qualitative projects as well as a mixed method project. Our survey work included two major studies: one on the experiences of social housing tenants, and another - delivered in partnership with Citizens Advice in England and Wales - examining consumer experiences of heat networks. Our qualitative research engaged directly with heat network operators.

By integrating these perspectives, we have substantially strengthened the evidence base on heat network consumers in Scotland. This enhanced understanding will inform our work to improve outcomes for consumers in 2026/2027.

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Governance and Operations

Payments – proportion of invoices paid within 10 days – 94%

Freedom of Information – proportion of FOI requests responded to within 20 days – **100%**

Staff engagement – 72%

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Staffing

1.154 Consumer Scotland's staff are critical to our ability to achieve the objectives set out in our work programme and strategic plan and in establishing our reputation across the consumer landscape in Scotland and the wider UK context.

1.155 During our fourth year of operation, we maintained an open and constructive dialogue with staff. In November 2025, we conducted a staff engagement survey, which recorded an overall engagement score of 72%. This compares favourably across the public sector. Priority areas identified through the survey, including learning and development opportunities, have been progressed through an internal staff working

1.156 Following the publication of the Scottish Government's refreshed hybrid working policy in May 2025, we conducted a survey with staff to seek their views around implementation and agreed an organisational approach aimed at encouraging staff to make use of the office facilities we have in Edinburgh and Glasgow

1.157 We continue to work closely with Environmental Standards Scotland and the other smaller NMOs on the Public Service Reform agenda to share best practice, resource sharing and efficiency opportunities.

1.158 Working in partnership with staff, we have continued to strengthen a holistic learning and development framework and to evolve our hybrid working arrangements. During the year, staff participated in a wide range of learning activities, including strategic thinking, information management, cyber security, regulation, APM Project Management Fundamentals, analytical and technical skills, energy insights, risk management, artificial intelligence, VAT, presentation skills and effective writing. We also maintain a network of mental health first aiders, cyber champions and information management support officers.

1.159 During 2025-2026, our fourth year of operation, core recruitment activity rose slightly with the establishment of our new Heat Networks function and expansion of our Energy team. This comprised of staff on permanent and fixed term basis as well as being supported during the year by a number of short term loan and secondment arrangements from other public sector organisations allowing us to maintain organisational flexibility to respond to changing priorities. All permanent and fixed term vacancies were advertised internally in the first instance and, where required, externally via Civil Service Jobs and wider recruitment channels. One hundred per cent of advertised roles were filled at first attempt, enabling us to secure high quality staff from a diverse range of professional backgrounds and sectors

Table 8: Backgrounds of successful candidates, 1 April 2025 to 31 March 2026

Scottish Administration	Other Government Departments	External	Total vacancies filled
1	4	9	14

Note: This table refers to posts rather than people joining Consumer Scotland, so does not tally with the staff report. This table includes permanent and temporary posts and inward loans/secondments.

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1.160 During the year, we have had one leaver and two loan/secondment arrangements expire.

1.161 In addition to our regular pattern of Strategic and Governance Board meetings, we also hold quarterly seminar sessions which are an opportunity for Board members to meet with staff and hear in more detail about the work of each of the teams. We are currently refreshing our People Strategy.

1.162 The staff report contains further information relating to staff numbers and costs.

Risk Profile

1.163 This section sets out the principal strategic risks faced by Consumer Scotland, how these risks may affect delivery of our objectives, and the key controls and mitigating actions in place.

1.164 The Strategic Risk Register is reviewed regularly by the Board and Audit and Risk Committee. During 2025-2026, the organisation's risk profile has evolved to reflect its maturing role, expanding remit and the continued external fiscal and policy environment. As reported in paragraph 1.23, the principal risks are summarised below:

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Table 9: Strategic Risks

Risk	Description	Mitigation – controls and actions
Financial sustainability and funding model	Risk that ongoing real terms pressure on core funding, alongside reliance on levy funding, limits Consumer Scotland's ability to deliver its full statutory remit, demonstrate impact and maintain flexibility across consumer markets.	Robust budget planning, monitoring and scenario modelling, including development of a medium- to long-term financial forecast.
		Ongoing engagement with Scottish Government, Ministers and levy funders to support funding clarity and stability.
		Exploration of shared service opportunities and efficiencies across the public sector.
		Formal processes in place for budget management and escalation.
Delivery, impact and reputation	Risk that Consumer Scotland's work programme and investigations are not perceived as sufficiently evidence-led or impactful, reducing confidence among Parliament, funders and stakeholders.	Continued development of a strong evidence base and performance framework to demonstrate impact.
		Clear communications and stakeholder engagement strategies, including regular Parliamentary engagement.
		Robust governance of work programme and investigations, including prioritisation frameworks and Board oversight.
Statutory delivery and legislative constraints	Risk that constrained funding, capacity or legislative limitations prevent full delivery of key statutory functions, leading to reduced impact and increased scrutiny.	Ongoing programme of scoping and implementation across statutory functions.
		Regular engagement with Scottish Government, Parliament and stakeholders to clarify roles and address barriers.
		Board and Audit and Risk Committee oversight of progress.
Operating model, capacity and capability	Risk that Consumer Scotland's operating model, workforce capacity and capability do not provide sufficient resilience or flexibility to respond to emerging priorities and increasing complexity.	Regular review of operating model and prioritisation approach.
		Workforce planning, recruitment and capability development, including delivery of the People Strategy.
		Executive Team oversight of prioritisation, resourcing and emerging demands.
Strategic position and system leadership	Risk that Consumer Scotland is not fully established as the strategic leader within Scotland's consumer landscape or is unable to influence system-wide change, including public service reform.	Active engagement across Scottish Government, UK Government, regulators and consumer bodies.
		Leadership of cross-sector forums and networks.
		Strategic Plan development and stakeholder engagement to strengthen Consumer Scotland's positioning.
Third party and partnership management	Risk that insufficient oversight of third parties and delivery partners reduces assurance over public funds and impacts delivery or reputation.	Implementation of a proportionate Third Party Risk Management Framework, including due diligence, grant conditions and in-life monitoring.
		Formal agreements and regular engagement with key partners.
		Ongoing development of grant and partnership management processes.

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1.165 During 2025-2026, the overall risk profile has been significantly influenced by the external fiscal environment. Financial sustainability and funding model risks increased during the year, reflecting continued real terms pressures on core funding and greater reliance on levy funding arrangements.

1.166 The organisation has also seen an expansion in strategic risks as it matures, including new risks relating to system leadership, third party oversight and workforce capacity. While these risks remain at medium to high levels, mitigation actions have been strengthened, including enhancements to financial planning, prioritisation processes, partnership management and workforce development.

1.167 Risk management arrangements continue to operate effectively, with regular Board and ARC oversight. The organisation will continue to refine its approach to risk management as it moves into a more mature, business-as-usual operating model, with a focus on maintaining flexibility, demonstrating impact and ensuring strong stewardship of public funds.

Financial position at the end of the year

1.168 Consumer Scotland's core funding budget is set in the Scottish Government's Budget Bill and approved by the Scottish Parliament. This budget is available as grant in aid to fund expenditure as incurred. Additional grant funding for gas, electricity, heat networks and post advocacy is received from the UK Government Department of Business and Trade (DBT), and for water from Scottish Water. This funding represents a share of levies raised in their respective economic sectors and is claimed against as expenses are incurred against agreed work plans.

1.169 Our core operational funding (excluding grants) from Scottish Government was broadly flat for FY2025-2026 from the previous year. This presented a number of challenges for Consumer Scotland including having to absorb a 4% pay increase, Employers National Insurance increases and inhibiting planned progress on a number of our statutory functions. Consumer Scotland also received additional funding of £900k from the Scottish Government to provide a consumer advice grant to Advice Direct Scotland. A summary of actual funding claimed compared to budget is detailed below:

Table 10: Performance against budget

Grants available	Budget	Actual	Variance	Budget	Actual	Variance
£'000	2025-26			2024-25		
Scottish Government	4,454	4,441	13	3,424	2,912	512
DBT	2,380	2,331	49	1,668	1,658	10
Scottish Water	505	502	3	392	349	43
Total	**7,339**	**7,274**	**65**	**5,484**	**4,919**	**565**

Note: Scottish Government funding is provided on a cash basis as required for settlements during the financial year, therefore the budget variance primarily relates to the timing and quantum of creditor settlements at the beginning of the year relative to those at the end of the financial year.

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Table 11: Summary of expenditure for the year ended 31 March 2026

Expenditure category	Budget	Actual	Variance	Budget	Actual	Variance
£'000	2025-26			2024-25		
Staff costs (salaries, NIC, pensions and agency staff)	3,313	3,349	36	2,861	2,720	-141
Staff related costs (recruitment, training, travel)	65	75	10	64	75	11
Non staff related (excluding Research and Grant)	283	275	-8	265	312	47
Research	688	601	-87	466	420	-46
Grant to third parties	2840	2840	-	1669	1669	-
Finance costs - interest on leased premises	28	28	-	31	31	-
Depreciation	80	80	-	80	80	-
Notional Costs - External Audit fee	42	53	11	48	42	-6
Net Operating Expenditure	**7,339**	**7,301**	**-38**	**5,484**	**5,349**	**-135**

Note [1]: Favourable variance (underspend) is shown as a negative, adverse as a positive

1.170 Consumer Scotland operated within its total budget allocation for 2025-2026 of £7.34M (2024-25 £5.48M).

1.171 Spending was below budget for research due to a small number of research projects moving into 2026-2027.

1.172 We were able to reprofile some spend to allow us to provide additional grants to third parties including Citizens Advice Scotland and Advice Direct Scotland.

Table 12: Financial Summary

£'000	2025-26	2024-25		2025-26	2024-25
Expenditure	7,301	5,349	Total assets	822	867
Grant funding	7,274	4,919	Total liabilities	-1,188	-1,259
			Net liabilities	-366	-392

Notes:

- Scottish Government grant in aid is reported on a cash basis, whereas expenditure is reported on an accruals basis. Therefore, the apparent shortfall in grant funding reflects the difference in the timing of cash settlements relative to the statutory accounting basis and is not a like for like shortfall.
- The movement in Net Assets is explained in the Statement of Changes in Taxpayers' equity in the financial statements.

1.173 Further information on Consumer Scotland's income, expenditure, assets, and liabilities can be found in the financial statements on pages 99-102.

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Non-Financial information

General

1.174 No significant control failures, losses, breaches or complaints were identified during the year.

Complaints

1.175 Consumer Scotland has a complaints handling policy and procedure in place and received no complaints in 2025-2026.

Information Security and Cyber Security

1.176 There were no known reportable data breaches in 2025-2026. Cyber security remains a key operational risk for Consumer Scotland, reflecting the organisation's reliance on digital systems and data to deliver its statutory functions. This risk is managed through a combination of shared service arrangements with the Scottish Government and internal controls designed to protect information assets and ensure business continuity. These shared service arrangements provide access to established infrastructure, system monitoring and incident response capabilities, supported by regular assurance and oversight.

1.177 Internally, Consumer Scotland maintains a range of controls to mitigate cyber and information security risks, including staff training and awareness, information management policies, and clearly defined roles and responsibilities such as information asset owners and cyber champions. Cyber and information security risks are considered within the organisation's risk management framework and are monitored alongside other operational risks, with escalation and reporting through established governance structures.

1.178 No significant cyber security incidents were identified during the year. The organisation continues to review and strengthen its resilience in line with evolving public sector guidance and the changing threat landscape, ensuring that proportionate and effective safeguards remain in place.

Freedom of Information

1.179 Consumer Scotland aims to be fully compliant with Freedom of Information legislation. We received twenty Freedom of Information requests which were completed within the statutory deadline for responses.

Community and social

1.180 Consumer Scotland is committed to operating as an open and transparent organisation. We work constructively with other public bodies and government departments and engage proportionately and effectively with stakeholders and communities with an interest in our work.

Fraud, corruption and bribery

1.181 Consumer Scotland is committed to preventing fraud, corruption and bribery in relation to its funds and activities. A counter-fraud policy is in place, and all staff are bound by the Civil Service Code, which sets out the standards of behaviour expected of public servants,

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including requirements relating to gifts and hospitality. All relevant gifts and hospitality received by staff are recorded in line with policy.

1.182 Consumer Scotland has a shared service agreement in place with the Scottish Government Procurement and Property Directorate and adheres to the Public Sector Procurement guidance including those requirements under the Modern Slavery Act 2015.

1.183 The Consumer Scotland Code of Conduct for Members Board sets out the behaviours expected of our Board Members[v]. It is based on the Scottish Government's Model Code of Conduct for Members of Devolved Public Bodies. Declarations of interest are made at each Governance Board and Audit and Risk Committee meeting. The Register of Interests, including gifts and hospitality received, is maintained by members on an ongoing basis and is formally reviewed at least annually.[vi]

Environmental and Sustainability

1.184 Consumer Scotland operates a hybrid working model across its estate, with shared office space arrangements supporting efficient use of public sector assets and contributing to reduced environmental impact. The organisation continues to promote flexible working and collaborative use of space in line with the Single Scottish Estate strategy.

1.185 Further detail on Consumer Scotland's approach to climate-related governance, risks and performance, including operational impacts and planned improvements, is set out in the TCFD disclosure below.

Taskforce on Climate-related Financial Disclosures

1.186 Consumer Scotland's climate-related financial disclosures are prepared in line with HM Treasury's TCFD application guidance for the public sector. During 2025–2026, the organisation has continued to develop its approach to governance, strategy, risk management and metrics and targets in a manner proportionate to its remit and operational footprint. Consumer Scotland has complied with the TCFD recommendations across all four pillars.

Governance

1.187 The Consumer Scotland Board has overall responsibility for strategy and oversight of climate-related matters. Sustainability and environmental considerations are embedded within the Strategic Plan 2023–2027, including supporting consumers through the net zero transition.

1.188 A Board Sustainability Champion ensures that climate considerations are regularly considered at Board level. The Board monitors progress, risks and delivery through regular reporting and discussion.

1.189 The Executive Team supports delivery and oversight, integrating climate considerations into the annual Work Programme and organisational decision-making. Activity during the year included research and investigation into sustainable consumption, energy efficiency, low carbon heating, transport and the circular economy.

1.190 The Director of Operations and Partnerships sponsors the Sustainability Champions Group, strengthening links between operational delivery and senior management oversight.

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Strategy

1.191 Climate-related considerations primarily arise through Consumer Scotland's role in supporting consumers through the transition to net zero and from its operational footprint. Key areas include affordability, access to low carbon technologies and consumer engagement.

1.192 Climate-related risks and opportunities have been considered over the short, medium and long term. Scenario analysis has been undertaken on a qualitative basis, focusing on transition-related impacts for consumers.

1.193 Climate-related objectives are embedded within the Strategic Plan and annual Work Programme. A standalone transition plan has not been developed at this stage but will be kept under review.

1.194 Consumer Scotland distinguishes between:

- Aims and ambitions – broad strategic intentions that support the organisation's statutory functions and contribution to Scotland's net zero transition;
- Commitments – activities that the organisation has agreed to pursue through its approved Strategic Plan and annual Work Programme;
- Targets – specific measurable outcomes, supported by defined metrics, delivery arrangements and monitoring processes.

1.195 During 2025-2026, Consumer Scotland's climate-related activity was primarily delivered through strategic aims and commitments included within the Strategic Plan 2023-2027 and annual Work Programme. The organisation had not yet adopted formal operational carbon reduction targets but commenced work during the year to develop proportionate targets and associated metrics for future reporting.

Risk Management

1.196 Climate-related risks are managed through the organisation's established risk management framework, which sets out how risks are identified, assessed and managed.

1.197 Climate-related risks are considered within both Strategic and Operational Risk Registers. During 2025-2026, no climate-related risks were assessed as principal risks on the Strategic Risk Register, but they continue to be monitored as part of routine risk management processes.

Metrics and Targets

1.198 Consumer Scotland currently pursues a number of climate-related aims and commitments through its Strategic Plan and annual Work Programme, including supporting consumers through the transition to net zero and promoting sustainable consumption. These aims and commitments are incorporated within organisational planning processes and associated resource allocations.

1.199 The organisation is developing a proportionate framework of climate-related metrics and targets to support future monitoring and reporting. As at 31 March 2026, no formal operational carbon reduction targets had yet been adopted.

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1.200 Consumer Scotland does not currently hold separately attributable Scope 1 or Scope 2 greenhouse gas emissions data because office accommodation is provided through shared occupancy arrangements managed by host organisations (Scottish Legal Aid Board and Registers of Scotland). Emissions arising from these buildings are reported within the host organisations' sustainability disclosures. Consumer Scotland is working to identify proportionate metrics that can be used to monitor and report its operational environmental impact in future reporting periods.

1.201 During the year, a sustainable office retrofit was completed, and progress was made to support flexible and remote working, contributing to reduced operational emissions.

1.202 Consumer Scotland is preparing to submit a voluntary report to the Sustainable Scotland Network (SSN). During 2025-2026, work commenced to develop measurable operational carbon reduction targets and supporting indicators. These proposed targets had not been formally approved at the reporting date and therefore represent future objectives rather than current organisational targets.

Improvements during the year

1.203 During 2025-2026, Consumer Scotland strengthened its climate-related governance, risk consideration and reporting approach. This included more structured Board and Executive oversight, further integration of climate-related activity within the Work Programme, and initial development of proportionate metrics and targets.

1.204 The organisation has also improved its understanding of climate-related risks and opportunities within its remit and taken steps to enhance the data underpinning future disclosures, including preparation for voluntary SSN reporting. These improvements support continued alignment with evolving public sector TCFD expectations.

Island Communities Duty

1.205 Consumer Scotland is subject to the Islands (Scotland) Act 2018, Part 3. Through our Work Programme we deliver a number of projects across a range of markets that address issues important to rural and remote consumers in Scotland, including those Scotland’s island communities.

1.206 Consumer Scotland undertook a public consultation on our Draft Work Programme for 2026-2027, providing stakeholders with the opportunity to comment on the relevance and potential impact of our planned work for different groups of consumers, including those living in island and remote communities.

1.207 Our 2025-2026 Work Programme included a specific workstream focused on postal services in Scotland’s island communities. The Scottish Government subsequently included a commitment in its National Islands Plan, for Consumer Scotland’s research to inform Scottish Government engagement with UK Government, Royal Mail, Post Office, Ofcom, and parcel delivery companies to ensure island communities and businesses can access equitable postal and delivery services.

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Fairer Scotland Duty

1.208 Consumer Scotland is subject to the Fairer Scotland Duty, set out in Part 1 of the Equality Act 2010, which requires public bodies to have due regard to reducing inequalities of outcome caused by socio-economic disadvantage when taking strategic decisions. Our Work Programme includes workstreams across a range of markets that seek to achieve fairer outcomes for consumers experiencing socio-economic disadvantage. Analysis of our recommendations register, which captures all substantive recommendations made to governments, regulators and businesses, indicates that improving fairness for consumers is a core aspect of our advice.

1.209 Two of our three cross-cutting themes set out in the Strategic Plan 2023-2027 - addressing the cost of living and supporting consumers in vulnerable circumstances - are closely linked to outcomes for consumers who experience inequalities arising from socio-economic disadvantage. These themes are embedded throughout our work planning and delivery. Consumer Scotland has also developed a set of Consumer Principles to guide our analysis of markets and consumer issues, one of which is fairness. These principles are reflected in guidance produced for Scottish public bodies on the application of the Consumer Duty, supporting the consideration of consumer impacts in strategic decision-making.

1.210 Consumer Scotland has established an Advisory Committee on Consumers in Vulnerable Circumstances to provide strategic advice on our work in relation to consumers who may face vulnerability, including those experiencing socio-economic disadvantage.

1.211 As part of the consultation on our Draft Work Programme for 2025-2026, stakeholders were invited to provide views on the relevance and likely impact of proposed projects for consumers who experience inequalities, including those arising from socio-economic disadvantage.

Consumer Duty

1.212 The Consumer Scotland Act 2020 places a duty on relevant public authorities in Scotland, when making decisions of a strategic nature about how to exercise their functions, to have regard to:

a) the impact of those decisions on consumers in Scotland; and

b) the desirability of reducing harm to consumers in Scotland.

1.213 The Consumer Duty came into force on 1 April 2025. During its initial year of implementation, Consumer Scotland has shaped its own strategic decision-making in line with the published statutory guidance. In accordance with that guidance and Consumer Scotland's strategy, we consider the Consumer Principles as part of our decision-making, with particular regard to consumers in vulnerable circumstances. Where appropriate, we draw on advice from the Advisory Committee on Consumers in Vulnerable Circumstances.

Public Service Reform

1.214 Consumer Scotland continues to seek efficiencies and value for money in line with section 32 of the Public Service Reform (Scotland) Act 2010[vii].

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1.215 During 2025-26, Consumer Scotland continued to identify opportunities for savings and efficiencies through its ongoing organisational development activity. As part of this work, we continued to work with the group of smaller NMOs (including Environmental Standards Scotland, the Scottish Fiscal Commission, the Scottish Housing Regulator and the Office of the Scottish Charity Regulator). This group supports the sharing of information, resources, good practice, and promotes collaborative approaches to efficiency in line with the Public Service Reform agenda.

1.216 Consumer Scotland is also an active member of the Scottish Delivery Bodies Group, which enables organisations across the devolved public sector to share expertise, maximise the effectiveness of public expenditure and support a culture of continuous improvement and best practice.

1.217 In accordance with section 31(1) and (2) of the Public Services Reform (Scotland) Act 2010, Consumer Scotland is required to report on expenditure within specified categories. Consumer Scotland's expenditure for the financial year 2025-2026 under these categories is set out below:

1. Incurred spend of £122,649 on public relations (including staffing)
2. Did not incur any spend on overseas travel
3. Incurred spend of £234 hospitality and entertainment
4. Incurred spend of £25,000 on external consultancy to produce our mandated Strategic Review of Performance
5. Had no members or employees who received remuneration in excess of £150,000
6. Made the following individual payments with a value in excess of £25,000:

Table 13: Payments over £25,000

Supplier/Payee	Description	25-26 expenditure (£)
Ipsos Ltd	Invoice - Research - Water	42,000.00
Ipsos Ltd	Invoice - Research - Water	42,000.00
Ipsos Ltd	Invoice - Research - Water	42,000.00
Scottish Legal Aid Board	Invoice - Accommodation Costs	37,274.14
IFF Research	Invoice - Research - Social Renters Experience	36,785.20
Scottish Legal Aid Board	Invoice - Accommodation Costs	36,384.16
Scottish Legal Aid Board	Invoice - Accommodation Costs	36,185.46
Scottish Legal Aid Board	Invoice - Accommodation Costs	35,983.91
Ipsos Ltd	Invoice - Research - Water	34,800.00
Ipsos Ltd	Invoice - Research - Energy	34,800.00
IPSOS (Market Research) Ltd	Invoice - Research - Energy	34,800.00
IFF Research	Invoice - Research - Heat Networks	34,647.06
IFF Research	Invoice - Research - Heat Networks	34,647.05

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COSLA	Secondment Costs	30,254.83
ADS - Consumer Advice Workplan	Grant Payment - ADS	225,000.00
ADS - Consumer Advice Workplan	Grant Payment - ADS	225,000.00
ADS - Consumer Advice Workplan	Grant Payment - ADS	225,000.00
ADS - Consumer Advice Workplan	Grant Payment - ADS	225,000.00
CAS - Advocacy	Grant Payment - CAS	387,932.88
CAS - Advocacy	Grant Payment - CAS	99,054.14
CAS - Advocacy	Grant Payment - CAS	105,521.20
CAS - Advocacy	Grant Payment - CAS	65,574.08
CAS - Advocacy	Grant Payment - CAS	61,923.85
CAS - Advocacy	Grant Payment - CAS	92,784.59
CAS - Advocacy	Grant Payment - CAS	98,753.95
CAS - Advocacy	Grant Payment - CAS	38,455.31
CAS - BESN/W	Grant Payment - Big Energy Savings	166,126.03
CAS - BESN/W	Grant Payment - Big Energy Savings	131,827.04
CiTA - Consumer Advocacy Workplan	Grant Payment - CiTA	273,000.00
ADS - Heat Networks	Grant Payment - ADS	70,500.00
ADS - Heat Networks	Grant Payment - ADS	70,500.00
ADS - Heat Networks	Grant Payment - ADS	70,500.00
ADS - Heat Networks	Grant Payment - ADS	70,500.00
CAS - Heat Networks	Grant Payment - CAS	45,881.60

*Note: this table does not include multiple payments made to persons or bodies in the course of the same financial year that are below £25,000, but which cumulatively exceed the reporting threshold.

Wider Context and Future Plans

1.218 The following section sets out the external context in which Consumer Scotland operates and the key priorities and planned activity for the coming period. Assurance over the organisation's governance, financial sustainability, risk management and value for money in delivering this activity is provided elsewhere in this Annual Report and Accounts

1.219 In Consumer Scotland's Strategic Plan for 2023-2027 we set out three cross-cutting themes for our work, which are of significant importance to consumers in Scotland. These are –

- addressing the cost of living and improving the affordability of goods and services;
- climate change adaptation and mitigation; and
- supporting consumers in vulnerable circumstances.

1.220 These issues continue to influence our work and desired outcomes and have shaped our work plan for 2026-2027.

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Table 14: Wider context and future plans

Wider Context and Future Plans	Detail
Developing our role as the statutory body for consumers and increasing cohesion across the advocacy and advice sector	• In our role as a funding body, continue to work with our third sector delivery partners to ensure our workplans complement each other, are streamlined and deliver value for money • As chair of the consumer sector Chief Executive's group, continue to lead work focussing on the sector's contribution to wider priorities such as delivering economic growth and the reform of public services in Scotland • As convener of the Consumer Network for Scotland, continue to bring together organisations from across the regulatory, advocacy, advice and enforcement consumer landscape to tackle key issues facing consumers in Scotland
Developing and publishing our second Strategic Plan	• During 2026/27 we will develop our second Strategic Plan, to over the four years from April 2027. (Our first Strategic Plan covered the period 2023-2024 – 2026-2027) • Following the recommendations set out in the Statutory Review of Performance publish in March 2026, our approach to developing the Strategic Plan will involve engagement with a range of external partners. The Strategic Plan will clarify our purpose and strategic role within the consumer landscape, framing our priorities during the Strategic Plan period. • We will publish our Strategic Plan in March 2027.
Implementing our Work Programme for 2026-27 and, building on lessons learnt from that, developing our Work Programme for 2027-28	• Continue to monitor outcomes from, and advocate on basis of, activities delivered in 2025-2026 • Delivery of 2026-2027 Work Programme throughout the 2026-2027 financial year • Initial scoping and drafting of Work Programme 2027-2028 during autumn 2026 • Draft Work Programme 2027-2028 in place and approved by Board by December 2026 • Work Programme 2027-2028 published for consultation in January 2027 • Final draft of Work Programme published and laid before parliament March 2027
Publishing our statutory Consumer Welfare Report	• During 2025-2026 we undertook development work to inform our statutory Consumer Welfare Report. This included stakeholder engagement, development of a consumer survey, and general scoping • We will publish the Consumer Welfare Report in autumn 2026 • The report will report will provide an evidence-based assessment of the statutory questions, and inform debate on key issues affecting consumers in Scotland

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Developing our investigations function and impact	• During 2025-2026 we undertook a detailed investigation into the used car market in Scotland. We published our investigation report in June 2026, laying this before parliament and writing to Ministers. The investigation will include recommendations for Scottish Government, trade bodies, and consumer advice bodies • We will launch our subsequent investigation in late summer 2026. Scoping for this is well advanced • We will also develop and implement processes for the consideration and use of our statutory powers, including super-complaint powers, ensuring we are ready to apply this new power effectively to address systemic consumer harm where appropriate
Engaging key stakeholders on how to proceed in relation to a recall of goods register	• Continue work with OPSS in ensuring a joined-up approach in raising awareness of the recall of good register and that any amendments to the UK register reflect the interests of Scottish consumers • Ensure Consumer Scotland website remains up to date with information relating to recall of goods register • Continue to identify opportunities to highlight register in wider pieces of Consumer Scotland work where relevant
Monitoring and formally reporting on Consumer Scotland's activities, impact and influence, in accordance with our Performance Framework	• Continue to implement our refresh Performance Framework to monitor our impact • Report quarterly on progress to the Board, • Report on our impact and influence during 2026-2027 as part of our annual reporting cycle at year end, using our workstream monitoring information and recommendations register as key tools in this process • Develop short, impact case-studies on an ongoing basis to demonstrate the impact and outcomes of Consumer Scotland's activity
Consumer Scotland continues to focus on building a versatile, expert workforce and fostering an organisational culture in which staff are engaged, supported and able to perform at their best	• Throughout 2025-2026, we will maintain a strong focus on learning and development, supported by regular employee engagement checkpoints. These will include both formal and informal staff surveys, with outputs progressed through an established employee working group • People and development matters will continue to feature regularly within Senior Leadership Team and All-Staff meetings, supporting open dialogue and continuous improvement • We will continue to recruit, develop and retain a multi-skilled workforce capable of responding flexibly to changing organisational priorities and external demands, ensuring that Consumer Scotland remains resilient and future-focused
Consumer Scotland continues to strengthen collaboration with comparable public sector	• Continue to explore collaboration and efficiency opportunities with Environmental Standards Scotland and Social Security Scotland

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bodies, particularly in relation to shared accommodation and services, as part of our commitment to best value and efficient use of public resources.	• Active participation in the Scottish Delivery Bodies Group - to learn from each other's experience, helping streamline workstreams and reduce need for external expertise • 'Smaller NMOs' working group to progress efficiency and savings initiatives

Wider Scope of Accountability

This section summarises how Consumer Scotland has met its wider statutory duties and public sector obligations during the year. It provides assurance on compliance with relevant legislation and guidance and signposts to sections of the Annual Report and Accounts where further detail is provided.

Statutory and regulatory duties

Consumer Scotland has complied with all relevant statutory duties applicable to Non-Ministerial Offices during 2025-2026. This includes duties arising from the Consumer Scotland Act 2020, the Public Finance and Accountability (Scotland) Act 2000 and the Scottish Public Finance Manual.

Consumer Scotland is subject to the Islands (Scotland) Act 2018 and the Fairer Scotland Duty under Part 1 of the Equality Act 2010. How these duties have been considered and embedded within work planning and decision-making is set out within the Performance Report and the Corporate Governance Report.

The statutory Consumer Duty, introduced by the Consumer Scotland Act 2020, came into force on 1 April 2025. Consumer Scotland has embedded the duty within its strategic decision-making arrangements and has published guidance to support relevant public authorities in meeting their obligations. Further detail is provided within the Performance Report.

Best Value and public service reform

The Accountable Officer has a duty to ensure that Consumer Scotland secures Best Value in the use of public funds. Best Value principles are embedded within governance, planning, performance management and decision-making processes. Consumer Scotland continues to promote efficiency and continuous improvement in line with the Public Services Reform (Scotland) Act 2010. Collaboration, shared service arrangements and joint working with other public bodies are described in both the Performance Report and the Corporate Governance Report.

The fiscal outlook for public sector funding remains challenging. In response, we have refreshed our Medium-Term Financial Strategy, extending our financial forecasting to ten years, to ensure that key risks, pressures and opportunities are clearly identified. This work supports proactive management of financial risks and helps ensure that Consumer Scotland can continue to deliver its statutory functions and strategic objectives, while demonstrating best value for money and a strong commitment to the Public Service Reform agenda

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Governance, risk and assurance

Consumer Scotland operates a robust system of corporate governance, risk management and internal control, proportionate to the organisation's size, functions and risk profile. The effectiveness of these arrangements is assessed by the Accountable Officer and informed by Internal Audit, External Audit, the Audit and Risk Committee and the Consumer Scotland Board.

Full details of governance arrangements, risk management, internal control, audit and assurance are set out in the Corporate Governance Report and Governance Statement.

Information governance and data protection

Consumer Scotland complies with its information governance and data protection obligations. Records management arrangements are in place in line with the Public Records (Scotland) Act 2011, and responsibilities for information risk are clearly defined within the organisation.

There were no known reportable personal data breaches during 2025–2026. Further information is provided within the Corporate Governance Report.

Signed by:

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Sam Ghibaldan
Chief Executive
08 October 2026

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2. Accountability Report

Overview

2.1 The Accountability Report sets out how Consumer Scotland has met its obligations for governance, stewardship of public resources and accountability for performance during 2025-26. The report supports accountability to the Scottish Parliament, Scottish Ministers and the public, and demonstrates how the organisation applies recognised standards of corporate governance and public sector accountability.

2.2 The Accountability Report comprises three sections:

- Corporate Governance Report: explains Consumer Scotland's governance arrangements, including the role of the Board and Executive Team, risk management, internal control and compliance with relevant governance requirements.
- Remuneration and Staff Report: provides information on Board and senior management remuneration, staff numbers and costs, workforce matters and other disclosures required by the Government Financial Reporting Manual.
- Parliamentary Accountability and Audit Report: presents those disclosures that are subject to audit and reports on Consumer Scotland's use of public funds and compliance with parliamentary accountability requirements.

2.3 Together, these disclosures provide assurance on the effectiveness of governance arrangements, the stewardship of public resources and the organisation's accountability for delivering its statutory functions and strategic objectives.

Corporate Governance Report

Directors' Report

2.4 The Chief Executive is the Accountable Officer of Consumer Scotland and is supported by the Executive Team.

2.5 The Board operates under agreed Standing Orders.[viii]

2.6 The Board supports Consumer Scotland to deliver its functions by offering strategic advice and constructive challenge to the Chief Executive and Executive Team. Full details of the governance structure and risk management arrangements in operation at Consumer Scotland are provided as part of the Governance Statement on page 71.

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2.7 Consumer Scotland has a Framework Agreement[ix] (refreshed in October 2025) with the Scottish Government which sets out the terms of the relationship between Consumer Scotland and the Scottish Ministers in relation to governance, funding and the operation of its functions. The Framework Agreement forms a key component of Consumer Scotland's governance and accountability framework.

2.8 As reported on page 65 there were no known reportable data breaches in 2025-2026

Funding and Structure

2.9 Consumer Scotland is a Non Ministerial Office (NMO) with its remit and statutory functions set out in the Consumer Scotland Act 2020. Its principle location is Thistle House, 91 Haymarket Terrace, Edinburgh, EH12 5HD.

2.10 Consumer Scotland receives core funding from the Scottish Government and additional grant-in-aid funding from both the UK and Scottish Governments to deliver consumer advocacy activity in the water, post, gas, heat networks and electricity sectors. The total budget for 2025-26 was £7.34 million.

Directors and management structure

2.11 This section outlines the composition of the Board and Executive Team during the year, the governance framework in place, the responsibilities of the Accountable Officer, their sources of assurance and an assessment of Consumer Scotland's corporate governance and risk management arrangements.

Consumer Scotland Board 2025-26

2.12 The Board operates under agreed Standing Orders and has a Framework Agreement with the Scottish Government.

2.13 The members of the Board who served Consumer Scotland during 2025-2026 are shown in the table below:

Table 15: Board and Committee Members

Members (appointed on 1 July 2021, reappointed 19 December 2023)	David Wilson (Chair of the Board) Angela Morgan (Chair of the CCVC*) James Walker
Members (appointed 2 February 2026)	Marion McDonald Jane Clark Hutchison
Members resigned	Lesley Halliday (resigned 31 May 2025) Nick Martin (resigned 31 January 2026)

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Audit and Risk Committee Chair	Nick Martin (April 2025 – January 2026) Marion McDonald (February 2026 – present)
Members	Angela Morgan James Walker Jane Clark Hutchison (from February 2026)
Members resigned	Lesley Halliday (resigned 31 May 2025)

*Advisory Committee on Consumers in Vulnerable Circumstances

2.14 Minutes of Board, Audit and Risk Committee and Advisory Committee meetings are published on the Consumer Scotland website.

2.15 The Register of Members' Interests is available on the Consumer Scotland website and on request. All Board members are required to review and update the register at least annually.

Senior Management

2.16 The members of the Consumer Scotland Executive Team during 2025-26 are shown in the table below.

Table 16: Executive Team

Executive Team as at 31 March 2026	**Sam Ghibaldan** Chief Executive (Appointed June 2022) **Sue Bomphray** Director of Operations and Partnerships (Appointed temp August 2021, appointed perm April 2023) **David Eiser** Director of Analysis, Research and Investigations (Appointed December 2022) **Douglas White** Director of Policy and Advocacy (Appointed October 2022)

Internal Auditors

2.17 Internal audit services are provided by the Scottish Government's Directorate of Internal Audit and Assurance; the scope of work of Internal Audit is determined following discussion with management and is subject to approval by the Audit and Risk Committee.

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External Auditors

2.18 Our Accounts are audited by Deloitte LLP under contract to Audit Scotland. The notional fees are reported in the financial statements at Note 8. Deloitte LLP has provided only external audit services to Consumer Scotland during the year.

Accounts direction

2.19 The 2025-2026 accounts have been prepared in accordance with the Accounts Direction given by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000.

Date accounts authorised for issue

2.20 The Accountable Officer authorised these financial statements for issue on 8 October 2026.

Statement of Accountable Officer's responsibilities

2.21 Under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, the Scottish Ministers have directed Consumer Scotland to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction at page 114. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Consumer Scotland and of its income and expenditure, statement of financial position and cash flows for the financial year.

2.22 As Accountable Officer, the Chief Executive is personally accountable to the Scottish Parliament for the propriety and regularity of Consumer Scotland's finances and for ensuring the economical, efficient and effective use of the resources placed at the organisation's disposal.

2.23 In preparing the accounts, the Accountable Officer is required to comply with the Government Financial Reporting Manual (FReM) and, in particular, to:

- observe the Accounts Direction issued by the Scottish Ministers, including relevant accounting and disclosure requirements, and apply suitable accounting policies consistently
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures
- prepare the financial statements on a going-concern basis, unless it is inappropriate to presume that Consumer Scotland will continue in operation

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- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and take personal responsibility for that assessment

2.24 The responsibilities of the Accountable Officer are set out in the Memorandum to Accountable Officers from the Principal Accountable Officer. These include responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for maintaining proper accounting records, and for safeguarding Consumer Scotland's assets.

2.25 As Accountable Officer, I confirm that funds have been used properly, efficiently and for intended purposes. I am not aware of any relevant audit information of which Consumer Scotland's auditors are unaware. I have taken all reasonable steps to ensure that I am aware of any relevant audit information and that the auditors are also made aware of it.

Signed by:

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Sam Ghibaldan
Chief Executive
08 October 2026

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3. Governance Statement

3.1 This statement sets out how Consumer Scotland manages and controls its resources and risk. It covers the period from 1 April 2025 to the date of signing.

Consumer Scotland's Governance Framework

3.2 The Governance Framework is designed to ensure that Consumer Scotland complies with the highest standards of integrity whilst delivering value for money for Scottish taxpayers, safeguarding public funds, delivering good quality insight and service to its stakeholders, and being fully accountable for its actions.

3.3 Consumer Scotland complies with the guidance contained in the Scottish Public Finance Manual (SPFM)[x] and in relation to the Board, guidance note 2 of 'On Board: A Guide for Members of Management Advisory Boards' published by the Scottish Government.

3.4 Underpinning this is our Framework Agreement - an agreement between Consumer Scotland and the Scottish Government that lays out the relationship in terms of the respective roles and responsibilities for carrying out our functions. As the principal source of reference for our corporate governance arrangements, the 'Framework Agreement' describes and sets out the:

- Relationship between Consumer Scotland and the Scottish Government
- Responsibilities of the Accountable Officer and the Scottish Government
- The frameworks within which we operate regarding Resource, Finance and Human Resources.

3.5 Consumer Scotland's framework agreement was last amended, approved by the Board and published in October 2025.

3.6 Sam Ghibaldan was appointed as Chief Executive with effect from 20 June 2022. As Accountable Officer, Sam is responsible for maintaining an adequate and effective system of internal control, which supports the delivery of Consumer Scotland's vision, business priorities, aims, and policies (including those set by the Scottish Government), while safeguarding the public funds and assets for which Sam is personally responsible in accordance with the responsibilities assigned to him.

3.7 As a small organisation, we have a simple governance structure. The Board and ARC are supported by the Executive Team. The Scheme of Internal Delegation documents any functions which the Board have delegated to the Chief Executive and Executive Team, whilst still being responsible for them.

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3.8 The Board has corporate responsibility for ensuring that Consumer Scotland fulfils its aims and objectives and for promoting the efficient and effective use of staff and other resources in accordance with the principles of Best Value. Members of the Executive Team attend Board meetings to support the Board members.

3.9 The operation of the Board is governed by the Standing Orders, which set out arrangements for the Board. The Code of Conduct for Members sets out the expected behaviours of our Board members. Our Code of Conduct is based on the Model Code of Conduct for Members of Devolved Public Bodies.

3.10 The ARC provides constructive challenge of Consumer Scotland's risk, governance and financial management including the policies, controls and assurance in place for each. The Committee focuses upon Consumer Scotland's risk assessment and management, the internal and external audit processes and the production of the Annual Report and Accounts. It uses the Scottish Government Audit and Assurance Committee Handbook to guide its work. The Committee publishes its minutes on our website.

3.11 The Audit and Risk Committee benefits from the helpful and expert input of Deloitte LLP (appointed as External Auditor by Audit Scotland) and the Scottish Government Directorate for Internal Audit and Assurance who attend ARC meetings.

3.12 The other documents which form part of our governance framework are:

- the Consumer Scotland Act 2020, which sets out our powers, functions and duties
- our Strategic Plan, which sets out our purpose, ambition and strategic objectives
- the Consumer Scotland Risk Management Framework, which sets out how significant risks facing Consumer Scotland Commission in the delivery of its corporate aims and objectives will be identified, evaluated and appropriately managed
- our various corporate policies and procedures.

3.13 In March 2023, we developed and published Consumer Scotland's Strategic Plan, setting out our Purpose, Ambition, Strategic Objectives and Partnership Approach for 2023 – 2027.

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Table 17: Our Purpose, Ambition, Strategic Objectives and Partnership Approach for 2023 – 2027

Our Purpose		
To improve outcomes for current and future consumers		
Our Ambition		
That every consumer can participate in a fair and sustainable economy, confident their needs and aspirations will be met		
Our Strategic Objectives		
To enhance understanding and awareness of consumer issues by strengthening the evidence base	To serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors	To enable the active participation of consumers in a fairer economy by improving access to information and support
Our Partnership Approach		
To collaborate with other organisations with interests and expertise in consumer issues		

The Board

3.14 During 2025-2026 the Board met formally on eight occasions. A full set of minutes was produced for each meeting to record all agreed actions and decisions and published on our website. At each occasion, all Board members were asked for any declarations of interest with a full record made in the minutes in compliance with the Code of Conduct.

3.15 The Board offer strategic advice and constructive challenge to the Chief Executive and the Executive Team, seek to improve performance, promote good governance and advise on identifying and managing risk.

3.16 During the year, the Board's work has included:

- Considering the content of our 2023-2027 Strategic Plan, our 2026-2027 Work Plan and the Strategic Review of Performance (The Lorimer Review)
- Receiving reports on the work of the ARC and contributing towards recommending mitigations to the risks assessed in the Consumer Scotland's strategic risk register
- Receiving regular financial and budgetary updates, providing constructive feedback and challenge
- Considering financial statements, including our draft Annual Report and Accounts
- Considering the recommendations made in our first Investigations report

3.17 During the year, the ARC's work has included:

- Directing the work of, and receiving progress reports from, Internal Audit

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- Reviewing External Audit reports where appropriate, which includes the Annual Audit Report including an ISA 260 report
- Reviewing our budget and outturn position alongside financial performance against key metrics
- Regular review and scrutiny of the Consumer Scotland Strategic Risk Register

3.18 Regular review meetings are held between the Chair of the ARC and Director of Operations and Partnerships to manage the preparation of the annual report and accounts.

3.19 During the year ended 31 March 2026, two new Board members were appointed, and two Board members left their position.

Corporate Governance

3.20 The Scottish Government guidance for members of statutory boards, "On Board" states that "Corporate governance is the way in which organisations are directed, controlled and led and defines where accountability lies throughout the public body". It defines the three main dimensions of corporate governance as: roles, responsibilities and relationships; effective financial management, and ethics and standards of behaviour.

3.21 The Governance Framework section above sets out how our roles, responsibilities and relationships are defined. Our corporate policies are reviewed regularly to an agreed schedule and are published on our website.

3.22 We adhere to the Scottish Public Finance Manual (SPFM) issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency, effectiveness and equality, and promotes good practice and high standards of propriety. We have also taken advantage of Government procurement frameworks to achieve best value. We use Scottish Government financial management software and systems which provide compliant controls.

3.23 Rules on ethics and standards of behaviour for our Board members are set out in our Code of Conduct, which is based on the Model Code of Conduct for Members of Devolved Public Bodies. The Standards Commission deals with alleged breaches of the code, as provided for by the Ethical Standards in Public Life etc. (Scotland) Act 2000.[xi]

3.24 Rules on ethics and standards of behaviour are set out in the Civil Service Code, and this forms part of the terms and conditions for staff. We also follow the Scottish Government's Fairness at Work policy.

3.25 Consumer Scotland's whistle-blowing policy sets out how all those who work within the organisation can raise concerns about malpractice. It is subject to regular review by the Governance Board (last review on 15 June 2026) and has been assessed as being effective. To date, no concerns about malpractice have been raised.

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Corporate Services

3.26 Consumer Scotland has procured a range of corporate services to support the effective operation, governance and assurance of the organisation. Where possible, these services are delivered through shared service arrangements provided by the core Scottish Government, including finance, internal audit, data protection, information technology and procurement. Where shared services are not available, Consumer Scotland has contracted external providers through appropriate procurement frameworks. These services include human resources, payroll, website management, occupational health, employee benefits, employee assistance programmes, recruitment, legal services, communications and monitoring support.

Risk Management

3.27 All bodies to which the SPFM applies are required to operate a risk management strategy in accordance with the guidance issued by the Scottish Ministers. The general principles for a successful risk management strategy are set out within the SPFM.

3.28 Consumer Scotland's approach to risk management also aligns with the "Corporate Governance in Central Government Departments: Code of Good Practice" and the principles set out in the UK Government's Orange Book, as referenced in the Government Financial Reporting Manual (FReM) paragraph 6.4.8 (f)

3.29 Consumer Scotland's Risk management framework specifies the roles of the Board, the Audit and Risk Committee, the Executive Team and the Chief Executive. It also sets out the processes for risk identification, assessment, monitoring and escalation. The framework is reviewed and approved by the Board at least every two years and was most recently reviewed in December 2025.

3.30 The risk management systems described in this report have been in place since Consumer Scotland vested on 1 April 2022 and remain in operation as at the date of approval of the Annual Report and Accounts.

3.31 The system of internal control implemented by Consumer Scotland is designed to manage risk to a reasonable level, rather than eliminate all risk. It is proportionate to the organisation's size, complexity and risk profile and provides reasonable assurance of effectiveness.

3.32 The systems of internal control form a core component of Consumer Scotland's governance and assurance framework and are based on an ongoing process designed to:

- identify and prioritise risks to the achievement of Consumer Scotland's statutory purpose, aims and strategic objectives
- evaluate the likelihood of those risks being realised and the potential impact should they occur
- manage risks in an efficient, effective and economical manner

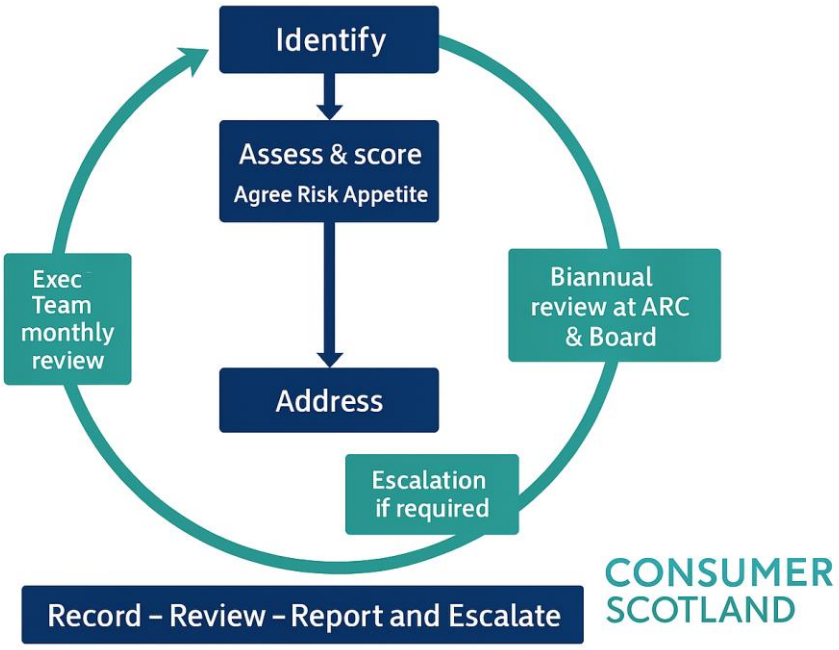
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Risk Management Process

3.33 Consumer Scotland follows Scottish Government guidance on risk management best practice, as illustrated in Figure 1 below. Strategic risks are considered by the Executive Team on a monthly basis and are reported to the Audit and Risk Committee and the Board biannually. Risks are discussed openly, with constructive challenge encouraged, and learning from these discussions is fed back into the ongoing risk management process. Risk deep-dives are undertaken by the Board as required.

3.34 As part of the organisation's Internal Control Checklist activity, Consumer Scotland has assessed controls across the organisation and concluded that an overall effective system of control is in place.

Figure 1: Risk Management Process



3.35 Our approach aims to ensure that:

- risk management is embedded in day to day decision-making
- risk management supports the achievement of Consumer Scotland's objectives
- risks are recorded and reported in a way that enables effective scrutiny by the Audit and Risk Committee
- the Board and Executive Team are aware of, and take decisions on, the most significant risks facing the organisation

3.36 The current key risks are reported in the performance analysis section at Table 9.

3.37 I am satisfied that Consumer Scotland's management of risks is effective and consider the organisation's overall risk profile to be acceptable

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Audit and Assurance

3.38 Consumer Scotland is in its fifth year of operation in 2026-27 and planning for our fourth external audit commenced in February 2026.

3.39 Internal Audit has completed the following work in the year:

- Grants Administration and Governance Arrangements – Reasonable Assurance Rating
- Structure and Operating Model – Reasonable Assurance Rating

3.40 All audit recommendations are reported to the Audit and Risk Committee on a quarterly basis, with progress on implementation tracked and evidenced. Consumer Scotland works closely with both the Scottish Government's Directorate for Internal Audit and Assurance and External Audit to understand key areas of assurance focus for the year ahead.

3.41 The Directorate for Internal Audit and Assurance's annual assurance report for 2025-26 gives an overall *Reasonable Assurance* opinion meaning that the system of internal control is adequate but requires improvement in certain areas.

Business Continuity

3.42 Consumer Scotland has a Business Continuity Plan in place, which is reviewed regularly, with contacts and contingencies updated as required. The Plan is supported by an incident management process, covering operational, tactical and strategic responses, and includes the identification and assessment of business-critical activities.

Counter-Fraud

3.43 Consumer Scotland has worked with the Scottish Government and external bodies to clarify its response to potential fraud cases and to review its related policies. A counter-fraud policy is in place which mirrors that of the Scottish Government. No potential or actual fraud cases were identified during the year.

Best Value

3.44 The Accountable Officer has a statutory duty to secure Best Value in the services provided by Consumer Scotland and in the way the organisation operates. Best Value principles are embedded within Consumer Scotland's planning, governance and decision-making arrangements. Outputs from our work are shared with colleagues through both formal and informal communication channels, and minutes of the Board and Audit and Risk Committee are published on the Consumer Scotland website to support transparency.

3.45 The organisation gathers feedback from stakeholders using a range of mechanisms, including desk-based research and face-to-face engagement. This feedback is used by management to support continuous improvement. Consumer Scotland also continues to

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promote efficiency and identify savings in line with the Public Service Reform (Scotland) Act 2010, as outlined on pages 15 and 59.

3.46 Taken together, Consumer Scotland's governance, performance framework and assurance arrangements provide the Accountable Officer with confidence that the organisation is delivering its statutory functions efficiently, effectively and in a way that represents good value for public money.

Information Assurance

3.47 Consumer Scotland staff are reminded, through the Records Management Policy, of their responsibility to understand what information the organisation holds, how it is stored and retrieved, and what information can be shared. The Director of Operations and Partnerships is designated as the Senior Information Risk Owner (SIRO). The remaining Directors have been assigned Information Asset Owner responsibilities and receive appropriate training and guidance to understand and manage information risks, ensuring information is used lawfully and in the public interest.

3.48 Consumer Scotland's Records Management Plan was submitted to the Keeper of the Records of Scotland at National Records of Scotland in October 2023, with formal approval received in March 2024. The next review is scheduled for 2029.

Data security

3.49 There were no known reportable data breaches in 2025-2026 (2024-25 – zero).

Written Assurances

3.50 As Chief Executive, I have received assurance from:

- the Scottish Government's Director of Financial Management in respect of the financial systems shared with the Consumer Scotland, including the Oracle finance system; and
- the Scottish Government's Director Digital in respect of the information technology services shared with Consumer Scotland

3.51 These assurances confirm that internal control arrangements within the respective Directorates have operated effectively.

3.52 These assurances have been considered alongside wider capacity and resilience challenges affecting Scottish Government corporate operations and shared service delivery during the year. While no specific control weaknesses were identified within the shared service assurance, the broader operating context has been reflected in this Governance Statement as an area requiring management attention

3.53 In addition, I have received detailed assurance statements from members of the Executive Team on the operation and effectiveness of internal controls within the areas for which they are responsible. This includes assurance over the management and operation of contracted external service providers.

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3.54 I have also received assurance for 2025–2026 from the Scottish Government's Directorate of Internal Audit and Assurance in relation to the corporate services provided to Consumer Scotland by the Scottish Government through shared service arrangements. An overall Limited Assurance opinion was given, based on the arrangements in place for risk management, control and governance across the Scottish Government's key corporate systems. This composite opinion reflects ongoing control improvements that continue to be embedded as part of the implementation of the Oracle Cloud system.

Significant Scottish Government Considerations

3.55 During 2025-2026, a number of challenges have emerged within the Scottish Government's corporate operations and digital service delivery which are relevant to the Governance Statement.

3.56 Consumer Scotland relies on a number of shared services provided by the Scottish Government, including IT infrastructure and network services. Assurance has been received from the Scottish Government Digital Directorate regarding the control environment for these systems. However, they have advised that the operating context within these shared services has presented challenges during the year.

3.57 In particular:

- Constraints affecting the delivery of shared digital and network services have limited the ability to operate in a planned and sustainable manner, resulting in a more reactive approach to managing operational risks.
- These pressures have reduced organisational resilience and limited the capacity to take a longer-term, preventative approach to service development and risk management.
- More broadly, capacity constraints across corporate operations have impacted the ability to support organisational requirements, including project delivery, system changes and operational service responsiveness.

3.58 While individual controls and processes remain in place, these factors have reduced Scottish Government's overall confidence in the depth and resilience of the control environment over the period.

3.59 Mitigating actions are in place, including continued engagement with Scottish Government shared service providers, prioritisation of critical activity and ongoing review of operating models and resource allocation.

Assessment of Corporate Governance and Risk Management

3.60 As Accountable Officer, I am responsible for overseeing Consumer Scotland's corporate governance arrangements, including compliance with accepted principles of good practice and relevant guidance. I am also responsible for reviewing the effectiveness of

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Consumer Scotland's risk management arrangements and system of internal control. My assessment of the effectiveness of these arrangements is informed by:

- regular engagement with the Executive Team and staff on matters relating to planning, performance, risk and the use of resources
- regular discussions with the Director of Operations and Partnerships on governance and assurance matters
- reports and opinions from Internal Audit on the effectiveness of governance, risk management and internal control systems
- the Board's views on the quality of management reporting, including governance, performance and risk management
- the views of the Audit and Risk Committee on risk management and assurance arrangements
- comments and observations from External Audit, including through attendance at Audit and Risk Committee meetings
- completion of the annual Internal Control Checklist

3.61 Based on the assurance received, I am satisfied that appropriate governance, risk management and internal control arrangements were in place for 2025-26 and up to the date of signing. However, I recognise that capacity and resilience pressures, including those affecting shared services, have reduced confidence in the sustainability of the control environment in certain areas. Actions are underway to strengthen this over 2026-2027.

Signed by:

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Sam Ghibaldan
Chief Executive
08 October 2026

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4. Remuneration and Staff Report

Remuneration Report

4.1 The information in the Performance Report and Accountability Report has been reviewed by the external auditors for consistency with the financial statements. The information relating to the remuneration, pension benefits and termination arrangements of senior management and non-executive Board members; fair pay; staff numbers; and staff costs has been audited.

Pay and Conditions

4.2 The Chief Executive is a Senior Civil Servant whose remuneration is set in accordance with Chapter 7.1, Annex A of the Civil Service Management Code and determined with reference to independent advice from the Senior Salaries Review Body (SSRB).[xii]

4.3 In reaching its recommendations, the SSRB considers the following:

- the need to recruit, retain, motivate and, where appropriate, promote suitably able and qualified individuals
- regional and local labour market conditions and their impact on recruitment and retention
- UK Government policies relating to the improvement of public services
- the funds available within departmental expenditure limits
- the UK Government's inflation target

4.4 Further information about the work of the SSRB is available from the Office of Manpower Economics.

4.5 Consumer Scotland staff are civil servants employed within the Scottish Administration, rather than the Scottish Government. They are required to adhere to the Civil Service Code applicable to the Scottish Administration. Staff are appointed by Consumer Scotland and operate in accordance with the strategic direction set by the Board. Remuneration is determined in line with the Scottish Government Public Sector Pay Policy and mirrors the Scottish Government Main Bargaining Unit pay arrangements. Consumer Scotland has a separate Recognition Agreement with the recognised trade unions: PCS, Prospect and the FDA.[xiii] Unless otherwise stated, staff appointments are open-ended. Early

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termination, other than for misconduct, would result in compensation in line with the Civil Service Compensation Scheme.

4.6 Board members are non-executive appointments made by Scottish Ministers. Appointments are regulated public appointments and are subject to the Public Appointments and Public Bodies etc. (Scotland) Act 2003 and the Gender Representation on Public Boards (Scotland) Act 2018. The appointments process is governed by the Ethical Standards Commissioner's Code of Practice.

4.7 Board Members provide independent advice, support and challenge to the Chief Executive and Executive Team. They participate in the work of the Board and, where applicable, the Audit and Risk Committee.

4.8 Board members receive fees for duties undertaken on behalf of Consumer Scotland, including attendance at Board and committee meetings. Fees are paid at the daily rate set out in members' letters of appointment, and expenses incurred in the performance of duties are reimbursed in accordance with policy. Fees are paid monthly in arrears and are governed by the Scottish Public Sector Pay Policy.[xiv]

4.9 Details of Board members' fees and the salaries and accrued pension benefits of the Executive Team are shown below, prepared in accordance with the format and methodology prescribed by the Cabinet Office and the Government Financial Reporting Manual (FReM).

Board Member Fees (audited information)

4.10 The Board directors are not salaried, but received the following in fees and expenses in connection with their duties:

Table 18: Board member fees

Board Member	2025-2026 *£'000	2024-2025 *£'000
David Wilson (Board Chair)	15-20	10-15
Nick Martin (ARC Chair)	0-5	0-5
Angela Morgan	5-10	0-5
James Walker	0-5	5-10
Lesley Halliday	0-5	0-5
Marion McDonald	0-5	N/A
Jane Clark Hutchison	0-5	N/A

*(bandwidth of £5,000)

4.11 Board Members of Consumer Scotland are appointed by Scottish Ministers for an initial term of three years. Reappointments may be made for further terms up to a maximum aggregate period of eight years. Appointments and reappointments are managed on a staggered basis to support effective succession planning and continuity.

4.12 Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Principles, which require selection on merit through fair and

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open competition, while also setting out the limited circumstances in which alternative appointment arrangements may apply.

4.13 From 1 October 2009, the Senior Civil Service has operated with no mandatory retirement age, following the implementation of the Employment Equality (Age) Regulations 2006. Under current arrangements, individuals employed in the Civil Service prior to 30 July 2007 may choose to draw their pension from age 60, subject to the applicable scheme rules and contractual notice requirements. Reforms to Civil Service pension arrangements introduced from 1 April 2015 apply to subsequent service and are reflected in the pension disclosures set out later in this report.

4.14 Further information on Civil Service recruitment and governance arrangements is available from the Civil Service Commission.

Remuneration Disclosure

Executive Team Remuneration (audited information)

4.15 The following sections provide details of the remuneration and pension interests of the permanent members of the Executive Team of Consumer Scotland.

Table 19: Executive Team remuneration and pension

Name and Title	2025-2026			2024-2025		
	Salary (bandwidth of £5,000)	Accrued Pension benefits (to nearest £1000)	Total (bandwidth of £5,000)	Salary (bandwidth of £5,000)	Accrued Pension benefits (to nearest £1000)	Total (bandwidth of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000
Sam Ghibaldan **Chief Executive**	95-100	37	130-135	90-95	36	125-130
Sue Bomphray **Director of Operations and Partnerships**	90-95	34	125-130	85-90	34	120-125
David Eiser **Director of Analysis, Research and Investigations**	90-95	34	125-130	85-90	34	120-125
Douglas White **Director of Policy and Advocacy**	90-95	34	125-130	85-90	269	355-360

Notes

- None of the individuals disclosed above received any benefits in-kind or bonus payments in 2025-2026.

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- None of the individuals disclosed above are impacted by the Public Service Pensions Remedy.
- Salary figures include both pensionable and non-pensionable elements and comprise gross salary; overtime; recruitment and retention allowances; and any other allowances or payments subject to UK taxation, including any ex-gratia payments. Salary figures exclude reimbursement of expenses incurred wholly, necessarily and exclusively in the performance of an individual's duties.
- The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. No lump sum is included in this calculation. The real increase excludes any increase due to inflation and any increase or decrease resulting from the transfer of pension rights.

Table 20: Pension benefits (audited information)

Name and title	Accrued pension at pension age as at 31 March 26 and related lump sum *£'000	Real increase in pension and lump sum at pension age £'000	CETV at 31 March 2026 £'000	CETV at 31 March 2025 £'000	Real increase/ (decrease) in CETV £'000
Sam Ghibaldan Chief Executive	5-10	0-2.5	128	92	26
Sue Bomphray Director of Operations and Partnerships	5-10	0-2.5	95	62	25
David Eiser Director of Analysis, Research and Investigations	5-10	0-2.5	92	63	20
Douglas White Director of Policy and Advocacy	15-20	0-2.5	234	203	18

*(bandwidth of £5,000), no lump sum included

Notes

- The pension information disclosed above has been supplied to Consumer Scotland by the Civil Service Pension administration team.
- Employer contributions to all pension arrangements during 2025-2026 totalled £647k, including £107k in respect of the Executive Team.

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Civil Service Pensions

4.16 Pension benefits are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "*Alpha*" – are unfunded multi-employer defined benefit schemes. Consumer Scotland is unable to identify its share of the underlying assets and liabilities of the scheme and therefore accounts for contributions as if the scheme were a defined contribution scheme. The scheme actuary valued the PCSPS as at 31 March 2024. You can find details in the resource accounts of the Cabinet Office.

4.17 Information required by IAS 19.148(d)(v) regarding any scheme surplus or deficit attributable to participating employers, and IAS 19.148(d)(v) regarding Consumer Scotland's level of participation in the scheme relative to other participating employers, is not available to the organisation from the scheme administrator.

4.18 For 2025-2026, employers' contributions of £647k (2025-2026: £537,000) were payable to the CSOPS at a rate of 28.97% of pensionable earnings. Employer contribution rates are reviewed by the Scheme Actuary, usually every four years following a scheme valuation. Contribution rates are set to reflect the cost of benefits accruing during the year to members, rather than benefits paid during the year to existing pensioners.

4.19 Employees may opt to open a partnership pension account, which is a stakeholder pension with employer contributions. The partnership pension account is an occupational defined contribution arrangement and is part of the Legal & General Mastertrust. Employer contributions are age-related and ranged from 8.0% to 14.75% of pensionable earnings. Employers also match employee contributions up to a maximum of 3% of pensionable earnings.

4.20 Employers also contribute an additional 0.5% of pensionable salary to cover the cost of centrally provided risk benefits (death in service and ill-health retirement). Consumer Scotland had no employees enrolled in the partnership pension scheme during 2025-2026. Further details about the Civil Service pension arrangements can be found at: www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

4.21 A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a given point in time. The benefits valued include the member's accrued pension benefits and any contingent spouse's pension payable from the scheme. A CETV represents the value transferred to another pension arrangement when a member leaves the scheme and elects to transfer their accrued benefits. The CETV figures disclosed relate to the benefits accrued as a consequence of total scheme membership, not solely service in a senior capacity to which disclosure applies.

4.22 The figures include the value of any pension benefits transferred from another pension scheme or arrangement into the Civil Service pension arrangements, as well as any additional pension benefits purchased by the member at their own cost.

4.23 CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or

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potential reduction in benefits resulting from Lifetime Allowance taxation that may be payable when pension benefits are drawn

Real increase in CETV

4.24 The real increase in CETV reflects the increase funded by the employer. It excludes increases arising from inflation; contributions paid by the employee; and the value of any benefits transferred from another pension scheme or arrangement. The calculation uses common market valuation factors at the start and end of the reporting period.

Civil Service early departure compensation scheme

4.25 Since Consumer Scotland's establishment in April 2022, there have been no early departure or exit compensation payments under the Civil Service early departure compensation scheme.

Agency Staff

4.26 Consumer Scotland spent £134k on agency staff in 2025-2026 to provide support for governance, accountancy, legal and consumer policy support.

Consultancy

Consumer Scotland incurred consultancy expenditure of £25,000 during 2025-2026. This related solely to the production of the Independent Statutory Review of Performance, as required under the Consumer Scotland Act 2020.

Fair pay (audited)

Consumer Scotland is required to disclose the relationship between the remuneration of its highest-paid employee and the lower quartile, median and upper quartile remuneration of the organisation's workforce. This disclosure is made in accordance with the Hutton Review of Fair Pay Implementation Guidance and the UK Government's Financial Reporting Manual.

Table 21: Fair pay

Heading	2025-2026^	2024-2025^
Band of highest paid director £'000*	95-100	90-95
Percentage increase in highest paid Director over previous year, based on mid-point of salary band	5.41%	5.71%
Average percentage increase for overall employee pay bill (excluding highest paid Director and Non-Executive Directors)	5.88%	-1.33%
Lower Quartile (25th percentile)	£40,723	£40,041
25th percentile Ratio	2.4	2.3
Median total remuneration	£49,121	£48,352
Median Ratio	2.0	1.9
Upper Quartile (75th percentile)	£67,338	£57,725
75th percentile Ratio	1.4	1.6
Range minimum – maximum (FTE)*	38,422 to 96,327	32,455 to 9,533

^Note these figures relate to salary only; there are no benefits in kind in place.

*(bandwidth of £5,000)

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4.27 The lower quartile, median and upper quartile remuneration calculations include all directly employed staff paid through Consumer Scotland's payroll, covering both permanent and fixed-term employees but excluding Non-Executive Directors. All figures are presented on an annualised full-time equivalent basis.

4.28 The average percentage increase for employees overall (excluding the highest paid Director) reflects staff progression through the pay steps and the first year of a phased pay deal with a lower settlement in year two. More than half of staff had reached the maximum pay step for their grade by the end of the reporting period.

4.29 Consumer Scotland considers the median pay ratio for the financial year to be consistent with the organisation's pay, reward and progression policies when taken as a whole. Senior Civil Servants received a 4.1% pay award during the year, while non-SCS staff received a total increase of 4% as year one of a two-year pay deal (3.5% in 2026-2027).

4.30 The 25th percentile ratio has increased slightly due to staff pay rates increasing at a marginally lower rate than the highest paid director who is a Senior Civil Servant. The 75th percentile ratio has reduced as more staff have reached the highest pay step within their band.

4.31 Total remuneration includes salary. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Staff Report

Table 22: Staff numbers as at 31 March 2026 (audited information)

Number of full-time equivalent persons employed at year end*	2025-2026			2024-2025		
	Female	Male	Total	Female	Male	Total
Senior civil servant	0	1	1	0	1	1
Senior management	1	2	3	1	2	3
Other permanent staff	17.11	16.4	33.51	14.32	14.8	29.12
Fixed term staff	2	1	3	0	2	2
Inward secondments/loans	**1.45**	**0**	**2**	0	0	0
Agency/Temporary	**1**	**0.2**	**2**	0	0	0
Total	**22.56**	**20.6**	**40.51**	**15.32**	**19.8**	**35.12**

*This total is affected by rounding. Excludes non-payroll secondees/agency workers and board members.

4.32 Staff costs for Consumer Scotland are disclosed in the notes to the accounts (page 103). Wages and salaries comprise gross salary, non-consolidated payments, overtime and any other allowances subject to UK taxation. Reimbursement of expenses incurred wholly, necessarily and exclusively in the performance of duties is excluded from salary costs.

Off-payroll engagements

4.33 Consumer Scotland had no off-payroll engagements during 2025-26 that met the disclosure thresholds prescribed by the Government Financial Reporting Manual.

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Accordingly, there are no reportable off-payroll engagements for the year ended 31 March 2026.

Staffing

4.34 Staff turnover (excluding loans, secondments and fixed term contracts) as at 31 March 2026 was 2.8% equating to one full time equivalent employee.

Figure 2: Headcount percentage of permanent and fixed-term staff by pay range at end of Mar 2026.

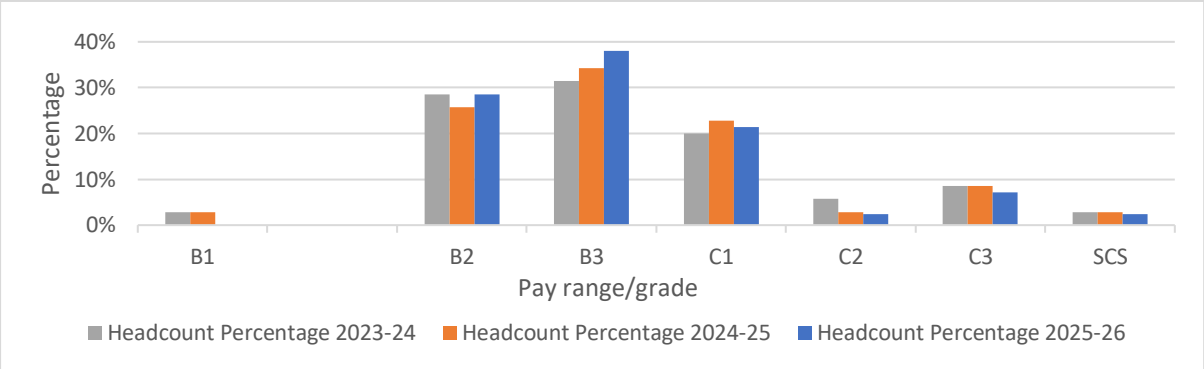


Table 23: Headcount of permanent and fixed-term staff by pay range at end of March 2026.[xv]

Role Grade	B1	B2	B3	C1	C2	C3	SCS	All
Headcount 2025-26	0	12	16	9	1	3	1	42
Headcount % 2025-26	0.0%	28.6%	38.1%	21.4%	2.4%	7.1%	2.4%	100.0%
Headcount 2024-25	1	9	12	8	1	3	1	35
Headcount % 2024-25	2.9%	25.7%	34.3%	22.9%	2.9%	8.6%	2.9%	100.0%
Headcount 2023-24	1	10	11	7	2	3	1	35
Headcount % 2023-24	2.9%	28.6%	31.4%	20.0%	5.7%	8.6%	2.9%	100.0%

*grades mirror Scottish Government

Employee recruitment

4.35 Recruitment and promotion campaigns undertaken by Consumer Scotland are conducted on the basis of fair and open competition and selection on merit, in accordance with Scottish Government guidance and the Civil Service Commissioners' Recruitment Principles.

4.36 The recruitment summary below includes posts filled on a temporary basis and is presented on a headcount basis:

- Four band B permanent vacancies filled (one from another government department and three externally)

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- One C band permanent vacancy was filled from through external recruitment
- Three band B fixed term vacancies were filled through external recruitment
- Three B band posts were filled through loan/secondment arrangements from other government departments
- Two band B vacancies were filled through agency workers

4.37 Employees joining Consumer Scotland during the year came from a range of sectors, including the Scottish Government, other government departments, the not-for-profit sector and the private sector.

4.38 Consumer Scotland staff are employed across three core Directorates:

- Operations and Partnerships, comprising head of function, manager and officer roles covering strategic partnerships, communications, finance, governance, human resources, corporate services and procurement;
- Policy and Advocacy, comprising head of function, manager and officer roles covering policy development and advocacy; and
- Analysis, Research and Investigations, comprising head of function, manager and officer roles covering analytical, research and investigative activity.

Sickness absence management

4.39 Consumer Scotland's monitors attendance and supports managers in applying the Consumer Scotland attendance management policy.

Table 24: Staff absence

	Average total of sick days per employee 2025-2026	Average total of sick days per employee 2024-2025
Short term (<20 days)	1.3	1.7
Long term (>20 days)	1.4	2.5
Total	**2.7**	**4.2**

4.40 The principle causes of absence are consistent with patterns seen to elsewhere across the wider Scottish public bodies environment, with stress or anxiety accounting for over half of recorded absences.

Employees with disabilities

4.41 Consumer Scotland complies with the Scottish Government's Civil Service Code of Practice on the employment of people with disabilities and is a Level 2 Disability Confident employer[xvi]. The Code aims to ensure that there is no discrimination on the grounds of disability and that access to employment and career progression is based solely on ability, qualifications, and suitability for the work.

4.42 Reasonable adjustments to the working environment or terms and conditions of employment are made where required.

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Reporting of Civil Service and other compensation schemes – exit packages (audited information)

4.43 Since Consumer Scotland's establishment in April 2022, there have been no compulsory redundancies and no compensation payments made in relation to dismissals.

Staff survey

4.44 Consumer Scotland does not meet the minimum staff threshold required to participate in the Civil Service People Survey. During 2025-2026, Consumer Scotland replicated the People Survey questions across its workforce. The overall staff engagement score was 72%, which compares favourably with other public sector organisations. Areas identified for improvement have been progressed through an internal working group and have included access to learning and development opportunities, regular updates from senior management on organisational vision and strategy, and improvements to staff awareness of organisational policies.

Employee relations

4.45 Consumer Scotland seeks to engage directly with employees wherever possible and has a recognition agreement in place with the Council of Scottish Government Unions (PCS, Prospect and the FDA). Terms and conditions of employment mirror those of the Scottish Government Main Bargaining Unit, including pay arrangements.

4.46 Consumer Scotland aligns with Scottish Government human resources policies and is subject to the public sector pay strategy on an annual basis.

4.47 The Operations team provides internal oversight of health and safety arrangements. In partnership with Consumer Scotland's landlords (Registers of Scotland/Social Security Scotland and the Scottish Legal Aid Board), regular workplace inspections are undertaken throughout the year, covering both health and fire safety. Fire evacuation exercises are conducted regularly. No material issues were identified during the year.

4.48 Consumer Scotland has an active career management and learning and development group, which continues to develop learning resources and opportunities for staff. Key organisational skill sets include analysis, research, investigations, policy, communications and operational delivery.

Diversity and Inclusion

4.49 Consumer Scotland is not currently designated as a listed authority under the Equality Act 2010 and is therefore not yet subject to the Public Sector Equality Duty. It is expected that Consumer Scotland will be added to the relevant schedule in due course. In the interim, Consumer Scotland seeks to comply with the spirit and intent of the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 and 2016.

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4.50 Consideration of equality, diversity and inclusion is embedded across Consumer Scotland's work programme and organisational practices, including research and policy development, staff and Board recruitment, and workforce retention and progression. An Equality, Diversity and Inclusion champions group has been established, supported by a Board-level sponsor.

Gender Balance on Boards

4.51 Consumer Scotland is subject to the Gender Representation on Public Boards (Scotland) Act 2018[xvii]. Following the appointment of a fifth Board member in November 2023, the gender representation objective has been met. Succession planning arrangements are in place to support continued compliance. Two Board members have indicated their intention to stand down, and Consumer Scotland will work with the Scottish Government to progress future appointments in line with statutory requirements.

Gender Pay Gap

4.52 The gender pay gap is calculated as the difference between the average hourly earnings of men and women as a proportion of men's average hourly earnings, excluding overtime. A positive gender pay gap indicates that men earn more than women on average, while a negative figure indicates the reverse. The gender pay gap reflects both pay levels within grades and the distribution of men and women across grades. Consumer Scotland pays men and women performing work of equal value on the same pay scale, with individual pay determined by length of service.

4.53 As at 31 March 2026, the median gender pay gap for permanent staff was 10.2% and the mean gender pay gap was 3.9%. Given the relatively small size of the workforce, these figures are sensitive to minor changes in staffing composition. At the reporting date, the Executive Team comprised one female and three male members, while the Senior Leadership Team was 53% female.

Hybrid Working

4.54 Hybrid working, consisting of a blend of home and office-based working, is widely adopted across the Scottish Government, public bodies and other sectors.

4.55 Consumer Scotland operates a hybrid working model designed to support effective collaboration, maintain a safe working environment and promote staff wellbeing.

4.56 Hybrid working arrangements are applied flexibly to reflect business needs, work-life balance considerations and team dynamics. The approach continues to support staff wellbeing and contributes positively to environmental sustainability.

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Parliamentary Accountability Disclosures (audited information)

4.57 Consumer Scotland is a Non-Ministerial Office and, as such, is not part of the Scottish Government but forms part of the Scottish Administration. Consumer Scotland is directly accountable to the Scottish Parliament for the discharge of its statutory functions.

4.58 Although Consumer Scotland's accounts are not consolidated within the Scottish Government's accounts, the organisation maintains regular engagement with Scottish Government finance colleagues to provide information on expenditure and anticipated outturn. The relationship between Consumer Scotland and Scottish Ministers is governed by the Framework Agreement.

4.59 This annual report and accounts have been produced in line with the requirement of the Scottish Public Finance Manual, UK Government Finance Reporting Manual and the Scottish Government's Accounts Direction.

Statement of losses and special payments

4.60 No material losses have been incurred by, nor special payments made by Consumer Scotland since its establishment in April 2022.

Gifts and Charitable Donations

4.61 No gifts or charitable donations were made by Consumer Scotland during the reporting period or since its establishment in April 2022.

Remote Contingent Liabilities

4.62 Consumer Scotland is required to disclose any liabilities for which the likelihood of a transfer of economic benefit in settlement is considered too remote to meet the definition of a contingent liability under IAS 37. There were no remote contingent liabilities to report at the reporting date.

4.63 These accounts were authorised for issue on the same date as the Independent Auditor's report.

Signed by:
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Sam Ghibaldan
Chief Executive
08 October 2026

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5. Independent Auditor's Report

Independent auditor's report to Consumer Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Consumer Scotland for the year ended 31 March 2026 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Government Financial Reporting Manual (the 2025/26 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2026 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer and Head of Operations as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer and Head of Operations concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;

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- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements.

- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operating within the resource limit allocated by the Scottish Government. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. We have pinpointed this risk to the validity of year end accruals. In response to this risk, we obtained confirmation of the resource limit allocated by the Scottish Government and tested a sample of accruals made around the year-end to assess whether they have been recorded at the correct amount and are valid liabilities at 31 March 2026.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

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Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

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Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

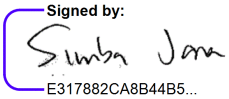
Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

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Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Signed by:

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Noel Jana (for and on behalf of Deloitte LLP)
Aberdeen, United Kingdom
9 October 2026

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6. Financial Statements 2025 - 2026

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2026

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Staff costs	5	3,349	2,720
Other operating costs	6	3,791	2,476
Finance costs	7	28	31
Notional costs	8	53	42
Depreciation	9	80	80
Net operating expenditure		7,301	5,349
Total comprehensive net expenditure for the year		**7,301**	**5,349**

Per chapter 11 of the FReM, grant funding from the Scottish Government and other sponsoring bodies (Department of Business and Trade and Scottish Water) is not shown as income in the Statement of Comprehensive Net Expenditure but is instead recognised as funding in the Statement of Changes in Taxpayer's Equity.

All amounts relate to continuing activities.

The accompanying notes on pages 103 – 118 form an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	31 March 2026 £000	31 March 2025 £000
Non-current Assets			
Right-of-use leasehold premises	9	532	602
Property, plant and equipment	9	67	77
Total Non-current Assets		**599**	**679**
Current Assets			
Trade receivables and other current assets	11	74	72
Cash and cash equivalents	10	149	116
Total Current Assets		**223**	**188**
Total Assets		**822**	**867**
Current Liabilities			
Trade and other payables	12	(611)	(622)
Lease liabilities	13	(84)	(82)
Total Current Liabilities		**(695)**	**(704)**
Net Current Liabilities		**(472)**	**(516)**
Total Assets less Current Liabilities		**127**	**163**
Non-current Liabilities			
Lease liabilities	13	(493)	(555)
Net Liabilities		**(366)**	**(392)**
Taxpayers' Equity			
General fund	SOCTE[4]	(366)	(392)
Total Taxpayers' Equity		**(366)**	**(392)**

Signed by:

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Sam Ghibaldan
Chief Executive Officer
08 October 2026

[4] Statement of Changes in Taxpayers' Equity

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Cash flows from operating activities			
Net operating expenditure	SOCNE[5]	(7,301)	(5,349)
Adjustments for:			
Depreciation – owned assets	9	10	10
Depreciation – right-of-use assets	9	70	70
Notional costs – external audit Fee	8	53	42
Finance costs	7	28	31
Operating cash flows before movements in working capital		**(7,140)**	**(5,196)**
Movements in working capital:			
(Increase)/ Decrease in trade receivables and other current assets	11	(2)	213
(Decrease)/ Increase in trade and other payables	12	(11)	137
Cash used in operations		**(7,153)**	**(4,846)**
Interest paid - leases		(29)	(23)
Net cash flow used in operating activities		**(7,182)**	**(4,869)**
Cash flows used in investing activities			
Purchase of Property, Plant and Equipment	9	-	-
Net cash flow used in investing activities		**-**	**-**
Cash flows generated from financing activities			
Lease liabilities – repayment of principal	13	(59)	(43)
Scottish Government Grant in Aid	3	4,441	2,912
Grants from sponsoring bodies (DBT[6], Scottish Water)	3	2,833	2,007
Net cash flow generated from financing activities		**7,215**	**4,876**
Net increase in cash during the year		**33**	**7**
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	10	116	109
Cash and cash equivalents at the end of the year	10	149	116
		33	**7**

[5] Statement of Comprehensive Net Expenditure
[6] The UK Government's Department of Business and Trade

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STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Note	Total Reserves 2025-26 £000	Total Reserves 2024-25 £000
Balance as at 1 April		**(392)**	**(4)**
Non-cash charges – Notional Costs (External Audit Fee)	8	53	42
Net operating expenditure	SOCNE	(7,301)	(5,349)
Scottish Government grant in aid and grants from sponsoring bodies	3	7,274	4,919
Balance as at 31 March		**(366)**	**(392)**

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Notes to the Accounts

1. Statement of accounting policies

1.1 Basis of preparation

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, these financial statements have been prepared in accordance with the principles and disclosure requirements of the 2025-26 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the UK public sector context.

The accounts are prepared using accounting policies, and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors.

Significant judgement has been used in determining the lease term in relation to the arrangement for the occupation of office space at Thistle House, Edinburgh; further details of this are provided at note 1.3 below. Consumer Scotland did not rely on any other significant judgements or estimates in compiling the financial statements for the year ended 31st March 2026.

The policies adopted by the Scottish Government relevant to Consumer Scotland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention and on a going concern basis. Figures are presented in pounds sterling and are rounded to the nearest £1,000.

1.3 Critical accounting judgements and key sources of estimation

The preparation of these accounts requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenditure. These assessments are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an ongoing basis.

Consumer Scotland leases its head office premises at Thistle House, 91 Haymarket Terrace, Edinburgh, EH12 5HD through a Memorandum of Terms of Occupation (MOTO) with the Scottish Legal Aid Board (SLAB). This lease arrangement permits Consumer Scotland to use and occupy this office space. The lease is an ongoing arrangement at a pre-agreed rental rate that started on 1st April 2024. Both parties currently intend that the occupation of the property will continue on this basis until 31st October 2033, and this intent is documented in

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the MOTO. The MOTO states that the lease cannot be broken until 31st October 2030, requiring a one year advance notice to quit.

Determining the lease term for this agreement requires significant judgment, as it involves assessing the likelihood of continuation of the lease beyond the initial lock-in period. IFRS 16 requires that a lease term includes periods covered by options to extend or terminate the lease if it is reasonably certain that the option will or will not be exercised. This assessment necessitates a comprehensive evaluation of various factors.

In determining the lease term, the following factors were considered:

- **Strategic Requirements:** Management's assessment of the lease term is based on Consumer Scotland's long-term strategic plan, which anticipates continued occupancy of these premises until at least 31st March 2030, alongside a current operational baseline to occupy for the remainder of the term set out in the MOTO, i.e. until 31st October 2033. Management recognises that long-term public sector estate strategies remain subject to periodic review to ensure optimal alignment with organisational delivery plans.
- **Market Conditions:** The organisation has conducted ongoing premises market research, and while suitable alternative premises exist, they do not offer comparable space, location, and lease terms. In summary, the space occupied offers value for money, allows for some growth in the workforce, and critically when staff commute from and work in various locations, is close to Edinburgh Haymarket station. The market for office space in the immediate area is strong and therefore acquiring alternative premises is likely to be challenging.
- **Potential for early termination:** The organisation retains the flexibility to reassess its occupancy needs and terminate the lease with the appropriate notice in writing of twelve months from 2029 onwards. This operational flexibility was explicitly considered in the assessment of the lease term.

Based on the above considerations, management has concluded that the documented intent to occupy until 31st October 2033 represents the most appropriate baseline for the lease term under IFRS 16. Therefore, the total lease term for the head office premises is considered to be 9 years and 7 months from its inception on 1st April 2024. The impact of this judgment is a higher lease liability and right-of-use asset recognised on the balance sheet compared to recognising only until 2030.

While future management decisions regarding estate optimisation introduce a degree of estimation uncertainty over the full duration of the MOTO, this is not considered significant enough to indicate an impairment of the right-of-use asset or to suggest a material variance in the lease liability within the next financial year.

Consumer Scotland will continue to monitor the circumstances surrounding this lease agreement and will reassess this lease term periodically. It is believed that should greater efficiency in space utilisation be required in future that a partner could be sought to share some of the space, however no such arrangement has been offered at this point. Any

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changes to the lease term or circumstances will be reflected in future financial statements. Further details on the lease liability are disclosed at note 13, Lease liabilities.

In the year ended 31st March 2026, there were no other material assumptions or other sources of estimation uncertainty that could lead to a significant risk of a material adjustment to the carrying amounts of assets and liabilities in the forthcoming year

1.4 New and amended accounting standards

All new standards issued, and amendments made to existing standards are reviewed by the Financial Reporting and Advisory Board (FRAB) for subsequent inclusion in the FReM in force for the year in which the changes become applicable. Consumer Scotland have considered the accounting standards not yet applied and have assessed the possible impact that their application would have on the financial statements.

The following standards and amendments became effective for public sector application from 1 April 2025:

- IFRS 17 – Insurance Contracts
    - Effective Date: Annual periods beginning on or after 1 January 2025.
    - Overview: Replaces IFRS 4 and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts.
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
    - Effective Date: Annual periods beginning on or after 1 January 2025.
    - Overview: Introduces new disclosure requirements for supplier finance arrangements to enhance transparency regarding the effects on an entity's liabilities and cash flows.
- Amendments to IAS 21 – Lack of Exchangeability
    - Effective Date: Annual periods beginning on or after 1 January 2025.
    - Overview: Provides guidance on accounting for transactions and determining a rate when exchangeability between currencies is lacking.

The following standards and amendments are proposed to become effective for public sector application in future accounting periods:

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
    - Effective Date: Annual periods beginning on or after 1 January 2026.
    - Overview: Clarifies the classification of financial assets with ESG-linked features and addresses electronic payment settlements.
- IFRS 18 – Presentation and Disclosure in Financial Statements
    - Effective Date: Annual periods beginning on or after 1 January 2027.
    - Overview: Introduces new requirements for the presentation and disclosure of financial statements, including the categorisation of income and expenses.
- IFRS S1 and IFRS S2
    - Potential UK Adoption: Timeline currently under review.

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- Overview: IFRS S1 requires disclosure of sustainability-related risks and opportunities, while IFRS S2 focuses specifically on climate-related disclosures. These standards aim to enhance transparency and comparability in sustainability reporting.

Consumer Scotland has considered the accounting standards in issue but not yet applied and has assessed the possible impact that their application would have on future financial statements. None of the new or forthcoming accounting standards in issue are expected to have a material effect on Consumer Scotland's financial statements for the year ended 31st March 2026.

1.5 Non-Current Assets

Property, Plant and Equipment (PPE) assets are accounted for as non-current assets unless they are deemed to be held-for-sale, and are accounted for under IAS 16 - Property, Plant and Equipment. Note that due to the asset type's specific characteristics, leased right-of-use property is considered separately below under "IFRS16 leases".

Initial Recognition

Physical non-current assets are capitalised if the cost of the individual item, or group of similar items acquired simultaneously, is £5,000 or more.
Computer software is capitalised as an intangible asset where:
- the cost exceeds £1,000, and
- the licence term exceeds one year.

All other expenditure below these thresholds is expensed as incurred.

Subsequent Measurement

Depreciated historic cost is used as a proxy for the fair value of furniture and fittings, equipment, and information technology systems. All the assets in these categories have short useful economic lives of between 3 and 15 years, which reflect the life of the asset and a depreciation charge, which provides a realistic reflection of consumption.

Depreciation and Amortisation

For all property, plant and equipment, depreciation is charged from the month they are brought into service. For intangibles, where relevant, amortisation is applied in an equivalent manner.

Rates are calculated to write off their valuation by even instalments over their estimated useful lives, which for the principal categories of assets are as follows:

Asset Category	Useful Life
Leasehold Premises	Period of the lease
Furniture and Fittings	3 – 15 years
Office Equipment	3 – 15 years
Information Technology	3 – 15 years
Software (Intangible)	3 – 5 years

The useful lives of assets are reviewed annually, and adjustments are made prospectively as required.

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Impairment of Assets

Losses in value reflected in valuations are accounted for in accordance with IAS 36, Impairment of Assets as adapted by the FReM which states that impairment losses that arise from a clear consumption of economic benefit should be taken to the statement of comprehensive net expenditure. The balance on any revaluation reserve (up to the level of impairment) to which the impairment would have been charged under IAS 36 would be transferred to the general fund. Upwards movements in value are taken to the revaluation reserve. Downward movements are set off against any credit balance held in the revaluation reserve until the credit is exhausted and thereafter charged to the Statement of Comprehensive Net Expenditure (SOCNE).

1.6 IFRS 16 Leases

IFRS 16 removes the distinction between finance and operating leases to ensure that all assets embedded within leases are capitalised and recorded on the Statement of Financial Position, unless immaterial or exempt. In practice, this means most leases must be recorded 'on balance sheet'.

Initial Recognition

The definition of a lease under IFRS 16 has been applied to all relevant contracts entered into after 1 April 2022. This definition assesses whether the arrangement includes the right to control or use an asset and obtain substantially all of the economic benefits associated with that use over the term of the arrangement. For any such contracts, upon lease commencement, a right-of-use asset and lease liability are recognised, except for:

- Short-term leases (lease term of 12 months or less), and
- Leases of low-value assets (less than £5,000).

On 1st April 2024, Consumer Scotland entered into an arrangement through a Memorandum of Terms of Occupation (MOTO) with the Scottish Legal Aid Board (SLAB) which records terms in relation to the occupation of premises at Thistle House, 91 Haymarket Terrace, Edinburgh, EH12 5HD, Edinburgh. This is a long-term arrangement that includes characteristics that management believe require it to be considered a lease in the financial statements for the year ended 31st March 2026, and beyond for the term of the arrangement.

Subsequent Measurement

IFRS16 requires Consumer Scotland to recognise a right-of-use asset in the Statement of Financial Position in relation to building premises for this arrangement. A corresponding lease liability for the financing of the arrangement is recognised at the same time.

The right-of-use asset is recorded at cost. The initial cost is determined to be the amount of the initial lease liability, less any lease payments or incentives made at or before the commencement date, taking account of any initial direct costs or estimated costs to dismantle or restore the asset. The lease liability is calculated as the present value of the payments for the remaining lease term, discounted by the rate implicit in the lease, or where this cannot be determined, the rate advised by HM Treasury for the calendar year. Lease payments included in the calculation of the lease liability are fixed payments.

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Depreciation

The asset is depreciated using the straight-line method from the commencement date over the lease term.

Impairment of Assets

The lease liability will be recalculated if there is a material change in future lease payments arising from a change in the interest rate, or if Consumer Scotland change their assessment of whether they will exercise a purchase, extension, or termination option. The right-of-use asset will be periodically reviewed to account for any potential impairment losses and any material remeasurement of the lease liability. Details of the lease liability are provided in note 13 to these financial statements.

1.7 Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual agreement, as financial assets, financial liabilities, or equity instruments. Consumer Scotland held no equity instruments as at 31st March 2026, or during the current or prior years.

Financial assets are classified into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets and financial liabilities are included on Consumer Scotland's Statement of Financial Position. These are recognised when Consumer Scotland becomes party to the contractual provisions on a trade date basis.

Consumer Scotland's financial assets comprise trade and other receivables and cash and cash equivalents. These assets are recognised at cost, which appropriately approximates fair value given their short maturities.

Consumer Scotland's financial liabilities comprise trade and other payables and lease liabilities. Trade and other payables are recognised at cost, as this appropriately approximates fair value given their short maturities. Lease liabilities are recorded as set out in note 13.

1.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

1.9 Short term employee benefits

A liability and an expense are recognised for holiday days and other short-term benefits when Consumer Scotland's employees render service that increases their entitlement to these benefits. As a result, an accrual has been recorded for holidays and flexi-time earned

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but not taken, as at the 31st of March 2026, this is disclosed along with the prior year comparative.

1.10 Grants from Scottish Government and other sponsoring bodies

Consumer Scotland funds its activities via grant in aid from the Scottish Government and sector derived grants from other sponsoring public bodies. In addition to the support received from the Scottish Government, grants are also received from the UK Government's Department of Business and Trade and Scottish Water. The available funding is drawn against throughout the year in compensation for the expenses incurred on agreed work programmes.

These funding sources are considered "grants receivable as compensation for costs already incurred or for immediate financial support" and as such will be recognised in the period in which they are receivable in line with IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance. Consistent with chapter 11 of the FReM, grants are not shown as income in the Statement of Comprehensive Net Expenditure but are instead credited directly to the General Fund reserve on an accruals basis in the year to which they relate.

In accordance with the Scottish Public Finance Manual, procedures are in place to ensure compliance with any conditions or provisions attached to any grant payments.

1.11 Other operating income

No income was generated from any activities, other than via funding through grants as described above, in the year ended 31st March 2026 or the prior year.

1.12 Segmental reporting

IFRS 8 – Operating Segments requires disclosure of information about Consumer Scotland's operating segments. Information is based on internal management reports, both in the identification of operating segments and measurement of disclosed segment information.

Consumer Scotland receives grant funding from the Department of Business and Trade and Scottish Water as a share of the consumer levies raised in their respective markets. The funding is provided for agreed work programmes carried out in relation to three separately reportable segments, Energy, Post and Water.

1.13 Pensions

Past and present employees are covered by the provisions of the Civil Servants and Other Pensions Scheme (CSOPS), which is a defined benefit scheme and is unfunded. Consumer Scotland recognises the expected cost of providing pensions for its employees on a systematic and rational basis over the period during which it benefits from their services by payment to the CSOPS of amounts calculated on an accruing basis (relevant disclosures are included in the Remuneration and Staff report - see pages 83-85). Liability for payment of future benefits is a charge to the CSOPS. Separate scheme statements for the CSOPS as a whole are published.

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1.14 Value added tax (VAT)

Most of the activities of Consumer Scotland are outside the scope of VAT. In general, output tax does not apply, however input tax on purchases is recoverable in many circumstances. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. The Scottish Government is responsible for recovering VAT from HM Revenue and Customs (HMRC) on behalf of Consumer Scotland.

1.15 Provisions

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets applies in full, and in these accounts, provisions are made for legal or constructive obligations which are of uncertain timing or amount at the statement of financial position date on the basis of the best estimate of the expenditure required to settle the obligation. Where material, they would be discounted using the appropriate discount rate as prescribed by HM Treasury. There were no material provisions included in the financial statements as at 31 March 2026 (2024-25 – zero).

1.16 Related party transactions

Consumer Scotland is a Non-Ministerial Office of the Scottish Government and as such considers Scottish and UK Government bodies to be related parties. During the year, Consumer Scotland undertook a number of material financial transactions with these government bodies. In addition, during the year there were no material transactions between Consumer Scotland and Board members, or entities in which Board members had a significant interest, other than those disclosed in the financial statements. Further details are provided at note 14 to these financial statements.

1.17 Going concern

Consumer Scotland receives its funding from the Scottish Government via grant in aid, and sector derived grants from other sponsoring public bodies, specifically the Department for Business and Trade, which is a department of the UK Government, and Scottish Water. Consumer Scotland's annual operating budget is approved and published each year, as part of the Scottish Government's budget, by the Scottish Parliament. Future funding requirements have been agreed with the Scottish Government (including specifically for the subsequent financial year to 31st March 2027) that give the Board reasonable expectation, taking account of grants from the other sponsoring bodies, that Consumer Scotland will have adequate resources to continue in operational existence for the foreseeable future. In addition, Consumer Scotland has no reason to believe that Scottish Ministers intend to withdraw support to the organisation, thus ensuring the continued provision of services by the entity as required for going concern in line with the requirements of public audit forum Practice Note 10. For these reasons, it is considered appropriate to prepare the financial statements using the going concern basis of accounting.

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2. Statement of operating costs by operating segment

Net expenditure by segment

	Net expenditure				
£000	Energy	Post	Water	Other*	Total
Year ended 31 March 2026	**1,840**	**218**	**502**	**4,741**	**7,301**
Year ended 31 March 2025	**1,203**	**194**	**359**	**3,593**	**5,349**

* Other includes all non-levy activity e.g. Consumer Markets, Strategic Partnerships and Operations

Assets

£000	Total	
	2025-26	2024-25
Assets	822	867
Liabilities	(1,188)	(1,259)
Net Liabilities	**(366)**	**(392)**

The assets and liabilities of Consumer Scotland are not separately reported to management on a segmental basis and have therefore been disclosed in the financial statements as a total only.

Consumer Scotland receives grant funding from the Department of Business and Trade and Scottish Water as a share of the consumer levies raised in their respective markets. The funding is provided for agreed work programmes carried out in relation to three separately reportable segments, Energy, Post and Water.

Funding is received to enable Consumer Scotland to fulfil its role of representing the interests of consumers in these markets. Work outside these sectors is funded by the Scottish Government and includes cross-cutting activities to represent consumers in vulnerable circumstances and on the themes of the cost of living crisis and climate change. The costs of corporate functions are included on an apportioned pro rata basis under the relevant operating segment.

All activities of Consumer Scotland and assets held by them are geographically based in the UK.

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3. Grant funding

	2025-26 £000	2024-25 £000
Scottish Government grant in aid	4,441	2,912
Grant from the Department of Business and Trade	2,331	1,658
Grant from Scottish Water	502	349
Total grant funding	**7,274**	**4,919**

4. Performance against budget

		2025-26		2024-25	
	£000	Budget	Expend	Budget	Expend
Net operating expenditure		**7,339**	**7,301**	**5,484**	**5,349**

The budget figure above includes:

£000	2025-26	2024-25
Scottish Government grant in aid	4,454	3,424
Grant from the Department of Business and Trade	2,380	1,668
Grant from Scottish Water	505	392
Total budgeted funding	**7,339**	**5,484**

Only the required funding for expenditure incurred was claimed as grants during the year.

5. Staff costs

	2025-26 £000	2024-25 £000
Salaries	2,262	1,887
Social security	308	213
Other pension	647	537
Agency staff	134	64
Employee benefits	(2)	19
Total staff costs	**3,349**	**2,720**

Salaries include Board members' fees of £32,000 (2024/25 £28,000).

Employee benefits include accrued flexi-time and holiday pay.

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6. Other operating costs

	2025-26 £000	2024-25 £000
Staff related:		
Training and subscriptions	35	41
Travel and subsistence	22	15
Payroll	11	11
Recruitment	7	7
Childcare	-	1
Non-staff related:		
Grant to third parties	2,840	1,669
Research	601	420
IT costs	68	79
Other office expenses including procurement	56	63
Accommodation costs	116	85
Legal and professional fees	16	13
Marketing	12	17
Computer equipment	7	7
Office equipment	-	48
Total other operating costs	**3,791**	**2,476**

'Grant to third parties' above comprises grants made to Citizens Advice Scotland, Trading Standards Scotland, and Advice Direct Scotland for consumer initiatives.

Research costs include £20,000 paid to Lorimer Consultancy for research related consultancy fees.

Accommodation costs of £116,000 (24/25: £85,000) include payments to Registers of Scotland for serviced accommodation at St Vincent Plaza, Glasgow of £57,000 (24/25: £18,000). In addition, accommodation costs include service costs of £38,000 (24/25: £37,000) and utilities costs of £19,000 (24/25: £21,000) payable to SLAB in relation to the use of the building leased at Thistle House, Edinburgh.

7. Finance costs

	2025-26 £000	2024-25 £000
Lease interest outstanding at beginning of year	(8)	-
Lease interest paid during year	29	23
Lease interest outstanding at year end	7	8
Lease interest total	**28**	**31**

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8. Notional costs

	2025-26	2024-25
	£000	£000
External audit fee	**53**	**42**

The external audit fee for the year ended 31st March 2026, included costs of £9,000 that related to additional non-scheduled work carried out during the audit of the financial statements for the financial year ended 31st March 2025.

9. Non-current assets

	Right-of-use assets	Owned assets	
	Leasehold premises	Property, plant and equipment	Total
2025-26	£000	£000	£000
Cost			
As at 1 April 2025	672	88	760
Additions	-	-	-
As at 31 March 2026	**672**	**88**	**760**
Depreciation			
As at 1 April 2025	70	11	81
Charge for the year	70	10	80
As at 31 March 2026	**140**	**21**	**161**
Net Book Value			
As at 31 March 2025	**602**	**77**	**679**
As at 31 March 2026	**532**	**67**	**599**

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2024-25	Right-of-use assets Leasehold premises £000	Owned assets Property, plant and equipment £000	Total £000
Cost			
As at 1 April 2024	-	88	88
Additions	672	-	672
As at 31 March 2025	**672**	**88**	**760**
Depreciation			
As at 1 April 2024	-	1	1
Charge for the year	70	10	80
As at 31 March 2025	**70**	**11**	**81**
Net Book Value			
As at 31 March 2024	**-**	**87**	**87**
As at 31 March 2025	**602**	**77**	**679**

10. Cash and cash equivalents

	2025-26 £000	2024-25 £000
Consumer Scotland bank account - RBS	**149**	**116**

11. Trade receivables and other current assets

	2025-26 £000	2024-25 £000
Amounts falling due within one year		
VAT	69	66
Prepayments	5	6
Total receivable within one year	**74**	**72**

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12. Trade and other payables

	2025-26 £000	2024-25 £000
Amounts falling due within one year		
Trade payables	109	153
Other payables	147	114
Accruals	355	355
Total due within one year	**611**	**622**

13. Lease liabilities

The initial lease liability was calculated using a discount rate of 4.72% per HM Treasury guidance as at the date of the lease inception. Lease payments are made quarterly in arrears and the total cash outflow on lease payments for the year ended 31st March 2026 was £88,000 (2025: £66,000).

As at the 31st of March 2026, 91 months of the initial 115 months lease term remained.

The following table shows a maturity analysis of the undiscounted lease payments due for the remainder of the lease term:

Lease payments – maturity analysis	Lease payments £000
Payments falling due:	
Not later than one year	110
Later than 1 year and not later than 2 years	88
Later than 2 years and not later than 3 years	88
Later than 3 years and not later than 4 years	88
Later than 4 years and not later than 5 years	88
Later than 5 years	224
Total lease payments	**686**
Less: unearned lease interest	(109)
Total lease liabilities	**577**

Consumer Scotland is supported by the Scottish Government and has no external borrowings, therefore, it does not have exposure to significant liquidity risk. Contractual cash outflows relating to the lease liabilities will be funded out of the annual grant in aid allocations as they fall due.

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The lease liabilities are shown in the Statement of Financial Position as follows:

	2025-26 £000	2024-25 £000
Amounts falling due within one year		
Lease liabilities	84	82
Amounts falling due after more than one year		
Lease liabilities	493	555
Total	**577**	**637**

The movement in lease liabilities during the year ended 31 March 2026 was as follows:

	Lease liabilities £000
As at 31 March 2025	**637**
Lease interest (expense)	28
Lease payments (principal)	(59)
Lease payments (interest paid)	(29)
As at 31 March 2026	**577**

£7,000 (2024/25: £8,000) of lease interest due for the year remained payable at the year end.

The following amounts that related to leases were recognised in the Statement of Comprehensive Net Expenditure:

	2025-26 £000	2024-25 £000
Depreciation – right-of-use assets	70	70
Finance costs – lease interest	28	31
Total	**98**	**101**

The following amounts that relate to leases were recognised in the Statement of Cash Flows:

	2025-26 £000	2024-25 £000
Interest paid - leases	29	23
Lease liabilities – repayment of principal	59	43
Total cash outflows during the year	**88**	**66**

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14. Related party transactions

Consumer Scotland is a non-Ministerial Office of the Scottish Government and as such it considers the Scottish and UK Governments as related parties. During the year, Consumer Scotland undertook a number of material financial transactions with the Scottish Government and UK Government bodies.

The most significant of these were in relation to grant funding where Consumer Scotland received £4,441,000 (2024/25: £2,912,000) from the Scottish Government, £2,331,000 (2024/25: £1,658,000) from the UK Government's Department of Business and Trade and £502,000 (2024/25: £349,000) from Scottish Water. In addition, Consumer Scotland received various services from other areas of the Scottish Government. These included accommodation related charges of £116,000 (2024/25: £85,000), procurement service charges of £47,000 (2024/25: £56,000), and IT services and support charges of £50,000 (2024/25: £50,000). Consumer Scotland leased its main premises from the Scottish Legal Aid Board; further details of this arrangement are set out in Note 13 to these financial statements. Board members' fees in the year totalled £32,000 (2024/25: £28,000).

No board member, senior manager or other related parties have undertaken any other material transactions with Consumer Scotland during the year.

15. Capital commitments and contingent liabilities

As at the years ended 31st of March 2026 and 31st of March 2025, there were no contracted or foreseen capital commitments or contingent liabilities.

16. Events after reporting period

As at the date of signing, no event has occurred since 31st March 2026 which might materially impact the financial statements.

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7. Accounts Direction

Scottish Government
Riaghaltas na h-Alba

Consumer Scotland

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 hereby give the following direction.

2. The statement of accounts for the financial year to 31 March 2026, and for subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial period, and of the state of affairs as at the end of the financial period.

4. This direction shall be reproduced as an appendix to the statement of accounts.

Sean Neill

Director, DECC

On behalf of the Scottish Ministers

May 2026

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Endnotes

[i] Statutory Performance Review of Consumer Scotland (HTML) | Consumer Scotland
[ii] Consumer Scotland Act 2020 (legislation.gov.uk)
[iii] Strategic Plan 2023-2027 | Consumer Scotland
[iv] Government Financial Reporting Manual: 2025-26 - GOV.UK
[v] Code of Conduct for Members | Consumer Scotland
[vi] Register of Members' Interests | Consumer Scotland
[vii] Public Services Reform (Scotland) Act 2010 (legislation.gov.uk)
[viii] Standing Orders | Consumer Scotland
[ix] Framework Agreement | Consumer Scotland
[x] Scottish Public Finance Manual - gov.scot (www.gov.scot)
[xi] Ethical Standards in Public Life etc. (Scotland) Act 2000 (legislation.gov.uk)
[xii] Senior Salaries Review Body - GOV.UK (www.gov.uk)
[xiii] Staff pay remits - Public sector pay - gov.scot (www.gov.scot)
[xiv] Scottish Budget 2025 to 2026: public sector pay policy - gov.scot
[xv] Pay ranges are in accordance with the Public Sector Pay Policy for 2025-26; confirmation of pay grades is contained within section three of the technical guide
[xvi] Disability Confident employer scheme - GOV.UK (www.gov.uk)
[xvii] Gender Representation on Public Boards (Scotland) Act 2018 (legislation.gov.uk)