

# Consultation

# **Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance**

Publication date:	28 March 2025
Response deadline:	9 May 2025
Contact:	Graeme Kelly
Team:	Smart Metering
Email:	smartmetering@ofgem.gov.uk

We are consulting on introducing new Guaranteed Standards of Performance for specific elements of the smart meter consumer experience. We would like views from those with an interest in smart metering. We particularly welcome responses from energy suppliers, other interested industry parties, consumer groups and charities.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at <a href="https://docs.org/nconsultations">ofgem.gov.uk/consultations</a>. If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

**Consultation** – Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

#### © Crown copyright 2024

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the <a href="Open Government Licence">Open Government Licence</a>.

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:

10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at <a href="www.ofgem.gov.uk">www.ofgem.gov.uk</a>. Any enquiries regarding the use and re-use of this information resource should be sent to: <a href="mailto:psi@nationalarchives.gsi.gov.uk">psi@nationalarchives.gsi.gov.uk</a>

**Consultation** – Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

# **Contents**

	nart meter Guaranteed Standards: Supplier Guaranteed Standards ( rformance	
1.		
	Background	
	What are we consulting on?	
	Installations	
_	Smart meter issues	
2.	Approach, rationale and scope	
	Approach to proposals	
	Rationale for proposed new Guaranteed Standards	
	Extending proposals to include non-domestic consumers	
3.	Smart meter Guaranteed Standard proposals	13
	Clarification of regulations	13
	Smart meter installation appointment availability	
	Smart meter installation failures	
	Investigating smart meter operational issues	
4.	Non-domestic	
4.	Background	
	Rationale for extending the proposals to the Non-Domestic sector	
	Non-domestic nuances and proposed scope of Guaranteed Standards	
	Non-domestic Guaranteed Standard compensation value	31
5.	Your response, data and confidentiality	34
	Consultation stages	
	Stage 1	
	Stage 2Stage 3	
	Stage 4	
	How to respond	
	Your response, your data and confidentiality	
	General feedback	
_	How to track the progress of the consultation	
_	pendices	
	pendix 1 – Full list of questions	
Аp	pendix 2 Privacy notice on consultations	
	Personal data	41

Consultation – Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

#### 1. Introduction

We are consulting on our proposals to update The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 (the '2015 regulations') and to introduce a set of new Guaranteed Standards of Performance under the 2015 regulations for a range of smart metering-related issues. This chapter sets out the background and the proposals we are consulting on.

### **Background**

- 1.1. The smart meter rollout continues to progress, with approximately 66% of all meters in homes and small businesses across Great Britain (GB) being smart or advanced meters, as of end of December 2024.
- 1.2. Smart meters are a vital part of the energy market, bringing immediate benefits to consumers, helping them take control of their energy usage and gain access to time-of-use tariffs. Smart meters can bring an end to estimated bills and enable the transition to a more flexible energy market. They are vital in supporting the successful delivery of Market-wide Half-hourly Settlement and in providing extra assistance to consumers, such as that offered through the Energy Bill Support Scheme.
- 1.3. Smart prepayment meters allow consumers more options to top-up including online via an online account or mobile application, via phone and in shops. They also allow energy suppliers to identify early signs of customer self-disconnection and take proactive measures to support consumers.
- 1.4. Consumers who want a smart meter should be able to get one installed quickly and they should work as intended. We are aware that some consumers have experienced delays in getting a smart meter, whilst others have had challenges with their operation.
- 1.5. We are consulting on proposals to update Guaranteed Standards Of Performance (referred to as "Guaranteed Standards" in this document) to improve the consumer experience of getting, and having, a smart meter. We expect this work to complement the smart meter rollout ensuring as many consumers have access to smart meters as possible.

- 1.6. Guaranteed Standards set out minimum performance standards which all energy suppliers must meet, and when they don't, automatic payments are paid to consumers. This is known as the "standard payment". The level of payment was recently <u>raised</u> from £30 to £40, in line with inflation.
- 1.7. Current Guaranteed Standards include things such as:
  - Making and keeping appointments, which applies also to micro-business consumers
  - Investigating and repairing or replacing credit meter faults
  - Investigating and repairing or replacing prepayment meter faults
  - Reconnection following disconnection due to debt
  - Switching time to a new supplier
  - Reversing an erroneous transfer of supplier
  - Provision of a final bill following switch of supplier
  - Refund of consumer credit following switch of supplier.
- 1.8. With the exception of making and keeping appointments, these standards apply only to domestic consumers.
- 1.9. In addition to the standard payment, the regulations require an extra £40 to be paid if:
  - the original compensation is not issued within 10 working days
  - the energy supplier fails to forward a compensation payment due from the gas transporter or electricity distributor. This additional payment is referred to as the "additional standard payment" under the 2015 regulations.
- 1.10. Although consumers with smart meters are protected by the same Guaranteed Standards as those on traditional meters, currently, there are no Guaranteed Standards that refer explicitly to smart meters and the specific smart meter experiences consumers may have with their energy supplier. We aim to ensure regulations are up to date and future-proofed to reflect current smart meter coverage levels, with this proportion continuing to increase. We consider these

proposals will improve the consumer experience and increase trust in the overall smart meter programme.

### What are we consulting on?

- 1.11. We are consulting on our proposals to update terminology to clarify that the 2015 regulations apply to smart meters, as well as traditional meters, and ensure this is clearly understood by energy suppliers and consumers.
- 1.12. We are also consulting on our proposals to introduce a set of new Guaranteed Standards under the 2015 regulations for a range of smart metering-related issues. We are proposing to introduce four specific new Guaranteed Standards which will cover:

#### Installations

1. Installation appointment availability

If a consumer requests a first time/new smart meter installation appointment, the energy supplier must offer the consumer an appointment to take place within **six weeks** of the request being made, otherwise the consumer receives compensation.

2. Failed installations

If a smart meter installation fails due to a fault within the energy supplier's control, the consumer will receive compensation.

#### **Smart meter issues**

3. Investigating smart meter operational issues

If a consumer reports a problem with their smart meter, the energy supplier must complete an initial assessment, take an appropriate action and offer to update the consumer, within **5 working days**, otherwise the consumer will receive compensation.

4. Smart meters not operating in smart mode

If a consumer's smart meter is not operating in smart mode, for over **90 days,** due to an issue within the energy supplier's control to resolve, the consumer will receive compensation.

- 1.13. We are also consulting on whether these proposed standards should be applied to non-domestic consumers that are within scope of the smart meter rollout as well as domestic consumers.
- 1.14. Accompanying this consultation is our Approach to Impact Assessment which sets out our approach to assessing the costs and benefits of these proposals. In addition, we are also issuing energy suppliers with an RFI which will allow us to produce an Impact Assessment on the proposals set out in this consultation at a future date.

# 2. Approach, rationale and scope

In this section, we set out our rationale for updating the 2015 regulations to address issues specific to smart metering. This rationale details how our proposal aligns with the current state of the market and of the smart meter rollout. It includes reference to recent Ofgem and Department of Energy Security and Net Zero (DESNZ) publications which have presented ambitions around the future of Guaranteed Standards.

### **Approach to proposals**

- 2.1 We have sought to identify stages of the smart meter process where issues affecting the consumer may arise. To develop new Guaranteed Standards that can be applied simply, consistently and effectively, we need to identify specific requirements for suppliers which, if not met, could lead to detriment or inconvenience to the consumer, or that undermines trust in smart metering. We consider these proposals achieve this, and we provide further details in this document.
- 2.2 In determining whether to create new Guaranteed Standards, we have considered some principles used to amend the standards in 2014, which included:
  - whether there is clear evidence or risk of, significant consumer detriment due to delivery failures in the service area, both in terms of the frequency of failures across the industry and the impact of failure on an individual consumer
  - whether other rules or commitments adequately cover the specific service area covered under the existing arrangements.
- 2.3 We have also considered how solving these issues would contribute to an improvement in the perception and experience of the smart meter rollout, thus increasing consumers' trust and likelihood to accept the offer of a smart meter.
- 2.4 The approach to these proposals has been supported by work from DESNZ through the Smart Metering Implementation Programme's (SMIP) Consumer Reference Group (CRG), as well as shared via the Smart Metering Delivery Group. Through the CRG forum, energy suppliers and consumer groups have been able to provide some pre-engagement and feedback on these proposals, which we have used to inform this policy consultation.

- 2.5 We have shaped these proposals by considering what is within energy suppliers' control to influence and improve. The complexities of the smart metering landscape mean this is not simple to define, however we consider that this should not prevent consumers from being protected. We will consider all responses to this consultation to inform the next steps of this process, should we decide to proceed.
- 2.6 As the current smart meter installation targets framework ends on 31 December 2025, we understand DESNZ will consult on further smart meter policy this year. We consider the proposals set out in this consultation to be suitable with any future regulatory regime. Therefore, we expect respondents to assume this when providing feedback on this consultation.

# Undertaking a wider review of the Guaranteed Standards Framework

- 2.7 We consider that Guaranteed Standards are an important tool to give consumers confidence in the energy market, where clear minimum standards are set for suppliers on key services and customers are directly, and automatically, compensated where these are not met. In September 2024 we published our <a href="Consumer confidence: a step up in standards">Consumer confidence: a step up in standards</a>, setting out our strategy and ambition to drive further improvements in customer service for domestic and non-domestic consumers.
- As part of this programme we committed to undertaking a wider review of the Guaranteed Standards framework following our decision to increase the payment level to £40 from January 2025 to reflect inflation. The last full review undertaken concluded in 2015. Our aim through this broader review will be to ensure that the underlying framework is still appropriate and delivering the intended outcomes for consumers. We will seek to identify whether any improvements could be made to how the Guaranteed Standards work or what they cover.
- 2.9 This wider review will be conducted separately to the Guaranteed Standard proposals set out in this document and will likely run over a longer timeframe as we explore more aspects of the Guaranteed Standards framework collaboratively with industry and stakeholders. We do not consider that it is in consumers' interests to delay the development of these proposed smart meter Guaranteed Standards until after the broader review is completed.

- 2.10 We also intend to take into account any relevant output and learnings from DESNZ's Ofgem review, which asked questions on the wider compensation landscape in the energy market, including the automatic compensation framework. For example, if there are service areas not currently covered that have been suggested in response to the DESNZ call for evidence, we can further engage with stakeholders to explore whether those could or should be included within the existing Guaranteed Standards framework for which Ofgem is responsible.
- 2.11 We have not set a definitive timeline for this review as we intend for the scope and way forward to be informed by the input, data and evidence received from our engagement with stakeholders, as well as any relevant feedback received from this consultation and learnings from DESNZ's Ofgem review. Although we are not formally seeking views on the review at this stage, any representations or queries can be made to FutureConsumers@ofgem.gov.uk.

#### **Rationale for proposed new Guaranteed Standards**

- 2.12 A key rationale for this work is to ensure consumers experience a high level of service from their energy supplier, regardless of their meter type. Our Multiyear <a href="Strategy">Strategy</a> includes using our regulatory powers to drive up standards and hold the energy sector to account. Updating the 2015 regulations to reflect that most meters are now smart, reflects our strategic priority (outlined in our <a href="Forward Work Programme">Forward Work Programme</a>) to shape a retail market that works for consumers by ensuring they experience a high quality of service.
- 2.13 We consider compensation for consumers is an important tool for strengthening consumer confidence in the energy market. Financial incentives for energy suppliers can play a key role in driving better outcomes for consumers, as well as providing some compensation for inconvenience, time or financial detriment to consumers who encounter problems with their smart metering system or delays to their smart meter installation.
- 2.14 In our <u>Consumer confidence</u>: a step up in standards, we committed to exploring new Guaranteed Standards such as the introduction of new standards relating to the timely installation and maintenance of smart meters.
- 2.15 In its election <u>manifesto</u>, the Government set out its ambitions to ensure Ofgem is able to "hold companies to account for wrongdoing, require higher standards of performance, and ensure there is automatic customer compensation for failure".

- 2.16 The value of new compensation standards has also been supported in recent years by consumer groups, such as Citizens Advice who, in their 2024 *Get Smarter* report, recommended standards "that require suppliers to install and operate meters properly, investigate and address problems in a timely way, and provide compensation when this doesn't happen".
- 2.17 We consider there to be strong rationale for exploring improved standards in these four key aspects of the smart metering consumer journey, which are:
  - Smart metering installation appointment availability Many consumers who would like to access the benefits of smart meters are unable to book an appointment from their energy supplier or are exposed to lengthy wait times for appointments. As the rollout continues, we expect that all consumers should be able to have access to a smart meter installation quickly, and if not, be compensated
  - Smart metering installation failures Where a consumer has booked an appointment and the energy supplier has not done everything within its control to ensure this appointment is successful, we consider it is reasonable that a consumer should be compensated for this inconvenience
  - Investigating smart meter operational issues Consumers who
    report issues with their smart meter once it is installed can often face
    difficulty when contacting their energy supplier about these types of
    issues. Some consumers find that they are left without a clear
    understanding of the issue, or the route to resolution
  - Smart meters not operating in smart mode We consider that consumers should be compensated where their smart meter does not operate in smart mode for a prolonged period of time. This is a key issue for consumers who want to engage with the benefits of smart metering.

## **Extending proposals to include non-domestic consumers**

2.18 Non-domestic meters account for 6% of the meters within the scope of the smart meter rollout, yet they represent £1.5 billion in consumer benefits, driven by the sector's high energy savings potential. At the end of 2024, there were 2 million smart and advanced meters across smaller non-domestic sites in GB; 61% of all meters in smaller non-domestic sites.

- 2.19 Ofgem is committed to improving the experience of non-domestic consumers in the retail energy market, including recent steps to expand protections from microbusinesses to all small businesses (for example, providing access to the Energy Ombudsman) as part of our <a href="Non-domestic market review">Non-domestic market review</a>.
- Ofgem's Multiyear Strategy also includes a commitment to protecting interests of non-domestic consumers. Recent Government policies have sought to ensure that non-domestic consumers maximise the benefits from smart metering, including establishing separate non-domestic smart metering installation targets for all energy suppliers since 1 January 2024 and making improvements to the non-domestic smart meter customer data offer, requiring suppliers to provide free energy insights to all smaller smart meter consumers since 1 October 2024.
- 2.21 Therefore, considering the importance of the non-domestic sector in realising the overall benefits of smart-metering, and recognising the key role played by businesses and the public sector in supporting the transition to net zero and clean power, ensuring a positive non-domestic consumer experience of smart metering is relevant to this consultation's objectives.
- 2.22 As with domestic consumers, a better overall experience of smart metering can increase consumer confidence in smart meters in the non-domestic sector, reducing the risk of a negative installation experience and potentially increase smart meter uptake.
- 2.23 Currently, one existing Guaranteed Standard applies to metering in the non-domestic sector, which is around making and keeping appointments. However, this Guaranteed Standard only applies to micro-business consumers. We consider there is scope to build on this existing Guaranteed Standard and take further steps to improve the non-domestic consumer experience of smart meters and address barriers in the consumer journey. We are interested in the scope of the proposed Guaranteed Standards for non-domestic consumers and whether they should apply to all Designated Premises.
- 2.24 We are therefore inviting stakeholder views on whether the four proposed Guaranteed Standards could apply to the non-domestic sector, and if so, how they could apply with respect to both applicability, design and scope. This will be explored in Section 4.

# 3. Smart meter Guaranteed Standard proposals

In this section, we propose new Guaranteed Standards around smart metering to address key points in the customer journey, where compensation should be due for energy supplier failure to meet these standards. We are asking for stakeholders' views on these proposals; both on the objective of the standard and on the practicalities of implementation.

### **Clarification of regulations**

- 3.1 The 2015 regulations do not discriminate between traditional meters and smart meters, as they apply to all meters equally. Whilst consumers with smart meters are technically within scope of current Guaranteed Standards and therefore are afforded the same protection as consumers with traditional meters, there is no explicit reference to smart meters in the 2015 regulations.
- 3.2 Through these proposals, we are proposing to specifically reference smart meters within the legislation. We consider this is important as the majority of meters are now smart (and that the proportion of traditional meters will continue to decrease).
- As an example, currently, within the *General interpretation* section the regulations define "meter" as "a gas meter or an electricity meter", with further definitions as per the Electricity Act 1989 and the Gas Act 1986. The *General interpretation* section of the 2015 regulations provides meaning and definitions to terms used within the regulations.
- 3.4 We would like to explore whether any of the 2015 regulations should be updated to bring the regulation up to date and better reflect the current state of the market. This could help to assure consumers with smart meters that the regulations apply to and are relevant for them.
- Q1. Do you agree the 2015 regulations should be updated to reflect the current metering landscape and explicitly mention smart meters?
- Q2. If yes, what areas of the 2015 regulations do you consider should be updated to reflect that they apply to smart metering?

#### Smart meter installation appointment availability

- 3.5 Many consumers would like a smart meter but are not able to get an appointment from their energy supplier or are subject to lengthy wait times. Citizens' Advice report that, of those who have proactively contacted their supplier about getting a smart meter, 33% were told that were unable to have one and 24% say their supplier has made no efforts to install one. In DESNZ research¹ which followed 274 consumers as they tried to get a smart meter, only 73% were able to book an appointment.
- The lack of fulfilled appointments can contribute to geographical discrepancies in the progress of the rollout. DESNZ statistics show that at the end of March 2024, when compared to the GB average (63%), domestic electricity smart meter coverage was under 40% in nine local authorities.<sup>2</sup> These areas are concentrated in Northern Scotland (including the Shetland Islands and the Orkney Islands) and Inner London (Kensington & Chelsea and Westminster).
- 3.7 We consider it is of vital importance that any consumer who wants a smart meter and requests a smart meter installation, can get an appointment in a timely manner from their energy supplier, irrespective of where they live.
- 3.8 The 2015 regulations comprehensively set out the expectations that energy suppliers should meet, in terms of booking and keeping appointments. They include standards around the length of these appointments and the notice a supplier should provide if the appointment needs to be rearranged.
- 3.9 The 2015 regulations also dictate that an appointment should be arranged to happen "within a reasonable time" of a request being made. In our view, what constitutes "reasonable" to an energy supplier (or consumer) is not standardised and could be interpreted differently amongst energy suppliers. This could ultimately lead to inconsistency in the way consumers are being treated.
- 3.10 We consider it is important that energy suppliers offer smart meter appointments to take place within a set number of days or weeks. We therefore propose to introduce a new Guaranteed Standard to compensate a consumer where they request a smart meter installation, and the supplier cannot offer the

 $<sup>^{1}</sup>$  This research is unpublished, however was conducted by DESNZ from August 2023 to February 2024.

<sup>&</sup>lt;sup>2</sup> While coverage is lower in comparison, these local authorities collectively contain less than 2% of all domestic electricity meters across GB.

customer an appointment to occur within six weeks<sup>3</sup> of the request being made. As with the existing regulations, this request can be made via any channel, including telephone, website, or app. For clarity, this proposal is for new/first time smart meter installation appointments only and would not apply to any other type of installation appointment.

- 3.11 Through our existing engagement with energy suppliers, it is our current view that most suppliers can already offer appointments within six weeks to many of their customers. This is corroborated by DESNZ research<sup>4</sup> in which 68% of participants reported that the first available appointment was within one month.
- 3.12 We consider by ensuring this timeframe is delivered to all consumers who want a smart meter it would incentivise energy suppliers to maintain a minimum level of installers in different regions or ensure they re-deploy mobile installation teams quickly to service the demand.
- 3.13 Although we consider the number of weeks stipulated above to be achievable, we also consider some exemptions may need to apply to this proposed Guaranteed Standard. Our current view is that this standard would only apply where a consumer is technically eligible for an installation (i.e. where there is a solution available that would result in a working smart meter installation). In addition, as this proposal is on the energy supplier to "offer" a first time/new smart meter installation appointment within six weeks, if a consumer specifically requested an appointment out with that time frame, they would not be applicable for compensation.
- 3.14 Consideration should also be given to the number of times an energy supplier would have to pay compensation to a consumer for this proposal. Our preliminary view is that this standard would reoccur every six weeks from the initial appointment requested. Should a consumer request an appointment, and the respective energy supplier cannot offer a first-time smart meter appointment at that time or offers an appointment longer than six weeks which the consumer does not accept, that same consumer would not be able to receive compensation for another new/first time smart meter appointment requested within those six weeks.
- Q3. Do you agree that a new standard to ensure requests for smart meter installation appointments are fulfilled within a set number of weeks is right for consumers?

<sup>&</sup>lt;sup>3</sup> For the purposes of this standard, this would mean 42 calendar days or 30 working days.

<sup>&</sup>lt;sup>4</sup> This is the same unpublished research cited in para 3.5

- Q4. Do you agree that six weeks is an achievable timeframe to meet?
- Q5. Do you agree this should apply to new/first time smart meter appointments only?
- Q6. Do you agree that this should only apply in cases where a consumer is technically eligible to have a smart meter installed, and what do you consider those cases to be?
- Q7. Are there any other exemptions that should be considered with this standard?
- Q8. Do you agree a consumer could receive this compensation every six weeks should a supplier not be able to offer an appointment in that time frame?
- Q9. Are there any other factors not clearly outlined you think need to be considered?

#### **Smart meter installation failures**

- 3.15 We are aware a proportion of smart meter installations fail for reasons within energy suppliers' control, such as installers not having the right equipment or skillset to complete the installation. This leads to a poor consumer outcome and potentially discourages the consumer from continuing to attempt to rebook a further smart meter installation appointment.
- 3.16 Therefore, we propose to introduce a new standard that compensates consumers if their smart meter installation fails due to a reason within the energy supplier's control. We consider this would include installation activities carried out on behalf of the energy supplier, for example by third party engineers contracted via Meter Operators (MOPs).
- 3.17 This measure should drive better standards and practices amongst suppliers and installers, increase the success rate of first-time installations, and reduce the number of failed installations due to meter installer errors/oversight from an energy supplier.
- 3.18 We consider that an appointment has failed if the consumer does not have a smart meter fitted by the end of their appointment. For a smart meter that is installed but does not communicate from the point of installation, this would be covered by the proposed Guaranteed Standard on smart meters not operating in smart mode outlined later in this consultation starting at paragraph 3.29.
- 3.19 Some scenarios which we are aware of that lead to failed installations, and we consider are within energy suppliers' control, are:
  - i. Installer did not have the correct meter/asset equipment
  - ii. Installer did not have the correct safety equipment
  - iii. Installer did not have the correct tools

- iv. Installer did not have the correct skills to complete the installation.
- 3.20 We consider this standard will only apply to scenarios where an energy supplier actually attends an appointment and will not apply to any appointment that a supplier does not attend. For example, if a meter installer was unable to attend an appointment on the day due to a broken-down van or previous jobs over running, these would not be covered by this new standard. In our interpretation of existing Guaranteed Standards, we consider these types of situations are already covered by automatic consumer compensation. For example, section 3, subsection 8 of the 2015 regulations states suppliers "must **keep** an appointment offered in accordance with paragraph (3)."
- 3.21 We would also highlight that we consider this standard to be applicable to all smart meter installations, whether that be a new/first time appointment or a replacement appointment.
- 3.22 In our view, there should be no restriction in the number of times a consumer could receive this compensation. In the unlikely scenario an energy supplier continually failed to complete a meter installation for the same consumer, due to reasons within its control, then that consumer would receive compensation for every failed appointment.
- Q10. Do you agree a new standard to ensure consumers receive compensation for failed smart meter installations, where the failure is within a supplier's control, is right for the consumer?
- Q11. Are there any scenarios within an energy supplier's control leading to failed smart meter installations that have not been covered?
- Q12. Do you agree this should be applicable to both first time and replacement smart meter appointments?
- Q13. Do you agree there should be no restrictions on the number of times a consumer could receive this compensation?
- Q14. Are there any other factors not clearly outlined you think need to be considered?

#### **Investigating smart meter operational issues**

3.23 Citizens Advice report concerns that smart meter issues are not being addressed promptly for consumers. Our <u>Energy Consumer Satisfaction Survey July 2024</u> also found that smart meters were the second most common reason for

- complaining (29%), by those who had contacted their supplier to make a complaint.
- 3.24 Reported problems with smart meters need to be responded to quickly so that consumers can continue to receive benefits and to mitigate the risk of negative media or word of mouth which could put people off adopting smart meters.

  Citizens' Advice report that nearly half (46%) of people who do not have a smart meter are put off by having heard negative reports in the media and a fifth (21%) say they are put off as their friends or family have had bad experiences.
- 3.25 Consumers who contact their energy supplier to report a suspected faulty smart meter are not always informed of the cause, nor are they kept updated with the supplier's efforts to resolve the issue. Some consumers report having had a non-communicating smart meter for years without any follow-up engagement from their energy supplier.
- 3.26 Although a smart meter may still be sending automatic readings to their energy supplier, a consumer may still believe their smart metering system is faulty, such as the In-Home Display (IHD) not displaying correct tariff information, and as such their overall experience of having a smart meter is negative. We consider consumers with issues with their IHD to be in scope of this standard and would expect that they are similarly supported.
- 3.27 We consider that this Guaranteed Standard could expand on the existing "Faulty meters" and "Faulty prepayment meters" standards in the 2015 regulations to cover smart meter issues and that the timescale is therefore achievable.
- 3.28 Therefore, we propose that if a consumer suspects they have a problem with any part of their smart metering system, the supplier must, within 5 working days of receiving the consumer's notification:
  - complete an initial assessment
  - take an appropriate action
  - offer to confirm in writing;
    - the nature and outcome of the initial assessment and the appropriate action
    - ii. the actions they will take to ensure the problem is resolved
    - iii. the timescale within which those actions will occur.

- Q15. Do you agree that this standard would support customers with suspected problems with their smart meters, and IHDs?
- Q16. Do you agree the best approach is to expand on the existing "Faulty meter" and "Faulty prepayment meter" standards?
- Q17. Are there any other factors not clearly outlined you think need to be considered?

#### Smart meters not operating in smart mode

- 3.29 Smart meters are designed to work in such a way where they communicate with the consumers respective energy supplier. Sometimes a smart meter does not operate in this manner, which can be known as not operating in smart mode. This means that the smart meter usually operates as a traditional meter, as in records gas and electricity accurately, but does not communicate with the energy supplier.
- 3.30 In order for consumers to be able to realise the full benefits that smart meters bring, it is imperative they are fully operational and connected to their energy supplier. Smart meters not operating in smart mode result in poor outcomes for consumers and often leads to frustration. We are aware there are various reasons why smart meters do not work as intended, which are explored in more detail below.
- 3.31 The smart meter infrastructure operates via a communication network known as the smart meter Wide Area Network (WAN). The Data Communications Company (DCC) are responsible for the smart meter WAN across GB via its communication service providers, Arqiva, Vodafone and Virgin Media O2. This network provides the platform for communication between consumers and their respective energy suppliers. According to the DCC's website, currently this network provides coverage to 99.3% of GB. The remaining 0.7% is commonly referred to as "No WAN", meaning a small portion of GB does not receive the network coverage required for smart meters to communicate as intended.
- 3.32 Solutions are being developed for consumers in No WAN areas that may provide a working smart meter solution. This is known as the "Virtual WAN Arrangements" and, providing the consumer consents, will allow smart meters to connect to the DCC via the consumers' broadband. DESNZ alongside the DCC are working on the <a href="implementation">implementation</a> of these arrangements. Smart meters are

directly connected to the DCC via a communication hub and not the actual meters themselves. These devices are commonly referred to as "comms hubs". The development and maintenance of comms hubs for SMETS2 meters is the responsibility of the DCC.

3.33 Within a consumer's premises, the smart meters and comms hub form their own internal network known as the Home Area Network (HAN). Another part of this internal network, in addition to the meters themselves and the comms hub, is a device known as the In-Home Display (IHD). The IHD displays consumers smart meter usage in real time, whilst also showing other features such as tariff information and expenditure.

#### Issues affecting smart meters not operating in smart mode

- 3.34 We are aware of some issues affecting smart meters which can relate to either the smart meters themselves, the smart meter WAN, the comms hub, the HAN, the IHD or a combination of these.
- 3.35 Some reasons a smart meter may not operate as intended are due to issues with the network connection to the smart meter WAN, issues specific to the type of premise the meter is located in or how it was installed, particular geographical challenges at the location of the meter, issues with the technical firmware on the meter or issues when a consumer changes supplier.
- 3.36 We are also aware a small amount of consumers may have agreed or requested to have their smart meter not operate in smart mode, due to particular preferences or circumstances.

#### Smart meters already not operating in smart mode

- 3.37 We are aware that there are a number of existing smart meters not operating as intended. According to official DESNZ statistics, as of the end of December 2024, 9.7% of all smart and advanced meters were smart meters not operating in smart mode.
- 3.38 We have also published the percentage of smart meters not operating in smart mode on our website, as of 30 June 2024. This shows each large suppliers' performance in this area and demonstrates a range of performance between 2.6% and 16.3% of smart meters not operating in smart mode. We plan on updating this data every six months (after following the appropriate statutory process) and expect to publish the refreshed 31 December 2024 data shortly.

3.39 For the avoidance of doubt, we expect any existing smart meter not operating in smart mode to be **included** within this proposal. Should this proposed policy progress to statutory consultation and ultimately implemented into legislation, we consider suppliers will have had time to prepare resolutions to these meters.

#### **Customer Contact**

- 3.40 Some consumers may be unaware of the operational status of their smart meter, depending on their level of engagement. Other consumers may proactively contact their respective energy supplier to query issues around their smart meter should they suspect any potential issues. Some of the existing Guaranteed Standards require the customer to contact the supplier in order for the standard to be applicable (such as the faulty meter and faulty prepayment meter standard).
- 3.41 We consider this proposed Guaranteed Standard would be applicable irrespective of customer contact, i.e. whether the consumer has proactively contacted the energy supplier or not. Applying a customer contact metric to this proposal risks having consumers who do not proactively engage with their energy supplier being disadvantaged.
- 3.42 Energy suppliers already have well established processes and systems in place to proactively monitor the operational status of their smart meter estate. We expect all energy suppliers to already know the operational status of their smart meter portfolio on a continual basis; therefore, in our view, a customer contact metric is not required to be included in this proposal.

#### **Timescales**

- 3.43 It is important to consider relevant timescales for energy suppliers to take action to resolve operational issues for the consumer. There may be a range of measures a supplier could take in order to resolve the situation, some of which may require the respective energy supplier to visit consumer premises, others may be able to be resolved through a remote solution.
- 3.44 As the smart meter rollout progresses further and the overall percentage of consumers with smart meters increases, we expect suppliers to have a serious focus on resolving operational issues. Through our existing engagement channels, energy suppliers themselves have equally noted the importance of working smart meters.
- 3.45 As outlined previously in the consultation, we are also proposing an appointment Guaranteed Standard which sets out that suppliers must offer an appointment

within six weeks for new or first-time smart meters. We consider it is appropriate to allow suppliers more than the six weeks to resolve operational issues as it may take more time to provide the correct support to these consumers. However, we would note that not all resolutions will specifically require a site visit.

- 3.46 Through our existing monitoring we can also see there is a substantial proportion of smart meters not operating in smart mode over six months. Therefore, we consider the timeframe for resolving issues should be set at less than six months to avoid creating a backlog of operational issues in the future. As smart meters make up the majority of the consumer meter market, it is imperative issues are tackled quickly and effectively to deliver positive consumer outcomes.
- 3.47 Given the importance of smart metering and the consequences of smart meters not operating in smart mode such as, estimated bills, no access to real time energy usage via the IHD, or potentially blocking customer access to time of use tariffs, we consider consumers should not have to wait a substantial amount of time for suppliers to resolve these types of issues. Therefore, our proposal is that energy suppliers should resolve smart meters not operating in smart mode (that meet the requirements of "in scope" as set out below) within 90 calendar days, or the consumer will receive compensation.

#### **Electricity and Gas meters**

- 3.48 Guaranteed Standards usually apply to a customer rather than to a meter or a premise. Most premises in GB have two separate meters, one for electricity and one for gas. Some consumers may only have an electricity meter should there be no mains gas in their specific geographical region, normally in more rural areas.
- 3.49 As noted previously, it is the comms hub that communicates with the energy supplier rather than the smart meters. Comms hubs are attached to the electricity meter, therefore, any electricity smart meter not operating in smart mode is also likely to have a gas meter not operating in smart mode, should there be two smart meters for separate fuels, at the same premise.
- 3.50 There are likely to be some scenarios where the electricity meter is fully operational, but the gas meter is not. We consider these scenarios are likely relating to an issue with the HAN, the network within the consumer's home.

3.51 Should a consumer have two smart meters, and both are not operating in smart mode over 90 days, we would expect the consumer to receive compensation for **both** meters.

#### **Process and definitions**

- 3.52 In order for energy suppliers and other respondents to consider the implications of this proposal, we consider it is important we set out how this Guaranteed Standard proposal may work in practice. We also consider there may need to be some scenarios that are "out of scope" from compensation, similar to other Guaranteed Standards, and that we should outline what we consider those to be based on our existing understanding of current issues. Responses to this consultation will enable us to develop this thinking further.
- 3.53 As highlighted previously, we are aware there can be different reasons for why a smart meter does not operate as intended. We consider some of these issues may require the action of another party, other than the energy supplier, to resolve. For the purposes of this proposal, "another party" means a third party that operates or facilitates part of the smart metering infrastructure which is out with the direct control of the energy supplier. It does not mean a third party who is directly contracted with the energy supplier to provide a function on behalf of the energy supplier.
- 3.54 Our preliminary view is that scenarios relying on the "action of another party" should be out of scope. However, due to the setup of the smart meter infrastructure, it can sometimes be unclear on what does and does not require the action of another party. We welcome views on this from respondents and will use responses to this consultation to explore this further. It will be important that all energy suppliers are clear on what is "in scope" and when it is "in scope" in order for consumers to be treated fairly and consistently, no matter who their energy supplier is.
- 3.55 We are also aware that there may be some scenarios where there is no required action from another party or the supplier, nor has the consumer requested or agreed for the smart meter to be non-communicating, and the smart meter still may not operate as intended. For example, should a consumer request a smart meter to be installed in a No WAN region where there is no network coverage for the smart meter's comms hub to communicate with the DCC, so therefore cannot operate in smart mode.

- 3.56 There may also be scenarios where a smart meter becomes non-communicating for a period of time but then re-connects, either by itself or via an action from a supplier and becomes operational again. This potentially could happen on a continual basis depending on various factors.
- 3.57 We therefore consider it is important to outline what our current view of what would be "in scope" and "out of scope" of this particular Guaranteed Standard proposal. Our primary proposals for these are:

"out of scope" - a smart meter that is not operating in smart mode where the action of another party, other than the respective energy supplier, is required to provide a resolution, or the consumer has agreed the smart meter to not operate in smart mode, or there is no solution available from any party that will resolve the issue.

"in scope" - a smart meter not operating in smart mode where there is no action of another party, other than the respective energy supplier, required to provide a resolution, the consumer has not agreed the smart meter to not operate in smart mode, and there is a solution that will resolve the issue.

- 3.58 We are aware there may be some scenarios where an action is required from both another party and the energy supplier. In these scenarios we anticipate this could start as out of scope, as an action is required from another party, however, should the required action then be completed by the relevant other party, we consider this could then become in scope if the smart meter remained non-communicating, therefore not remaining permanently out of scope.
- 3.59 We also consider it is also important for energy suppliers to be clear on what is meant by "smart meter" and also "not operating in smart mode".
- 3.60 Within current and historic smart meter policy there have been several definitions and variations of what constitutes a smart meter, such as Smart Metering System, Relevant Smart Metering System and Qualifying Metering System. There are also other industry documents that set out requirements of smart meters. The Smart Meter Equipment Technical Specifications (SMETS) set out the minimum functional, interface and data requirements of an electricity and gas smart meter.

- 3.61 Definitions of operating in "smart mode" also already exist within industry forums and also through DESNZ and Ofgem RFIs. However, similar to the definition of smart meter these have adapted over time. We consider for the purpose of this work it is important to establish what is meant by each of these terms in order for all suppliers to be clear, to enable consumers to be treated fairly and consistently, no matter who their energy supplier is.
- 3.62 For the purposes of this work (i.e. for definitions within this proposed smart meter not operating in smart mode Guaranteed Standard only), our preliminary views for these are:

"smart meter" - any version of a SMETS1 or SMETS2 meter set out in Section 11 of the Smart Energy Code

"not operating in smart mode" - a smart meter where the respective energy supplier cannot obtain automatic meter readings as expected, therefore the meter needs to be read manually.

- 3.63 As noted previously, the IHD forms part of a consumer's overall smart metering system. For the purposes of this proposal, we consider issues relating to the IHD to be out of scope.
- 3.64 Our preliminary view is that compensation would be required for an "in scope" meter that was not resolved within 90 days. Alongside this we have also been considering what happens thereafter to a meter that remains not operating for a prolonged period of time. In our view, if a consumer was to receive compensation in this manner after 90 days, but then subsequently no resolution was provided, we consider a further payment would be required. We consider that if the same "in scope" smart meter remained not operating in smart mode for 365 consecutive days, the consumer would be entitled to another compensation payment, and this would reoccur again for every 365-day period thereafter.
- 3.65 In addition, should a smart meter not operating in smart mode meter be resolved after 90 days, become fully operational and compensation has been issued for the original 90-day period, but then the consumer's meter, whether that be a new smart meter or the original existing smart meter, subsequently becomes not operating in smart mode again, suppliers should treat this as a new instance.

- Q18. Do you agree a new standard to ensure consumers receive compensation for a smart meter that does not operate in smart mode, which is within a supplier's control to resolve, and has not been resolved, is right for consumers?
- Q19. Do you agree with our initial views of "in scope" and "out of scope"?
- Q20. Do you agree with our initial views on what constitutes a "smart meter" and "not operating in smart mode" for the purposes of this proposal only?
- Q21. How do you consider "actions of another party" could be clearly defined for this proposal?
- Q22. Do you agree that 90 days is an appropriate timeframe to resolve smart meters not operating in smart mode in the future?
- Q23. Do you agree consumers should receive compensation for both gas and electricity meters if applicable?
- Q24. Do you agree that for each instance of an "in scope" smart meter not operating in smart mode, the consumer should receive another compensation payment if the meter remains not operating for 365 days, and for every other 365-day period thereafter?
- Q25. Are there any other factors you think need to be considered that have not been covered in this section for this proposal?

## 4. Non-domestic

#### **Background**

- 4.1 The non-domestic sector has some unique characteristics in terms of meter type and business size that have interplays with the scope and applicability of the new standards under consideration in this consultation.
- 4.2 There are two types of smart meter in the non-domestic market: Smart Metering Equipment Technical Specifications meters (SMETS meters) and Automated/Advanced Meter Reading meters (AMR meters). While both meter types record energy at half hourly intervals, there are differences in how they operate, for example in the amount of information each meter can provide. AMR meters, at a minimum, provide energy usage information, whilst SMETS also provide tariff information. SMETS meters can also connect to the Data Communications Company (DCC).
- 4.3 The non-domestic smart meter rollout covers "Designated premises". "Designated premises" as defined by Standard Licence Conditions, means Non-Domestic Premises at which the measured annual consumption of gas is 732,000 kWh or less and Non-Domestic Premises at which a metering point falls within profile class 1, 2, 3 or 4 as defined in the Balancing and Settlement Code on 30 November 2012. All designated premises of microbusinesses<sup>5</sup> within the smart meter rollout must be offered a SMETS meter by their energy supplier (subject to technical exemptions where this is not possible). Non-Domestic consumers within the rollout that are not microbusinesses, such as some medium-sized businesses or public sector organisations, may be offered a choice of SMETS or advanced meter by their energy supplier, but the choice must include SMETS. If an energy supplier does offer a choice to a non-domestic consumer that is not a micro-business consumer, they must explain the differences between these metering solutions so organisations can make an informed decision regarding the most suitable metering solution for their needs.

<sup>&</sup>lt;sup>5</sup> A microbusiness is classified as a customer who meets any of the following criteria:

a. They use no more than 100,000 KWh of electricity per year

b. They use no more than 293,000 KWh of gas per year

c. They have fewer than 10 employees (of their full time equivalent) and a turnover or annual balance sheet total not exceeding £2 million.

4.4 We recognise that the unique characteristics of the non-domestic sector (e.g. different types of meters and businesses and how they may interplay with customer or operational complexities) could affect with the way we design standards in the non-domestic sector and/or have implementation considerations. Therefore, this section sets out the proposed non-domestic scope of each proposed standard (and supporting rationale). We welcome a range of stakeholders' views and evidence in response, along with any accompanying rationale and reasons for agreement or disagreement.

### Rationale for extending the proposals to the Non-Domestic sector

- 4.5 Smart metering installation appointment availability DESNZ research<sup>6</sup> which followed 78 non-domestic consumers who want to get a smart meter, found that around 29% (23/78) were not able to book an appointment. Extending this Guaranteed Standard to the non-domestic sector would ensure that businesses can schedule smart meter installations in a timely manner, reducing disruptions to their operations. In addition, given that non-domestic consumers often have specific preferences for appointment dates and times to align with their business plans, then guaranteeing appointment availability would help avoid customer dissatisfaction and dropouts during the booking stage. It also supports a smoother onboarding process for smart metering, which is crucial for businesses that may plan their activities months in advance. This proposed standard also incentivises suppliers to ensure they have non-domestic trained installers (including specialised skillsets) available to meet consumer demand.
- 4.6 **Smart metering installation failures** For non-domestic consumers, failed installations can be disruptive and have negative cost impacts, particularly if they have temporarily paused business operations and turned off their electricity to enable the smart metering installation. Extending this Guaranteed Standard to the non-domestic sector could therefore help mitigate consumer concerns about business disruption and the reliability of the installation process. This Guaranteed Standard proposal would also, in our view, help boost consumer confidence in the smart metering adoption process and reduces the hassle of reappointments.

 $<sup>^{6}</sup>$  This research was conducted by DESNZ from August 2023 to February 2024 and is currently unpublished.

4.7 Investigating smart meter operational issues and Smart meters not operating in smart mode – These Guaranteed Standards are relevant to the non-domestic sector as its equally important that consumer concerns about the reliability and functionality of smart meters are promptly addressed. Extending this Guaranteed Standard ensures greater accountability from suppliers in maintaining meter functionality and provides non-domestic consumers with confidence in the reliability of their meters.

# Non-domestic nuances and proposed scope of Guaranteed Standards

- 4.8 Given the sectoral nuances of the non-domestic sector, we would welcome stakeholders' views on the proposed scope of the Guaranteed Standards under consideration.
- 4.9 Smart metering installation appointment availability – We propose that this Guaranteed Standard is applicable to both SMETS and AMR meter installations for all designated premises. This is because availability of appointments is largely sector-agnostic and will help improve consumer experience at the booking stage for all types of meter installations and consumers under the scope of the smart meter rollout. Suppliers and MOPs largely manage the booking process for both meter types in the same way- and therefore we feel it is reasonable that a consumer has a positive and timely booking experience irrespective of what meter type they choose. Suppliers may not know what type of meter they are installing until the day of the appointment (for instance in the case of a non-domestic customer that is not a microbusiness, or an advanced meter installed where the SMETS installation has failed). Therefore, in practice it would be challenging to split this Guaranteed Standard by meter type. The importance of ensuring appointments can be tailored to consumer needs is relevant to all small businesses.

For domestic consumers, it has been proposed in this consultation that a supplier should pay a compensation if, within six weeks of a consumer requesting for a smart meter installation, they are not able to offer an appointment. In the case of non-domestic consumers, in a few cases, they may require an appointment beyond six weeks to be able to best manage their operations (for example, schools may intentionally want an appointment during school holidays). We are therefore proposing that any final legal drafting in relation to this Guaranteed Standard would allow for circumstances where the customer has specifically chosen an appointment date further in advance and

- welcome stakeholder views on any further sector-specific interactions with this Guaranteed Standard.
- 4.10 Smart metering installation failures We propose that this Guaranteed Standard is applicable to both SMETS and AMR meter installations for all designated premises. This is because suppliers (whether delivered in-house or via MOPs) are ultimately responsible for ensuring non-domestic consumers have a successful installation irrespective of size and which meter type they choose. In addition, the risks of unsuccessful installations for consumer perception and experience are sector-agnostic and affect all types of consumers.
- 4.11 Investigating smart meter operational issues – We propose this Guaranteed Standard is applicable to both SMETS and AMR meter installations for all designated premises. The primary ways in which non-domestic consumers may be made aware of a potential issue with their smart or advanced meter may be if they receive an unexpected, estimated bill, or perceive there to be fault with their smart meter data tool or service. Both SMETS and advanced meters offer accurate bills to consumers. In addition, since 1 October 2024, suppliers must provide small businesses with free and regular information on their energy use, based on their smart meter data ('data offer'). This policy covers microbusinesses and non-microbusinesses in scope of the smart meter rollout with SMETS and advanced meters. Whilst we recognise that the technical drivers of non-communicating meters could be different between meter types, given that this Guaranteed Standard focuses on suspected issues (and that the causes of these are not unique to any one customer or meter type) we propose there is a case for this to apply to both.
- 4.12 **Smart meters not operating in smart mode** We propose that this Guaranteed Standard is applicable to both SMETS and AMR meter installations for all designated premises. Therefore, for the purposes of considering non-domestic consumers for this proposal, the definition of "smart meter" outlined in section 3, would also include advanced meters.
- 4.13 As per domestic, in order for non-domestic consumers to be able to experience the full benefits that smart meters bring, it is imperative they are fully operational. We propose that this principle holds irrespective of whether the consumer has a SMETS or advanced meter and regardless of the data flow arrangements. In addition, ensuring half-hourly readings are being received for both meter types aligns with Ofgem's objectives for Market-Wide Half-Hourly Settlement (MHHS). We recognise the role of Meter Equipment Managers in

- ensuring that advanced meters remain operational. However, energy suppliers are responsible for billing arrangements and providing non-domestic consumers with free energy use information based on their smart or advanced meter data. We therefore propose that suppliers should resolve issues with non-communicating SMETS and advanced meters where they are able to do so and proactively be raising issues to relevant third parties for action as appropriate (in both the SMETS and AMR landscape).
- 4.14 Section 3 outlines our preliminary view on what would be "in scope" and "out of scope". We recognise that should we proceed with this proposal for non-domestic consumers, we may need to adapt these accordingly (for example, to account for nuances associated with Advanced meters).
- Q26. Do you agree that the proposals under consideration in this consultation are beneficial for non-domestic consumers?
- Q27. Do you agree with the rationale and proposed scope (both in terms of business size, meter type and timeframes, where applicable) of the proposed Guaranteed Standards under consideration in the non-domestic sector?
- Q28. Across all the Guaranteed Standards, are there any other opportunities or risks with respect to the applicability of the proposed Guaranteed Standards to the non-domestic sector that we should consider?
- Q29. If you agree that the Guaranteed Standards under consideration in their present form should be applicable to the non-domestic sector, do you have any suggestions to tailor or alter the details and scope of the Guaranteed Standards to better suit the needs of non-domestic consumers?

#### Non-domestic Guaranteed Standard compensation value

In principle, the payments made under the current and previous standards are not designed to provide compensation reflecting the levels of any financial loss suffered as a result of a failure. Rather, the Guaranteed Standard compensation payment is a financial incentive for suppliers that provides tangible consequences for suppliers that fail to meet prescribed service levels for individual consumers. The consumer can seek independent redress from the Energy Ombudsman which can take into account any additional financial loss suffered when determining its compensation award. Additionally, Ofgem has recently increased the compensation amount from £30 to £40 to account for inflation rates.

- 4.16 Along with the existing rationale for extending Guaranteed Standards proposals to the non-domestic sector, we are interested in gathering stakeholders' views on the suitability of the current Guaranteed Standard compensation amount for non-domestic consumers, which includes all designated premises. We are seeking feedback and views from stakeholders on whether the compensation levels could be different for non-domestic consumers, and if so, the ways in which the compensation level may be determined. For example, we are interested in whether the standard compensation amount of £40 would incentivise non-domestic energy suppliers to improve consumer outcomes (especially in light of non-domestic meter volumes being comparatively smaller).
- 4.17 In addition, there may be sector-specific circumstances that interact with the expectations of non-domestic consumers with respect to compensation. For example, non-domestic businesses, irrespective of size, may need to temporarily turn off their electricity (and therefore business operations) when the installation of a smart meter takes place. Additionally, energy bills are usually higher for non-domestic premises, especially for larger businesses and energy-intensive business activities, because of the nature of operations and consumption patterns. We therefore propose that there may be a case to revise the compensation amount for non-domestic consumers.
- 4.18 Below are some hypothetical and exploratory ways in which the Guaranteed Standard compensation amount could be further tailored to the non-domestic sector. We are seeking stakeholder views on these, or any additional options.
  - **Option 1:** We are aware that average non-domestic energy bills are higher than households. Therefore, one option may be to establish a compensation level for all types of meters and businesses within the smart meter rollout scope which is more in proportion to total energy spend in the non-domestic sector.
  - **Option 2:** The current Guaranteed Standard compensation amount is £40, referred to as 'standard payment'. Apart from this, an 'additional standard payment' of £40 is paid by suppliers to consumers in case the compensation amount is not paid to the consumer in 10 working days. One option may be that in addition to the 'standard payment' nondomestic consumers automatically receive an 'additional standard payment' irrespective of when their standard payment is paid. This would be in recognition of non-domestic sectoral nuances.

# **Consultation** - Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

- Q30. Do you agree that the compensation amount for the Guaranteed Standards under consideration could be further tailored to the non-domestic sector?
- Q31. Which (if any) of the proposed options (Option 1 and Option 2) do you agree with for determining the compensation amounts for non-domestic consumers?
- Q32. Do you have any other considerations to determine the compensation amount for non-domestic consumers?

# 5. Your response, data and confidentiality

# **Consultation stages**

#### Stage 1

Consultation opens 28/03/2025.

#### Stage 2

Consultation closes (awaiting decision). Deadline for responses 09/05/2025.

#### Stage 3

Responses reviewed and assessed.

#### Stage 4

Should we decide to proceed we will publish a Statutory Consultation, draft Statutory Instrument and draft Impact Assessment.

#### How to respond

- 5.1 We want to hear from anyone interested in this consultation. Please send your response to <a href="mailto:smartmetering@ofgem.gov.uk">smartmetering@ofgem.gov.uk</a>
- We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 5.3 We will publish non-confidential responses on our website at <a href="https://www.ofgem.gov.uk/consultations">www.ofgem.gov.uk/consultations</a>

### Your response, your data and confidentiality

- You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 5.5 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with

- you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.
- 5.6 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 2.
- 5.7 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

#### **General feedback**

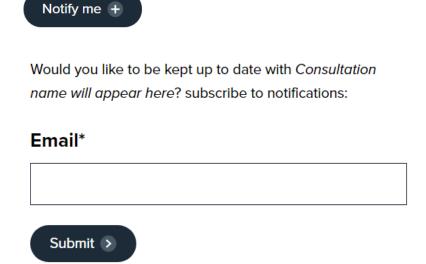
- 5.8 We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:
  - 1. Do you have any comments about the overall process of this consultation?
  - 2. Do you have any comments about its tone and content?
  - 3. Was it easy to read and understand? Or could it have been better written?
  - 4. Were its conclusions balanced?
  - 5. Did it make reasoned recommendations for improvement?
  - 6. Any further comments?

Please send any general feedback comments to <a href="mailto:stakeholders@ofgem.gov.uk">stakeholders@ofgem.gov.uk</a>

#### How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website. Choose the notify me button and enter your email address into the pop-up window and submit.

ofgem.gov.uk/consultations



Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

**Upcoming** > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

# **Appendices**

# Index

Appendix Name of appendix		Page no.	
1	Full list of questions	38	
2	Privacy notice on consultations	41	

# Appendix 1 - Full list of questions

- Q1. Do you agree the 2015 regulations should be updated to reflect the current metering landscape and explicitly mention smart meters?
- Q2. If yes, what areas of the 2015 regulations do you consider should be updated to reflect that they apply to smart metering?
- Q3. Do you agree that a new standard to ensure requests for smart meter installation appointments are fulfilled within a set number of weeks is right for consumers?
- Q4. Do you agree that six weeks is an achievable timeframe to meet?
- Q5. Do you agree this should apply to new/first time smart meter appointments only?
- Q6. Do you agree that this should only apply in cases where a consumer is technically eligible to have a smart meter installed, and what do you consider those cases to be?
- Q7. Are there any other exemptions that should be considered with this standard?
- Q8. Do you agree a consumer could receive this compensation every six weeks should a supplier not be able to offer an appointment in that time frame?
- Q9. Are there any other factors not clearly outlined you think need to be considered?
- Q10. Do you agree a new standard to ensure consumers receive compensation for failed smart meter installations, where the failure is within a supplier's control, is right for the consumer?
- Q11. Are there any scenarios within an energy suppliers' control leading to failed smart meter installations that have not been covered?
- Q12. Do you agree this should be applicable to both first time and replacement smart meter appointments?
- Q13. Do you agree there should be no restrictions on the number of times a consumer could receive this compensation?
- Q14. Are there any other factors not clearly outlined you think need to be considered?
- Q15. Do you agree that this standard would support customers with suspected problems with their smart meters, and IHDs?
- Q16. Do you agree the best approach is to expand on the existing "Faulty meter" and "Faulty prepayment meter" standards?
- Q17. Are there any other factors not clearly outlined you think need to be considered?

- Q18. Do you agree a new standard to ensure consumers receive compensation for a smart meter that does not operate in smart mode, which is within a supplier's control to resolve, and has not been resolved, is right for consumers?
- Q19. Do you agree with our initial views of "in scope" and "out of scope"?
- Q20. Do you agree with our initial views on what constitutes a "smart meter" and "not operating in smart mode" for the purposes of this proposal only?
- Q21. How do you consider "actions of another party" could be clearly defined for this proposal?
- Q22. Do you agree that 90 days is an appropriate timeframe to resolve smart meters not operating in smart mode in the future?
- Q23. Do you agree consumers should receive compensation for both gas and electricity meters if applicable?
- Q24. Do you agree that for each instance of an "in scope" smart meter not operating in smart mode, the consumer should receive another compensation payment if the meter remains not operating for 365 days, and for every other 365-day period thereafter?
- Q25. Are there any other factors you think need to be considered that have not been covered in this section for this proposal?
- Q26. Do you agree that the proposals under consideration in this consultation are beneficial for non-domestic consumers?
- Q27. Do you agree with the rationale and proposed scope (both in terms of business size, meter type and timeframes, where applicable) of the proposed Guaranteed Standards under consideration in the non-domestic sector?
- Q28. Across all the Guaranteed Standards, are there any other opportunities or risks with respect to the applicability of the proposed Guaranteed Standards to the non-domestic sector that we should consider?
- Q29. If you agree that the Guaranteed Standards under consideration in their present form should be applicable to the non-domestic sector, do you have any suggestions to tailor or alter the details and scope of the Guaranteed Standards to better suit the needs of non-domestic consumers?
- Q30. Do you agree that the compensation amount for the Guaranteed Standards under consideration could be further tailored to the non-domestic sector?
- Q31. Which (if any) of the proposed options (Option 1 and Option 2) do you agree with for determining the compensation amounts for non-domestic consumers?

<b>Consultation</b> - Smart meter	Guaranteed	Standards:	Supplier	Guaranteed	Standards	of
Performance						

Q32. Do you have any other considerations to determine the compensation amount for non-domestic consumers?

# **Appendix 2 Privacy notice on consultations**

#### **Personal data**

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at <a href="mailto:dpo@ofgem.gov.uk">dpo@ofgem.gov.uk</a>

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

We plan to share all responses to this consultation, including the separate RFI on costs/benefits, with DESNZ.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for six months after the project is closed.

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it

# **Consultation** - Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with third parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <a href="https://ico.org.uk/">https://ico.org.uk/</a>, or telephone 0303 123 1113.
- 7. Your personal data will not be sent overseas.
- 8. Your personal data will not be used for any automated decision making.
- 9. Your personal data will be stored in a secure government IT system.
- 10. More information For more information on how Ofgem processes your data, click on the link to our "ofgem privacy promise".