

## Press Release

**Thursday 25 April**

### **OFGEM APPROVES NEW RULES TO PROTECT CONSUMERS DURING SMART METER ROLL-OUT**

- **New licence-backed code to protect consumers, including a ban on sales during smart meter installation visit**
- **Code governs how suppliers should help consumers get the best out of their smart meter**
- **New rules have been developed by industry and Consumer Focus**

Ofgem has today approved a new industry code designed to protect and empower consumers during the smart meter roll-out.

The Smart Metering Installation Code of Practice includes strong protections around sales and marketing for domestic consumers, including a ban on conducting any sales during the installation visit. For any face-to-face marketing to be conducted during the installation visit, a consumer has to give consent before the day of the visit. Ofgem has further strengthened the code's rules on face-to-face marketing following consultation, including making suppliers clearly state that consumers are under no obligation to receive face-to-face marketing. The code is backed by licence conditions and the power to levy fines if rules are breached.

The code comes into effect on 1 June 2013, ahead of the mandated government roll-out of smart meters from 2014. The code has been developed by representatives from across the energy industry such as Energy UK, with input from consumer groups including Consumer Focus.

**Philip Cullum, Ofgem's Partner for Consumer Policy said:** "With the roll-out of smart meters getting fully under way next year, it is essential that householders and businesses have confidence that meter installations are done in a fair and professional way. This new Ofgem-approved code, developed by industry with extensive input from consumer groups, establishes a rigorous protection regime that puts consumers first."

**Energy and Climate Change Minister Baroness Verma said:** "Consumers are at the heart of the smart metering programme - which is designed to help people become more in control of the energy they use, and more aware of how to lower their energy bills.

"This code is central to providing a positive customer experience during installation - including protecting customers from unwanted marketing and ensuring installers explain how the meter can be used to improve energy efficiency.

"I am very grateful for the efforts that industry have made in developing the code, and welcome Ofgem's decision to approve it."

**Lawrence Slade, Chief Operating Officer, Energy UK, said:** "We are very pleased with the Ofgem announcement that the Smart Metering Installation Code of Practice has been approved. This is a significant milestone for the programme and also for Energy UK, as we have led the development of the code over the last 2.5 years. This has been a very comprehensive process involving a great number of stakeholders. We are confident the result is a code of practice that will ensure the consumer experience of the smart metering installation is a positive one."

**Zoe McLeod, Energy Expert at Consumer Focus said:** "This is a sound move for customers, helping to ensure their smart meter home visit is a more positive experience. Customers should be aware that they can say no to all face to face marketing, which has been unpopular with many. They can ask for a two hour appointment window rather than waiting in at home for the meter man to arrive.

"We encourage customers to take up their right to an energy display for gas and electricity, which could help them better understand where they can make savings on their bills. Under the new Code, the energy display will be set up and demonstrated to them alongside basic energy efficiency advice to make using it easier".

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Notes to Editors

1. The SMICOP decision was published today and can be found via our website:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=264&refer=Sustainability/SocAction/Publications>

Some of the key code conditions are listed below:

- Suppliers are prevented from conducting any sales when installing smart metering systems for domestic consumers'
  - Suppliers must gain prior consent from domestic consumers before the day of the visit in order to conduct face-to-face marketing
  - Suppliers must adhere to detailed rules when obtaining prior consent for face-to-face marketing, plus behavioural rules should they seek to market to domestic consumers having gained prior consent
  - Suppliers are prevented from levying an upfront charge for the supply and installation of a standard smart metering system to domestic consumers
  - Suppliers must adhere to a number of requirements catering specifically for vulnerable consumers. Suppliers must take steps to identify consumers with specific needs in advance of the visit; and take steps to cater for installations where a carer needs to be present
  - The code includes a section directing suppliers to provide information, advice and a practical demonstration to help consumers use their smart metering system and raise awareness of energy efficiency.
2. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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