



Scottish Pensioners' Forum
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This response may be published with the name of our organisation

This response may be shared with other departments dealing with this consultation

We may be contacted again, if necessary, to discuss the details of our response

Scottish Pensioners' Forum Response:
OFGEM – Data Sharing in a Digital Future
digitalisation@ofgem.gov.uk

The Scottish Pensioners' Forum (SPF) argues that, for the most part, the consultation paper poses as many questions as it attempts to answer.

We believe that the term 'trusted market partners' covers too broad a range of players in the energy market. Today's 'trusted partner' can quite easily become tomorrow's rogue operator.

The following comments should be taken in this context

1. Existing energy suppliers already attempt cross-selling of broadband, boiler servicing, etc. 'Targeted' marketing to make consumers aware of 'better' energy solutions is more advantageous to whom? Hard personalised marketing has historically been associated with mis-selling. Individual consumer needs require individual solutions best suited to individual circumstances. They cannot readily be determined by algorithms.
2. Thus far demand responsive pricing, based on relative costs, in the energy industry has been headlined as an opportunity for consumers to save on their bills by restricting usage to match supply factors. Not every consumer is in the fortunate position to be able to do this. The medically vulnerable are unlikely to have this option. Equally, demand responsive pricing may well result in increased tariffs at times of high demand, as applied by airlines and railway undertakings, which are not, unlike energy supply, essential utilities. It further has the potential to add to the complexity of tariffs which, it is well-documented, confuses consumers rather than enhances choice, or ensures they obtain the most advantageous terms.
3. Privatisation has resulted in the fragmentation of the energy supply industry. It is thus hardly surprising that no single process is presently used in data gathering, unless required by regulation. Against a scenario where 'competition' rather than co-operation prevails, suggestions that 'unlocked data' will lead to 'innovators creating new business models', are more likely to reinforce fragmentation, rather than encourage single processes to develop in the energy supply market. This inherent contradiction does not appear to be appreciated in the discussion paper. Our members have seen little, if any, real overall benefit from the marketisation of UK utilities since privatisation.
4. If either the 'principles' or 'code of conduct' approach to any data gathering is applied, there will inevitably be an increased need for regulation and monitoring which tend to be applied post hoc, or in response to a scandal.
5. Should a 'single technical solution', applicable to all suppliers be adopted, development and application costs must not be borne by consumers who are already burdened by the exponential growth in compulsory levies loaded onto their bills. If increased data gathering is the key to unlocking more 'nimble' business solutions, the resultant 'efficiency' savings should more than compensate suppliers for any outlays involved in the development and application of an industry-wide solution, and be shared with consumers.
6. The proposals appear largely to ignore the issues surrounding increased data gathering by commercial organisations. The regulation and monitoring of the activity must add another layer of accountability to an already complex situation. Ofgem itself has a poor track record of holding suppliers, let alone 'trusted partners' to account. At present it is not generally minded to consider specific individual complaints, which have to be dealt with through third

parties. Individual consumer concerns would still have to be referred to the Information Commissioner's Office. How will this body interface with Ofgem's activities?

7. Members remain sceptical about the value of smart metering, not least because of well-publicised reliability issues. Harvesting data 'seamlessly' is quite unlikely to enhance the programme's credibility unless, and until, the many issues associated with it are resolved.
8. There is also general scepticism within our community that any significant benefit accrues to consumers from enhanced data gathering. The digitally excluded, often the most vulnerable in our society, are hardly likely to share any hypothetical benefits. The principal gains from data gathering appear to be reaped mainly by commercial organisations which can harvest its benefits.
9. There could be some benefit in ensuring the identities of customers who are already on network operators' Priority Services Registers be made available to suppliers to ensure, for instance, that any vulnerability is taken into account when considering billing and debt-related issues. But, reassurance must be given that suppliers will not use this to cherry pick customers and exclude those who might require additional service support, thereby impacting their relative profitability.
10. Above all, SPF emphasise that there must be no assumption of implied consent to any data gathering as part of any energy supply contract, let alone a 'seamless' process which assumes automatic consent. Any data transmission, through smart metering or any other means, must be specifically agreed by the consumer. The default must be a specific opt-in process for data gathering which genuinely enables the consumer to give informed consent. Any data gathered must not be sold on or further transmitted.
11. SPF are not Luddites, but remains to be convinced of any value data sharing will offer by, for instance, reducing energy bills and the fuel poverty that blights so much of Scottish society.