

Issued by: Ofgem

Territorial extent: Great Britain

Response author: SGN

Deadline for responding: 26th January 2024

## Response to Questions for Input:

### 1. Yes/No: Do you agree that a Consumer Consent solution is required as per the taskforce's recommendation?

Yes. Irrespective of whether it is a legal requirement we think that consumer consent is required to maintain customer trust and engagement and therefore a consumer consent solution would be supportive in facilitating this.

### 2. Could you please provide any reasons why the current methods for obtaining consent from a consumer might be ineffective or inefficient?

Currently, there may not be a regular point of interaction and interface between the point of potential data provision and the customer. For example, if a smart meter is installed there is an interaction in which consent could be sought, but the customer has no concept of the benefits of providing the consent and is likely to reject it. After that point, there is a limited point of customer interaction until something goes wrong.

The main point of customer engagement is through the supplier, when the customer agrees to change supplier, however, these may be infrequent, and it would not appear usual for a 3<sup>rd</sup> party to request consent from others in the energy supply chain.

Currently, there is no single, consistently applied Consumer Consent framework and solution that government/regulator, industry, and consumers can easily point to and access to either request/give consent or remove consent at any point. Points of engagement between industry and consumers are many and varied which inevitably leads to inconsistency in how consent is obtained but also missed opportunities for requesting consent.

Key statements from government/regulator will be essential to building trust with consumers and increasing the likelihood of positive engagement, providing clarity around:

- what consumer data is being requested.
- how it will be used and not used.
- who it will be shared with/used by, and
- relatable consumer-level benefits to be gained by giving consent.

Consideration will need to be given as to how a consumer consent solution is made visible and accessible to all consumers to ensure inclusion.

### 3. Do you believe that consumers are sufficiently motivated to engage with the consent solutions proposed in this Call for Input? Please elaborate on your answer.

We do not agree that there is sufficient motivation for consumers within the examples given in this call for input. From the examples proposed, it would be unclear to consumers what the motivation was and what the benefit would be of giving their consent.

Articulating relatable consumer-level benefits is going to be key to increasing engagement and consent e.g., improved tailoring of energy plans to facilitate the best value for money, visibility of alternative energy options and appropriateness to energy consumers etc.

**Do you agree that the four use cases referenced are high priority use cases? Can you describe any other high priority use cases?**

We agree with the first three use cases, however, would disagree with the final use case of 'Consumer empowerment, protection and trust'. Open data does not provide the grounds for Consumer empowerment, protection, and trust and when dealing with something as sensitive as consumer data, these concepts should all be in place before a consumer accepts open data.

There is also an overlap between this use case and the first use case of 'Retail specialisation', as the overarching theme appears to be about using consumer data to offer well matched products and services. Therefore, both use cases are proposing the same benefit, simply with a different viewpoint and motivation.

**4. Do you believe that a new Consumer Consent solution would enable the improvements to the energy system described in the four use cases? If not, could you please elaborate?**

In our view, a well structured, consistent, and logical means of giving and revoking consent would remove a barrier to the four (or three) use cases provided, but other measures also need to be in place, such as interoperability of data, consistency of process across the industry *and inclusivity for all consumer groups*.

**5. Do you agree with our method and scoring of options?**

Yes, we would agree.

**6. Which of the options referenced in this chapter do you believe would be the most appropriate Consumer Consent solution, for the industry, the government, and the consumer?**

- *Option One: A single technical solution to obtain consent, such as a Consumer Consent dashboard. This proposal builds on the Energy Digitalisation Taskforce's recommendation to deliver a technical consent solution.*
- *Option Two: A set of principles outlining a consistent way for trusted market participants to obtain consent, such as Data Best Practice.*
- *Option Three: An industry-developed code of conduct outlining a consistent way for trusted market participants to obtain consent, such as the Confidence Code.*

Option 1 would be our recommendation for the most appropriate consent solution.

**7. Please can you explain why you chose a specific option? Do you have any suggestions on how to improve this option?**

We would recommend Option 1 as it is the most technically straightforward to implement and also allows the clearest consumer accessibility. Consumers would have the ability to manage all consents through a single portal.

Options 2 and 3, in our view, have a significantly higher risk associated as they both pose changes being impeded through selective agreement.

For Consumers, it is important to maintain consistency and transparency, Option 1 would provide that.

#### **8. What barriers do you see to the successful implementation of a new consent solution?**

There is currently a lack of clarity as to who will own and operate the new consent solution centrally.

We also have concerns over the lack of engagement for consumers if they are unable to see the benefit, have reduced digital accessibility, or are less digitally literate.