



CONSUMER CONSENT SOLUTION CONSULTATION

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WRITTEN BY GEMSERV



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BACKGROUND

Gemserv is pleased to have an opportunity to provide further thoughts on the recent proposals for a Consumer Consent Solution. Gemserv has a 25-year long history of providing services to the electricity and gas markets. Gemserv provide code management services for the Smart Energy Code, Retail Energy Code, and the Independent Gas Transporters Uniform Network Code, as such, Gemserv has knowledge and experience in key areas of Data Privacy and Security.

Gemserv agree with the aspirations of the proposals to facilitate better consumer engagement in the market, and to simplify the process for consumers to check and update their energy data preferences.

However, while we recognise this particular consultation is focused on a digital solution, we believe it is essential that the wider aspects of such an initiative are also considered in due course, in particular the approach to consumer engagement, the monitoring of take up and long-term solution evolution. We welcome Ofgem's intention to obtain input from other organisations with expertise in consumer advocacy, security, accessibility and other appropriate experts. The solution is highly likely to develop considerably over time from the initial MVP to a much more mature and rich solution as datasets are added and flexibility markets mature.



GEMSERV RESPONSE

Q1. Do you agree with these Design Principles? Would you recommend any additional Design Principles?

We are in agreement with the Design Principles and have no additional principles to recommend. We feel they are sufficiently broad to ensure non-functional requirements are also considered.

However, we do note that “interoperability” seems to be very widely defined. While we agree that the solution must be capable of interoperability with other market systems, there may be value in a more defined definition of interoperability.

We also note that this new solution should be compatible on both a technical and process level with the work being undertaken on the proposed Data Sharing Infrastructure and particularly the Interim DSI Co-ordinator.

Q2. Do you have a preference between the centralised, decentralised or hybrid models? Please elaborate.

Taking into consideration the discussion in the document and current industry best practice we agree that a Hybrid model should be implemented.

We also agree that the appropriate Trust Framework and interoperability standards should be deployed. This is critical to ensure robust controls around consumer data privacy and appropriate access for all parties.

Q3. Do you consider the security measures referenced in this section, including the access control measures, will meet the requirements of a consent solution holding consumer data? Which additional protections would you recommend?

We broadly agree with the security measures referenced in this section however we do note that some of the referenced techniques such as the use of one-time passcodes via SMS messaging are increasingly vulnerable to exploitation.

We welcome the requirement for the Delivery Body to demonstrate certification to ISO/IEC 27001:2022 however we would recommend that the scope of any such certification must include all provisions for the implementation and operation of user identification, authentication and authorisation.

We note that the cyber security requirements for a consent seeker are not defined and there may be value in outlining intent with regards to the compliance burden for consent seekers as this may have a significant impact on market entry.

Q4. Do you consider these standards are sufficient parameters to ensure inclusivity, accessibility and interoperability for the consent solution? Which standards would you recommend?

We consider these standards are sufficient, however, relevant stakeholder input to the user interface design and testing should supplement this and will bring additional credibility to the solution



Q5. Do you agree with the options assessment conducted by Ofgem? If not, why?

We broadly agree with the assessment conducted by Ofgem.

We understand and agree with the approach that the delivery body should be a licensee, created under license, or be within scope to become a licensee given the importance of trust from the public for such a system, and the oversight Ofgem will retain.

While this approach will have significantly removed many organisations that could develop the solution, such organisations could be sub-contracted to support delivery under contract (and the accountability of) the delivery body

Q6. Do you agree with Ofgem's minded-to position that RECCo should be selected as the Delivery Body for the consent solution? If not, which of the three proposed organisations should be selected as the Delivery Body for the consent solution, and why?

Gemserv believe the three Parties shortlisted to be the Delivery Body could all provide a solution and that all may all have a role to play. However, we do agree that RECCo is well placed to be the Delivery Body.

The timing of this project in relation to the appointment/selection of licensed code bodies under Code Reform, and the DCC's licensing status will have presented challenges for Ofgem. Considering this, we also believe RECCo would be the best placed to be the Delivery Body.

We also note that the change process under the Retail Energy Code already has tried and tested processes that should enable the development of a solution that encompasses the wide range of stakeholders interested in the Consumer Consent Project.

This approach also has benefit of an existing industry Party with capability to contract with potential solution providers, but we should learn from similar industry programmes which have historically led to delays e.g. NEXUS and Market Half-Hourly Settlement that are to the detriment of the consumer. A third-party assurance body could work alongside RECCo to oversee the solution development and solution delivery reporting into Ofgem. The benefit would be independent oversight and reporting of the development and delivery of the solution.

Q7. Do you hold any views as to how the proposed solution should be funded? Please consider the points regarding fairness raised in paragraphs 4.12–4.14 and Ofgem's duty to consumers when providing your answer.

With regard to the funding solution, development and eventual operation of the solution, the consumer will eventually pay via their bill, either directly or through an energy unit price or Standing Charge. With the costs of the Consumer Consent Solution unknown, it may be prudent to reserve judgement on the question of how these costs are recovered, until something more tangible can be critiqued. It may be appropriate to consider this as part of the business case to be developed.

Ofgem may wish to consider the cost recovery alongside the current review of Standing Charges. This would provide transparency of costs to the consumer.



8. Do you agree with our position to make sharing consent data with consumers (via the consent solution) an obligation for licensees?

This is a well-used methodology and generally has worked well so we agree with the Ofgem position.

9. Do you consider SLC 0 an appropriate route for implementing these changes, or should Ofgem create a bespoke licence condition?

We have no preference, either route would be workable.

Gemserv would welcome the opportunity to actively support efforts to develop the solution further. We would be pleased to discuss how we may assist the development of the solution.

Yours Sincerely

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