

Centrica plc  
Regulatory Affairs  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

Lindsay Jones, Tom Lewis, Charley Clark  
Ofgem Energy System Digitalisation team  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

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Sent by email to: [digitalisation@ofgem.gov.uk](mailto:digitalisation@ofgem.gov.uk)

Dear Lindsay, Tom and Charley,

### **Consumer Consent Solution Consultation**

Thank you for the opportunity to respond on your proposals for the Consumer Consent Solution as published in your consultation of 9 August. This is a non-confidential response from Centrica. It covers both our perspective as British Gas, a licensed energy supplier, and input from Hive, our heating controls and energy management subsidiary.

In our opinion a lot of the detail on the proposed consumer consent solution is still missing. In particular, it is still not clear how the solution would function and appear from a customer journey perspective. Fundamental aspects of customer communications and interaction remain unresolved. For example:

- Is there a concept yet of what a customer will see and be able to action when they log on to the central solution to manage their consents?
- How would the platform be branded, and is this a brand that the customer has heard of and trusts?
- If a customer has questions about the consent portal or usage problems, who do they phone?
- If there is a complaint, which organisation manages that complaint?

Previously, the consent solution was only to include third party consents to access energy data. However, this consultation has introduced a proposal to include consents that have been provided to energy suppliers. Practically, we don't think this is workable, for reasons we explain in our answer to Question 8. We would be very happy to speak to you and the Delivery Body team on this further, if helpful.

In terms of the Delivery Body selection, we agree that RECCo should be the preferred option, although they may need to bring in a delivery partner with consumer facing experience e.g. to support with queries and other direct consumer interactions.

We have concerns over the funding proposals. The consultation states that funding should be from those who will benefit, but this is then constrained by practicalities around the choice

of Delivery Body. This is made more significant by the lack of an impact assessment or business case, so it is still not known (a) what the costs will be, and (b) whether benefits will exceed costs. This requires your further consideration, and we again would be happy to speak with you and the Delivery Body team about potential options.

Overall, however we welcome the proposals, and believe that providing a simple, but reassuring, process for consumers to manage their third party consents for energy data will play a crucial role in helping build confidence in the products and benefits such data can deliver as we move towards a Net Zero future.

We have provided our comments in response to the consultation questions below.

Yours sincerely

Emma Johnson  
Senior Regulatory Manager, Smart Energy Code & Data  
**Centrica Regulatory Affairs, UK & Ireland**

## Consumer Consent Solution Consultation Questions

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

We have the following comments on the Design Principles:

#### **Simple and Low Friction**

Whilst we agree with your comments in paragraphs 3.5 and 3.6 on the need for simplicity and low friction, there must be sufficient information to allow customers to understand and make informed choices. In particular:

1. Each 'consent' needs to include a user-friendly description of what is being done with the data. Energy data becomes considerably more powerful once it is combined with other details on the customer, including their address and other contact details. Customers may think they are simply signing up for an energy display app, but may then start to see tailored quotes or marketing. Consumers need to be able to trust that only agreed parties will see their data, and then only for clearly agreed purposes.
2. Customers may not recognise company names if they only know a service by the name of its App. For example, a Loop app customer will recognise the name 'Loop', but will not necessarily have heard of 'Trust Power' (the company who own the 'Loop' app), or 'n3rgy.com' (the company acting as data intermediary).
3. As outlined later in our response to Q8, we do not see how including supplier consent can be facilitated, whilst maintaining the 'simple and low friction' summary. The sheer amount of detail that legally needs to be shared with the customer would make this unworkable. Instead, we would propose the consumer is clearly directed to the energy supplier should they wish to understand their use of energy data, potentially as illustrated below:

	<b>Solar Sunshine Plc</b>	<input checked="" type="checkbox"/>	Solar PV quotes
	<b>Energy Focus Ltd</b>	<input checked="" type="checkbox"/>	Analysing Energy Use
		<input type="checkbox"/>	Price switching recommendations
		<input type="checkbox"/>	Automated switching
	<b>Batteries R Us</b>	<input checked="" type="checkbox"/>	Home Battery optimisation

As your supplier, your Energy Supplier also uses your consumption data for a number of purposes. For further information, please contact them directly, or visit the [Privacy Policy](#) section of their website.

Practically, it would be useful to see further examples of what 'low friction' is expected to mean in the sign-up journey, as a Digital ID and/or biometrics do not seem to be 'low friction'. It is not clear how a customer will validate their relationship to the property using an MPAN, particularly if the customer (of the third party user) is not the energy bill payer. Will there be lower requirements if the third party already has an existing billing relationship with the customer, linking them to that property address?

### **Interoperable**

We agree with your proposal in paragraph 3.7 to start with an MVP for just HH consumption data, before then expanding to other datasets in the near future. However, we are not clear in practice how this will work, especially as, from our perspective as a sector participant, different workstreams on data sharing seem to be proceeding independently at the moment.

As an example, tariff data is mentioned for the 'near future' in 3.7, but the DESNZ Tariff Integration Working Group is building a tariff API that would only be accessible for SSES use cases.

Paragraph 3.8 states that the decision (to expand to other datasets) will be made at the Delivery Body's discretion and will not require another Ofgem consultation. It is unclear how the Delivery Body will reach these decisions, and how its delivery can be guaranteed to align with other industry data developments around broader digitalisation.

Paragraph 3.8 also refers to the lack of a common standard for APIs within the energy sector, and how the Delivery Body could potentially engage industry fora to develop a common standard for APIs. However, we had expected this to be covered in the (now overdue?) consultation on the expansion of the Ofgem Data Best Practice Guidelines to other industry parties, including Code Bodies and Suppliers.

We are not clear what is meant by the statement in paragraph 3.9 that *'the potential for innovation and differentiation should be at the UX design and application layer, with a standard API between the two.'*

### **Agile, Flexible and Scalable**

We are not convinced by the proposals in paragraphs 3.10 and 3.11.

- The proposals (and proposed partners) in paragraph 3.10 seem to involve a high level of tailored support, whilst not guaranteeing that any of the target participants are yet interested in sharing their consumption data assuming the consumers are involved via the housing association or other group as mentioned (and not volunteers specifically interested in consent sharing).
- We agree that there needs to be an 'MVP of the MVP' but this should be focused on a group of consumers who already want to share their consumption data with third parties. We would suggest that this first 'MVP of an MVP' could start with migrating the existing consenting customers (under Section I of the SEC) across to the new Consent Platform, allowing the first deliverable to be the *'Managing Consent'* scenario (see page 29), ahead of needing the *'Granting Consent'* and *'Gaining Accreditation'* scenarios (see pages 28 and 30).

The delivery solution needs to develop quickly enough to keep up with propositions under MHHS and SSES.

### **Transparent and Informative**

We firmly agree with your comments in paragraphs 3.12 and 3.13 regarding the need to align with ICO requirements. This is essential both for when the customer gives consent (and the required explanations can be given by the third party, including what they will do with the data), and also when the customer logs in to the central solution and needs to see a clear summary of what they previously agreed to.

There needs to be clarity on how other ICO rights are protected, for example the customer's right to be forgotten. A mechanism and/or assurances need to be in place to ensure that if

consumers ask for a third party to delete their energy data, the deletion is successfully completed.

### ***Inclusive by Design***

We are less clear on exactly what is being proposed in paragraphs 3.14, 3.15 and 3.16; we expect more details will become clear once the Delivery Body is appointed. We agree with your key principles here, particularly the comments in 3.15 about inclusivity to all consumer groups and increasing usage by as diverse a demographic as possible.

It isn't mentioned in paragraphs 3.14-3.16, but we would like to see more details on the proposed MVP consumer-facing interface, and particularly how it would support the customer challenges described in paragraph 3.7. Whilst we understand that some third parties will use their own UI for gaining consent, our understanding is that the '*Managing Consent*' UI for the MVP will be centrally hosted. This raises several questions, which need to be answered for all customers, not just vulnerable or digitally excluded customers:

- How will the '*Managing Consent*' central portal be branded, and will this be a brand that consumers recognise and trust? If a customer needs to ask questions or has problems with the MVP solution, who will they contact? If a less-digitally skilled customer wants to find out details on their consents, what phone number will they call, and who will answer?
- Who will consumers contact if they have questions on '*Managing Consents*'? Who will be organising the customer support for this, and practically, who will answer the phone or respond to Chat messages if the customer is not clear about the information they are presented with, or how to amend any existing consents?
- Who would consumers complain to, if a customer has revoked consent on the central platform, but subsequently found their revocation hadn't been processed. Who would be responsible for managing the complaint?

### ***Secure by Design***

We agree with your comments in paragraph 3.17 that when the Delivery Body designs the Protocol, API layer, Data Architecture and all technical aspects of the solution, that this must be preceded by a robust risk analysis of cyber threats by employing a suitable threat modelling methodology such as STRIDE during the design phase of the Consent Solution. This should then be regularly reviewed, given the speed of change from technologies such as AI.

We agree with paragraph 3.18 that given the necessity for Personally Identifiable Information (PII) to be processed, there must be a Data Protection Impact Assessment (DPIA) in place.

Whilst not covered in 3.17-3.21, we welcome the use of Tokens as proposed in the journey diagrams in pages 28-30. However, such tokens are 'binary' in giving or withholding access to energy data, and have no control on what the third party does with the data once it has been accessed. There needs to be broader consideration as to what is the customer redress if a third party uses their energy data for non-agreed purposes.

### ***Other comments on the design principles***

Has it been confirmed that a digital wallet is the preferred technical consent solution? The two terms seem to be used interchangeably, but are different. It is not clear whether the 53% quoted as being in favour of Option One were in favour of a technical solution only, a wallet only, or both combined. We think there is more work required to understand if a consumer would use a digital wallet in this way.

There needs to be a smooth transition plan for those customers who have already given consent for third parties to access their consumption data. Can you confirm that their existing permissions would be migrated into the new solution, without the customer needing to re-consent?

Finally, it needs to be confirmed what level of support the central consent arrangements will have, as this service may form part of business critical activities which will run 24/7.

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

We don't believe there is currently enough clarity on the proposed solution to develop a firm view on a choice of model.

We have participated in several debates and discussions on this question in recent weeks as various trade bodies and other organisations have hosted calls on the consultation. It seems clear that there is quite a bit of confusion on this question, and different companies have different interpretations of what centralised or decentralised means in this context.

To get meaningful feedback on this point, there needs to be more information on the specific options in the next stage of the consultation. In our view, we do not believe a fully decentralised solution could work, as there needs to be a central 'hub' for the Managing Consent UI. However, we are not yet clear on the relative merits of a centralised vs hybrid solution.

**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 agree with the requirement for the Design Body to evidence accreditation to a security standard such as ISO27001 as per paragraph 3.36. In addition, we also expect the body responsible for managing the Consent Solution once live to demonstrate that the Information Security Management Systems (ISMS) used to govern operation and support of the solution is compliant to security standard such as ISO27001 or similar.

We agree with the approach outlined in paragraphs 3.39 and 3.40, and the principle of keeping the exchange of PII to the minimum required, as per 3.41.

Regarding consumption data, a consumer would presumably only have the right to access consumption data back to their Change of Tenancy (CoT) date. Any previous information will belong to the previous tenant. This backstop already appears on the meter itself (if data is accessed through the DCC), but it isn't clear how the requirement would be accommodated through the anticipated Elexon Smart Meter Data Repository.

As a supplier, we would expect to work closely with the Delivery Body on the security around the later post-MVP use cases, particularly where that data is to come directly from the supplier. We would expect to see the detailed security requirements that will be applied to protect the integrity and confidentiality of PII consumer data throughout the lifecycle of the data including data at rest, transit and data retention and deletion.

We also suggest the Ofgem consumer consent team should liaise with the DESNZ Tariff Integration Working Group (TIWG), if they are not already doing so, as the TIWG is currently working on the design for the ToU tariff API for SSES purposes. The MVP (early 2026) of the

ToU API was originally expected only to involve sharing tariff details for a known 'tariff ID', which would not have involved any sharing of PII. However, in recent working group developments, the MVP scope has been extended, and is now expected to involve looking up a tariff for a specific named customer, with that customer's permission. This may mean that the consent platform will need to be expanded to include tariff information earlier than had been anticipated.

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

Although details are limited, the Usage Governance Mechanism described in paragraph 3.43 seems sensible, and would help ensure the necessary standards and consistency for the 'Granting Consent' UX development.

We agree with the Delivery Body retaining direct control over the proposed 'Manage Consent' platform, as proposed in 3.44, although it is difficult to comment further whilst details are so limited on what this might look like. Please also see our comments in answer to Q1 ('Inclusive by Design').

We are not clear why paragraph 3.45 is only referring to external guidelines, and not an alignment with the Data Best Practice Guidelines, which are (expected, possibly soon) to be expanded to cover all energy sector participants, not just network operators.

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

It is unclear why Ofgem did not consider an option of a SECAS-led solution, building upon the current SEC Section I arrangements, given that this forms the current operational controls gateway for third party access to HH consumption data. Given the evolving complexity (introduction of Smart Meter data repositories, and the expansion of consent beyond just HH consumption data), a SECAS-led solution may not have been the final preferred option, but we would have expected it at least to be considered within Ofgem's shortlist for consultation.

It appears that there has been no assessment of whether the organisations considered can deliver a solution that is consumer facing, and whether they can provide the necessary customer service (see our comments in Q1 above). The assessment criteria used seem mostly to consider the experience and responsibility for industry facing solutions rather than the consumer-facing aspect of the role.

There will need to be plans for how third parties with existing consent under Section I can be migrated or 'grandfathered' into whatever enduring consent solution is chosen. Third parties will have ongoing business models that can't be put on hold, whilst the existing processes are shut down and the new consent platform introduced. In this connection it would be a useful input to this process to find out from the DCC how many meters currently have third party companies accessing their HH information – is this 0.5% of the total, or 5%, or higher?

**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?**

Yes - we agree RECCo should be selected as the Delivery Body for the consent 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.**

We are concerned that the funding route is expected to be determined by which party is selected to be the Delivery Body. Specifically:

- The parties that fund the Delivery Body may not be the same parties that use the solution. Instead, we consider that the users of the system should fund that system, unless there is a strong reason why that principle cannot be applied. The incentives to ensure efficiency are weakened if the parties that use the system are not required to fund, because the users are then not exposed to the financial risk associated with its development, etc. (This has parallels to the concerns we raised recently in the DSI governance consultation.)
- There are distributional impacts because different types of parties fund the different entities in different proportions – eg DNOs provide some funding for the DCC along with suppliers, whilst only suppliers fund RECCo.

Our other concern is your statement in the consultation that “*We would expect to see those who benefit most from the consumer consent solution to pay and to avoid regressive costs. The example of Open Banking funding, wherein the general principle was that larger, incumbent banks paid initial set up costs with challengers paying progressively more as the information landscape became more symmetrical.*” Specifically:

- This could conflict with your position that the funding route will depend on the Delivery Body selected, since the beneficiaries may well not be the same parties that fund the Delivery Body. You have not suggested that funding routes will be a criterion for selection of the Delivery Body, but it does become an implicit criterion if users of the solution and parties that currently fund the Delivery Body are not the same (and you also do not consider creating a separate funding route that is targeted at users).
- In some instances, it may be more difficult to target costs at *beneficiaries* rather than *users*. It seems easier to recover costs from users on the assumption that users will seek to use the solution because they expect to benefit and/or will seek funding from those they may act as an intermediary for.
- We understand why you might prefer incumbents to fund the solution (without necessarily knowing which is the relevant market segment), and it may be unavoidable, but this creates a competition issue. Suppliers would effectively be funding parties to compete against themselves.
- If the majority of funding for the consent solution is to come through suppliers, this effectively puts the costs across all energy consumers, whether or not those individual consumers are using the portal and related third party services or not. All consumers would be paying, whereas only some of those consumers (for instance, weighted towards those with EV charge points or other smart energy assets) would benefit.

Finally, we are concerned that there has not yet been an Impact Assessment, or analysis of the benefits case for the proposals. The cost of this project is unknown, yet it is assumed that the opportunities it unlocks will outweigh the delivery costs.

**Q8. Do you agree with our position to make sharing consent data with consumers (via the consent solution) an obligation for licensees?**

Until this consultation was published, our understanding was that it would coordinate consents for companies other than a consumer's current energy supplier. We are not clear why this scope has been extended, and we do not agree that this is the best way forward.

The arrangements around energy supplier use of HH consumption data, as outlined in Electricity SLC47 and Gas SLC41 are complicated:

- We currently only access HH consumption data from the meter with the customer's consent. However, with the introduction of MHHS, we will now be collecting HH consumption data from New System customers as a default, with 7 days' Notice that we will do so but without consent, although the customer is able to opt-out should they wish.
- Some of our HH consumption data is processed through consent (for example displays on our energy apps), but other processing of HH consumption data is:
  - to fulfil our contract with the customer (for example for billing for customers on a Time of Use tariff, or for customers on our Peak Save proposition),
  - because we have a legal obligation to do so (for example for Settlement purposes, or to assist with fraud investigations), or
  - because we have a legitimate interest.

In some cases, where we do not use HH consumption data, there is still a difference between Daily or Monthly consumption data.

We are happy to work with the Ofgem and the Delivery Body to look at potential presentation of this material, but, in our opinion, from a customer perspective it isn't clear how this necessary explanatory information could be included simply within the Consumer Consent Portal, while still maintaining the '*Simple and Low Friction*' design principle.

Separately, we have a few other practical concerns:

- We would need to keep the processing of any changes to the customer's HH consumption consent within our own systems. We need to follow specific options under Electricity SLC47 (including identifying New System vs Old System customers, and offering the correct granularity options, including Daily and Monthly consumption data). We will also need to confirm if any irreversible decisions would result from a customer withdrawing HH consent – for example, breaching a ToU tariff contract or removing eligibility for Peak Save.
- If a customer changed their consent on our system, can you confirm how quickly would we be required to update the central consent platform? How quickly would this be processed by the Delivery Body, once we had sent the required update? How in practice would this data exchange work? Would this be for all customers, or just for those who had separately signed up for third party consent arrangements? If it is only for customers who have separately signed up for third party consent arrangements, how would we identify these?
- Depending on the requirements, this could be expensive to deliver. Has there been a benefits assessment, to confirm that this incremental cost would actually deliver value for consumers? It isn't clear how inclusion of the energy supplier arrangements in the Central Consent Portal brings additional value to the customer, but they would end up incurring the extra cost of delivering it.

We would be happy to discuss this further with you or the Delivery Body, if helpful.

Please also see our comments in our answer to Q1 '*Simple and Low Friction*'.

**Q9. Do you consider SLC 0 an appropriate route for implementing these changes, or should Ofgem create a bespoke licence condition?**

We do not agree that this should be a licence condition, for the reasons stated in our answer to Q8 above.