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By Email Only

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Dear Graeme,

OVO response to Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

Thank you for the opportunity to share our views on Ofgem's proposals to introduce a set of new Guaranteed Standards for a range of smart metering-related issues, in response to this consultation. The installation of Smart meters remains a critical business priority, and we are continuing our comprehensive programme of work to ensure we are meeting customer demand across Great Britain. We are supportive of Ofgem's aims to update the Guaranteed Standards Of Performance to improve the consumer experience of getting, and having, a smart meter. However, there remain other issues that may not realise the desired consumer outcomes set out by Ofgem, for example where suppliers are dependent upon external parties completing work.

With respect to the proposed new standards, we have provided detailed responses to all elements of the stakeholder consultation relating to domestic customers within the appendix of this letter. However, we note that a level of ambiguity remains surrounding Ofgem's intent for the new standards, and desired outcomes following their introduction. We therefore request clarification on a number of areas, as summarised below.

Interaction with DESNZ post-2025 framework

We note that the expected consultation from DESNZ on the future smart meter framework is still to be published. Therefore it is unclear whether the proposed smart Guaranteed Standards will complement the proposed post-2025 smart metering programme, and the new requirements that suppliers will need to meet. This also leads to uncertainty and a lack of clarity on whether these new standards will deliver successful customer outcomes, and to be able to assess the cost and practicality of meeting the new standards. We fully support Ofgem engaging with DESNZ further to ensure that the proposed Guaranteed Standards will complement any post-2025 policy regime.

Clarity on the 'criteria and reasons for exemption'

Where the responsibility of a meter installation or connection failure lies with parties other than the Supplier, in relation to the overall SMIP solution, the Guaranteed Standards need to be clear about the criteria to be met and the exceptions. This will ensure that suppliers are not inadvertently held accountable for items and situations outside of their control, and where it is not within their control or ability to effectively resolve.

Furthermore, this will impact on the prediction of costs as whilst suppliers may be able to provide some information on costs, ambiguity in the criteria to be met will result in industry costs needing further refinement.

We would welcome Ofgem engaging further with industry to develop any standardised lists of exemptions and definitions to ensure these are consistent and reflect the existing smart capabilities.

Our detailed responses to the consultation questions are provided in Appendix A. Should you have any questions please contact policy@ovoenergy.com.

Kind regards,

Samantha Cannons
Regulation Manager, OVO

Appendix A: OVO responses to consultation questions

Clarification of Regulations

Q1. Do you agree the 2015 regulations should be updated to reflect the current metering landscape and explicitly mention smart meters?

Whilst OVO recognises that it does not seem unreasonable to update the 2015 regulations to reflect the current metering landscape, we note that the existing regulations do not explicitly reference traditional meters and therefore smart meters are already in scope.

In the absence of draft wording of the proposed regulations, OVO is unable to draw a complete and confident interpretation of the intent. Furthermore, we seek clarification from Ofgem on the evidence that these changes would "...help to assure consumers with smart meters that the regulations apply to and are relevant for them". As a result, we do not agree that the regulations need to be updated to explicitly mention smart meters.

Q2. If yes, what areas of the 2015 regulations do you consider should be updated to reflect that they apply to smart metering?

Nothing beyond what we have highlighted within our feedback above.

Smart meter installation appointment availability

Q3. Do you agree that a new standard to ensure requests for smart meter installation appointments are fulfilled within a set number of weeks is right for consumers?

Whilst OVO agrees that a new standard to **offer** a customer an appointment for a smart meter installation within a set number of weeks seems reasonable and provides a consistent expectation for consumers, we note that the existing standards already reflect this intent.

We note the use of the term 'fulfilled' and seek clarification that this new standard only applies to the 'offer to book an appointment on customer request' within a set number of weeks. There may be reasons that an 'offer' may take time to confirm with the customer, and further information is provided in our response to question 4 relating to that scenario.

Q4. Do you agree that six weeks is an achievable timeframe to meet?

OVO agrees that six weeks to offer to book a smart meter installation appointment seems an achievable timeframe to meet. In addition for this new standard, the potential for a period of time to confirm the appointment date/time within this six week window must be considered, for example 3 working days, however the clock would commence from the point of the customer's original request.

However, it should be noted that the ALT HAN Company has confirmed any site needing their Crowded Meter Room solution cannot be resolved in 6 weeks, so there would need to

be an explicit call out for activities not within a suppliers' control where they are reliant on any 3rd Party with differing SLAs.

We agree with the proposal that this standard would not apply where a customer has specifically requested an appointment for a date outside of the proposed six week window.

It should be noted by Ofgem that there will be overheads to monitor and ensure that customers are receiving payments when conditions for failure have been met. We are providing information on these costs in the associated Ofgem Request for Information.

Q5. Do you agree this should apply to new/first time smart meter appointments only?

Yes, OVO agrees that this standard should only apply to offers to book first time smart meter appointments. For clarity, when a customer requests a reschedule, the clock should be re-started for offering an appointment within a six week period.

Q6. Do you agree that this should only apply in cases where a consumer is technically eligible to have a smart meter installed, and what do you consider those cases to be?

OVO broadly agrees that this standard to offer to book appointments should only apply where a customer is technically eligible to have a smart meter installed. However, there may be scenarios that can only be assessed once the installer is on site. We note this could potentially be mitigated if this standard only applies to the "offer" of an appointment within six weeks for a first time smart meter installation. It should be recognised that we may not be able to fully determine if the customer is technically eligible unless we visit the property. As such, consideration must be made of these scenarios and that this should not be treated as a smart meter installation failure.

We consider the following cases to be relevant to assessing technical eligibility however this should not be viewed as an exhaustive list:

- the consumer is in an area where WAN has been confirmed as per the DCC - noting that it may not be available at a specific metering point and this will not be known until a site visit has occurred
- there are no technical restrictions for the installation, such as Crowded Meter Room, complex metering, customer refusal to change tariff in instances where their traditional meter tariff is no longer supported
- additional work is required on site - noting this may require extra work to be undertaken by the DNO or by the customer.

Q7. Are there any other exemptions that should be considered with this standard?

It is difficult to consider other exemptions for being technically eligible as this information may only become available once an installer has visited the customer's property.

Q8. Do you agree a consumer could receive this compensation every six weeks should a supplier not be able to offer an appointment in that time frame?

OVO does not agree with the proposal that this standard would reoccur every six weeks from the initial appointment requested by the customer. It should only be paid once if the offer of an appointment is not available within 6 weeks, and the customer is offered an appointment that is available beyond that timeframe and does not accept it. However, this does create a potential issue as we will not be able to determine if the customer is fully technically eligible unless we visit the property.

We note that if the booked appointment is missed for any reason another payment should not be due for this reason (i.e. GSOP may apply for missed appointments anyway).

Q9. Are there any other factors not clearly outlined you think need to be considered?

At this point in time, we are not aware of any other factors that have not been outlined in the consultation for this proposed new standard.

Smart meter installation failures

Q10. Do you agree that a new standard to ensure consumers receive compensation for failed smart meter installations, where the failure is within a supplier's control, is right for the consumer?

Whilst we may agree with this principle, the scenarios for what is determined to be within the supplier's control is debatable. The reasons for a failed smart meter installation are often outside of the supplier's control, recognising the intent of this new standard is for a smart meter to be installed at the customer's property. In addition, we seek further clarification on the difference between the new standard of a failed smart appointment & this falling as a current 'missed appointment'. We currently pay a smart customer if we fail the appointment under this standard, and therefore do not see the rationale or evidence for this to be explicitly introduced.

There are many reasons for failure and this can become subjective and open to interpretation. For example:

- WAN is not within the Supplier's control - a number of OVO's non-smart customer base are currently ineligible for a smart meter due to insufficient WAN signal. We have been highlighting this challenge for a long time, and while we accept that OVO may be disproportionately affected by this due to our populations of customers in more remote areas of Scotland, the significant impact that insufficient WAN signal is having on our smart programme is less than ideal. We felt that we were making progress with solutions to this challenge when Ofgem confirmed that they were working to deliver a market-wide derogation for the use of cellular comms hubs in the Northern region, however we were greatly disappointed when that intent was withdrawn some months later. Fortunately, we had been developing an alternative metering solution in parallel, however we note that this will deliver a far less optimal

customer experience than either action by the DCC to improve WAN coverage, or the ability for suppliers to use cellular comms hubs. We would therefore welcome further action from Ofgem to drive these more optimal solutions, as they sit outside of supplier control.

- HAN issues can be attributed to many parties due to the underlying reason.
- DCC can be responsible for many of the issues but have no SLA to ensure a successful outcome, nor do suppliers have the ability to assign a priority. In addition, it should be noted that suppliers do not have the necessary tools to establish if the installation failure may lie within their control - this relies upon the process of DCC investigating and may not result in a successful outcome.

We note that this proposed new standard should only apply to the scenario if the consumer does not have a smart meter fitted by the end of their appointment. For a smart meter that is installed but does not communicate from the point of installation, we understand that Ofgem is proposing that this would be covered by the proposed Guaranteed Standard (GSOP4) on smart meters not operating in smart mode.

For both of the two aforementioned scenarios, this is still subjective and open to interpretation. Therefore, we query whether this will achieve the desired consumer outcome.

Q11. Are there any scenarios within an energy supplier's control leading to failed smart meter installations that have not been covered?

OVO's assessment is that there are multiple reasons and scenarios where suppliers' installers may attend the site and then determine that the installation cannot proceed. Industry data does not always indicate what we should expect in these situations and as a result, installers may not be equipped to deal with the metering situation at a customer's property.

For example:

- an elevated pressure gas supply point
- or, a three phase supply point.

From the position of our internal installer base and external metering services, some metering and environment situations are specialised and require installers to be trained to a level in which they could deal with these scenarios. It should be noted that to train every smart meter installer GB-wide to deal with these specialties would be prohibitively costly across industry, leading to increased costs being passed to consumers.

Finally, as mentioned in our responses to earlier questions, administering and ensuring this is paid correctly will result in additional overheads and costs for suppliers.

Q12. Do you agree this should be applicable to both first time and replacement smart meter appointments?

OVO considers that this proposed new standard, if introduced, should only be applicable to first time smart meter appointments, this supports the outcome of potentially increasing the success rate of first-time installations. However, please note our response to Q10.

Q13. Do you agree there should be no restrictions on the number of times a consumer could receive this compensation?

OVO does not agree with the proposal that there should be no restrictions on the number of times a consumer could receive this compensation. Given the number of scenarios where a technical reason has stopped the installation that requires a third party to resolve (i.e. DNO work or DCC resolution), this does not seem reasonable to be considered within a supplier's control.

Q14. Are there any other factors not clearly outlined you think need to be considered?

It is worth considering that the majority of the reasons that a smart meter does not end up being commissioned and installed are outside of the supplier's control. For example, No WAN, DCC downtime, inability to 'birth' the Comms Hub (the CH appearing on the DCC Network), poor WAN performance, etc.

Whilst a list could be provided, this would apply to all suppliers attempting to install working smart meters. Please note that many problematic instances are invisible to suppliers until their installers arrive on site and encounter issues. These issues may lay with the DCC and/or its Service Providers, however this will not be known immediately and it may be very complicated to establish not only what the problem is but where the root cause of the problem lies. Furthermore, this may require several weeks to come to a working resolution.

Finally, applying a time banded measure on Suppliers via new GSOP measures for Smart when this is not reciprocated in any SLA or priority mechanism within the DCC Incident management processes, does not lead to more successful outcomes for consumers.

Investigating smart meter operational issues

Q15. Do you agree that this standard would support customers with suspected problems with their smart meters, and IHDs?

We support customers under the existing GSOP regulations if they report suspected problems with their meter. The proposal to ensure suppliers respond to smart meter issues within 5 days in order to identify a problem and respond to a customer with a resolution and timescale is not practicable. There are many complicated issues in the world of smart and sometimes we rely on third parties (e.g. the DCC) to assist with triage, so 5 days would not allow suppliers to conclude on an issue, when other parties may not be obliged to respond within an even smaller timeframe via a regulatory framework. As a result, suppliers may not

be in a position to be able to correctly inform the customer about the root cause of any suspected problem, or advise on the resolution steps to be taken. This needs to be taken into consideration when developing this standard, the applicable criteria and the window to resolve a suspected problem.

It should also be noted that many suppliers have voluntarily committed to the DESNZ proposal to issue replacement IHDs outside of the 12 month warranty period, where there are problems identified with an IHD at a customer's property. We have committed to this arrangement however, we view that our customers should be provided with a range of options that best suit their needs, including an online or app-based solution.

As a result, we do not agree that this standard should extend to an IHD. Based on our experience of triaging issues, it would be very hard for suppliers to determine that a customer has a problem with their IHD. The diagnostic information we receive can only tell us that an IHD has communicated over the HAN. It will not tell us if tariff information has not been received (as an example), and as the IHD is effectively just mirroring what it sees from the meter, any issues beyond connectivity are likely to be ones that exist on the meter that will need resolution.

Furthermore, we do not have the ability to monitor this as the information we require is not supported by the SMIP or the queries we can send through to the DCC. The HAN is not seen as a DCC issue and it lies with the device manufacturer. Identification of the root cause of a problem can be complicated, and take a significant amount of time, however we are constantly reviewing how we can improve our resolution activities. We would welcome further discussion at industry fora, if Ofgem can clearly define how these problems sit with the Supplier and how we can identify them.

Q16. Do you agree the best approach is to expand on the existing "Faulty meter" and "Faulty prepayment meter" standards?

In regards to delineating "Faulty meter" and "Faulty prepayment meter" definitions, we consider this to not be applicable for smart meters as they can be switched between a Credit and PrePayment mode.

Q17. Are there any other factors not clearly outlined you think need to be considered?

As mentioned in our responses to the preceding questions, it should be noted by Ofgem that there will be overheads to monitor and ensure that customers are receiving payments when conditions for failure have been met.

Smart meters not operating in smart mode

Q18. Do you agree a new standard to ensure consumers receive compensation for a smart meter that does not operate in smart mode, which is within a supplier's control to resolve, and has not been resolved, is right for consumers?

OVO considers that whilst this new standard is reasonable in principle, it could be very hard to determine what is and is not within a supplier's control, with some of this evaluation being subjective and liable to different interpretations.

Q19. Do you agree with our initial views of "in scope" and "out of scope"?

OVO views that the definition of scenarios for 'in' and 'out of scope' must be explicitly and clearly distinguishable. Without this approach, it will lead to confusion and different interpretations across the industry.

On assessment of the initial views, we have examples of scenarios where there could be different interpretations depending on the conditions to be met and what can be considered to be an exemption:

- Could an issue that is attributed to a particular firmware or hardware be 'in scope' because the supplier chose that provider?
- What if the issue is related to a Comms Hub upgrade? Does that count as 'out of scope' because DCC executed the upgrade?
- What if the issue can't be determined, would this then be related to a problem with DCC or a supplier/meter manufacturer's own equipment?

Q20. Do you agree with our initial views on what constitutes a "smart meter" and "not operating in smart mode" for the purposes of this proposal only?

We would expect there to be formal definitions of what should be considered to be a "smart meter". For example, an AMR is not considered a smart meter, but SMETS1 and SMETS2 equipment would be considered smart metering.

In addition, we would expect there to be clear criteria on when a smart meter is and is not operating in smart mode. For example, receiving readings over an agreed timeframe, perhaps within the last 35 days, or not.

Q21. How do you consider "actions of another party" could be clearly defined for this proposal?

Our understanding of the definition of "Another party" seems to refer exclusively to DCC and its constituent parts in the context of this consultation document.

Our expectation is that it will also extend to the actions of other suppliers and other DCC users where work they have undertaken (or not undertaken) has had an impact on the

connectivity of a gained device. For example, a non-communicating meter that is likely due to something that a previous supplier may have done, should not mean that a gaining supplier should be liable to pay GSOP for that situation. It should be noted that we will always do our utmost to fix or replace that device.

In addition, this should extend to device manufacturers, where issues are encountered with how devices are operating. For example, FOC and enrolled SMETS1 devices are not operating as they should.

Q22. Do you agree that 90 days is an appropriate timeframe to resolve smart meters not operating in smart mode in the future?

OVO considers that this depends on the issue that is preventing the smart meter from operating in smart mode. We are successfully operating c.95% of our smart metering portfolio in smart mode. We are also proactively taking steps to triage and resolve issues to rectify any non-communicating smart meters.

Whilst there may be scenarios where we can resolve issues, we note that there are situations that are beyond our control and therefore this should not be considered as a new standard:

- Where we identify an issue that requires a site visit, we may depend on customer availability for an appointment to resolve
- Sometimes we rely on the “actions of another party” which may push us beyond 90 days

Q23. Do you agree consumers should receive compensation for both gas and electricity meters if applicable?

Potentially, as there are issues that can impact the gas meter only. However, it should be recognised that dual fuel customers will receive additional benefits compared to a single fuel customer.

Q24. Do you agree that for each instance of an “in scope” smart meter not operating in smart mode, the consumer should receive another compensation payment if the meter remains not operating for 365 days, and for every other 365-day period thereafter?

No, it should be a one off payment.

Q25. Are there any other factors you think need to be considered that have not been covered in this section for this proposal?

As mentioned in our responses to the preceding questions, it should be noted by Ofgem that there will be overheads to monitor and ensure that customers are receiving payments when conditions for failure have been met. We are providing information on these costs in the associated Ofgem Request for Information.

We also consider that there is a disparity with the view that 99.3% of the country is in an area that has coverage - whilst this may be accurate when looking at the post code level data that has been provided by the CSPs, it is not necessarily true when you get down to the meter positions themselves. Furthermore, we note that 4G currently only has 90% coverage across GB and therefore may lead to further instances of smart meters operating in non-smart mode in the future.

OVO does not supply non-domestic customers, and therefore we have not responded to the questions raised in the following sections of the consultation.

Rationale for extending the proposals to the Non-Domestic sector

Q26. Do you agree that the proposals under consideration in this consultation are beneficial for non-domestic consumers?

N/A

Q27. Do you agree with the rationale and proposed scope (both in terms of business size, meter type and timeframes, where applicable) of the proposed Guaranteed Standards under consideration in the non-domestic sector?

N/A

Q28. Across all the Guaranteed Standards, are there any other opportunities or risks with respect to the applicability of the proposed Guaranteed Standards to the non-domestic sector that we should consider?

N/A

Q29. If you agree that the Guaranteed Standards under consideration in their present form should be applicable to the non-domestic sector, do you have any suggestions to tailor or alter the details and scope of the Guaranteed Standards to better suit the needs of non-domestic consumers?

N/A

Non-domestic Guaranteed Standard compensation value

Q30. Do you agree that the compensation amount for the Guaranteed Standards under consideration could be further tailored to the non-domestic sector?

N/A

Q31. Which (if any) of the proposed options (Option 1 and Option 2) do you agree with for determining the compensation amounts for non-domestic consumers?

N/A

Q32. Do you have any other considerations to determine the compensation amount for non-domestic consumers?

N/A