

An Ofgem Consultation on 'Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance' - a Response from Citizens Advice South Warwickshire.

Introduction.

Citizens Advice South Warwickshire supports clients living in both Stratford-on-Avon District Council and Warwick District Council jurisdictions; large rural and semi-rural areas with a high average standard of living but which include significant pockets of hidden poverty and deprivation.

We provide information, advice and guidance on communications around, the installation of, and the operation of, 'smart meters'; alongside advice and guidance on a wide range of other issues.

In the past 12 months we have witnessed a huge increase in the number of 'smart meter' related issues being brought to our advisers.

It is from this evidence base that we respond to this consultation on minimum consumer protection standards for users of 'smart meters'.

Questions & Answers.

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

Yes. 'smart meters' are a vital element in the move to 'net zero' and have clear benefits for the energy industry. However, there is widespread mistrust in the technology and the behaviour of those tasked with installing and maintaining these, and associated, devices.

Our experience tells us that this mistrust is one of the main barriers preventing the faster take-up and effective use of smart meter technology; especially among low income households. "Something must be done" about this mistrust, and clarifying and improving the application of existing minimum consumer standards around smart metering is a necessary first step.

Further steps, however, are required. These must include increasing the size of automatic compensation payments provided from £40 to something less tokenistic, and less likely to be treated by suppliers as an insignificant 'cost of doing business'. If automatic compensation mechanisms are to incentivise energy suppliers and others to raise consumer standards they must be set at levels that make those within the industry think twice about simply absorbing the fines and "carrying on regardless".

We are pleased to see references in the consultation document to such a wider review being in the pipeline.

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?

Yes. But...we believe that care has to be taken here. If a set deadline for appointments is stated to avoid financial penalties, companies will automatically schedule appointments within that time frame but not necessarily complete the required tasks during that appointment.

Arguments may then rage over what is meant by “fulfilling an appointment”. Is attendance enough, with a second appointment required to progress the substantive issue at hand, or is the supplier expected to resolve the issues in question at that first meeting. Similarly, can a first ‘placeholder’ appointment simply be used to arrange a second appointment at a later date and, by doing so, avoid the fine?

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

Yes, but....we believe 4 weeks should be a stated aspiration with 6 weeks being the limit. Clearly, demand can vary but the objective here is to increase the take up of smart meter installation nationally as quickly as possible. Not being able to provide an appointment for installation for more than a month after the request would be an immediate disincentive for those looking to take what for them could be a big psychological step.

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

Yes. There must be pressure put on suppliers to reduce wait times as much as possible in the first instance. Extra effort must be exerted to shorten wait times for those trying to engage with this, for them, new technology.

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?

Yes..using the criteria laid out in the consultation document.

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

No.

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?

Yes. Again, the onus has to be for suppliers to match in their work the speed of increasing consumer interest; not the other way around. Penalties have to be set accordingly, both in terms of amounts and regularity of application.

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

No.

Q10. Do you agree 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?

Yes. Hopefully, this is beyond discussion. The damage done to the cause of installing smart meters across the whole country by an unacceptable number of those smart meters not working goes beyond the specific detriment of a faulty device for that individual consumer; though that detriment can be significant and is worthy of compensation in and of itself.

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

No.

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

Yes. With regard to the latter, faults in a smart meter that has become an integral part of a household's approach to energy use and energy efficiency must be remedied as soon as is practicable. It should be, by definition, a minimum consumer standard to adhere to.

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

Yes...there should be no restrictions.

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

No.

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

Yes. IHDs are important to smart meter users; possibly, in a way that suppliers underestimate. Similar to a warning light on a car, the user cannot know (or have confidence in) the value of the device they are using if the means of identifying that value is faulty. The IHD, for many users of smart meters, is what makes them valuable.

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

Yes.

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

No.

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?

Yes. Smart meters are sold on the basis of their value as 'smart' devices; ones that 'speak' to both consumers and suppliers. A smart meter that isn't 'smart', ie isn't communicating with its stakeholders, isn't a 'smart meter', begging the question to the consumer, 'why did I bother installing it?'.
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Q19. Do you agree with our initial views of "in scope" and "out of scope"?

Yes.

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?

Yes.

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

Don't know.

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

No, 90 days is too long. 90 days, approximately 3 months, covers an entire season. A smart meter not working properly for an entire Winter is unacceptable, and potentially costly to the consumer. We believe there should be a limit of no more than 30 days to resolve faulty smart meters.

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

Yes...for the reasons outlined in the consultation document.

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?

Penalty rates for a continuously inoperable smart meter should increase over time and that time frame should be every 3 months. We are discussing minimum standards consumers should expect from their suppliers. But we are also discussing incentivising an accelerated roll out of (working) smart meters. Companies must be incentivised to remedy faults quickly, not just for the sake of the individual household but also to encourage other 'non-believers' to try smart meters for the first time.

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

We have an example where a consumer with a smart meter that didn't work properly, as far as they could tell, asked their supplier to investigate potential faults. They were told they would have to pay £200 for someone to come to their house and check the meter. They were also told that if the meter was found to be faulty that the £200 call-out charge would be refunded. However, if no fault in the meter was found, the consumer would forfeit the 'call-out charge'. Consequently, the consumer did not follow through because they couldn't afford to potentially lose the £200. We believe this is unacceptable and are concerned that such charging practices would undermine consumer efforts to exercise their rights. We would hope any reforms resulting from this consultation exercise guard against this practice.

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

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?

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?

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?

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

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?

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

We are not in a position to comment on the treatment of non-domestic consumers qua businesses.

However, we have dealt in the past with tenants who rented individual flats within a 'block of flats' which were designated a 'commercial property'; the block was leased by the city council from a private entity and used as 'Temporary Accommodation' to house the otherwise homeless.

These tenants did not have individual energy supplier accounts so could not switch energy supplier, use fuel vouchers, or access any other fuel poverty mitigation measures available to standard energy consumers. Their energy use was individually measured and bills allotted but they had no control over their circumstances regarding the use of energy.

I do not know what their rights would be if individual households requested the installation of smart meters; whether the landlord would be obligated to instal them and whether the minimum standards discussed above would apply to them.

We raise this set of circumstances simply to highlight the need to be aware of those living in unconventional arrangements when seeking to apply these amended standards to all that could (and should) benefit from them.

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