

# Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

Closing Date: 9<sup>th</sup> May 2025

## Introduction

The Centre for Sustainable Energy (CSE) is a charity (charity 298740) supporting people and organisations across the UK to tackle the climate emergency and end the suffering caused by cold homes. We do this by sharing our knowledge, practical experience, and policy insights. For over 40 years, we have supported people to take effective action on energy in their homes. We help communities and local councils to understand energy issues, set priorities, and put plans into action. Our research and analysis focus on making the energy system greener, smarter, and fairer. Through our advice line, home visits and one to one support, we support around 15,000 people a year to reduce their bills and make their homes more energy efficient.

We deliver fuel poverty services for two of the electricity network operators and six local authorities. Through these services we support thousands of people of low incomes who often have multiple vulnerabilities. They are unable to navigate the energy market without our support. Our support helps them find an amicable solution to their issue which helps the energy supplier by lowering their unserviceable debt, reducing customer service enquiries, and reducing the number of interventions they face from the ombudsman. We regularly help clients with issues related to smart meters. Our response here is informed by the experience of the thousands of people we speak to in fuel poverty every year, and our own research exploring the path to net zero and ending fuel poverty.

## Summary

We welcome the proposed guaranteed standards for energy suppliers in their approach to smart meters, as a starting point towards stronger regulation of this important area.

Smart meters are a foundational technology for the smart energy transition, and for the transition to net zero. A successful smart energy transition will lower energy bills, reduce fuel poverty, shrink the carbon footprint of heating our homes and enable the greater deployment of renewable energy on the system. But for all this to happen, smart meters need to work reliably and need to be repaired promptly. At present, only 60% of people have a smart meter working in smart mode, of which at least 20% of smart meters are not communicating enough for customers to get accurate bills without submitting a meter reading and approximately 10% are not working in smart mode. Our perception additionally is that the smart meter rollout has stalled.

Smart meter issues come up frequently in our household support service. Our advisors find that suppliers are reluctant to resolve smart meter issues that can't be fixed remotely. We often have to resort to raising customer's issues with the energy ombudsmen, and our perception is that some suppliers will only fix smart meters when reported to the ombudsman.

This all undermines the public reputation of smart meters, the willingness of customers to have them installed and the degree to which smart metering can support a smart decarbonised energy system.

Currently there's no alignment of incentives to ensure that suppliers to fix smart meters promptly, as smart meters primarily benefit consumers and the wider energy system, not suppliers. Regulation, monitoring, and compensation payments for under-performance are therefore needed to ensure that this basic infrastructure is maintained and works properly and that consumers receive compensation where service levels are not met.

We would however comment that compensation should reflect the loss of benefit received by customers. Since smart meters can hold usage data for up to 13 months, we propose that once smart meters are communicating again, suppliers should retrospectively bill them for what they would have paid had the smart meter been working.

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

Yes, but steps need to be taken to enhance the transparency of the guaranteed standards of performance automatic compensation. We speak to thousands of customers a year and very rarely ever hear of them having received automatic compensation. Enhancing transparency of this compensation is vital. Suppliers should be mandated to provide clear, accessible information on their websites about all Guaranteed Standards, the compensation associated with each, and the process for claiming compensation. This would include a complaints process if you do not receive compensation and think that you should.

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

The regulations should include compensation for clients when their smart meter hasn't sent readings for over a month, and they haven't been informed by their supplier.

This would help with the relatively common situation we hear about where a customer believes their smart meter is sending accurate meter readings, and that their bills (which they are paying) are based on these, only to find out that their smart meter has not been

communicating, and their bills have been based on estimates. If these have been over-estimates, they have often caused financial stress for the client. Where they are under-estimates, they often lead to the client suddenly being in unaffordable debt.

The regulations would need to include a definition of a non-functioning smart meter to ensure that there is a common agreement between the customer and supplier about what would define a non-functioning smart meter. Citizen's Advice found that 20% of smart meter owners they surveyed had to give regular manual meter readings and a further 24% sometimes had to do this. For most time of use tariffs to work correctly (and for the in-home display to display the correct prices) smart meter data must communicate throughout the day and therefore customers would assume that if there's isn't able to do this, it is faulty and should be investigated. However, suppliers may have a different definition of faulty and therefore a clear definition is needed for transparency.

"Faulty" should be defined from the perspective of customers. A smart meter which fails to deliver the functionality promised to the customer is faulty, whatever the source of that fault. The regulations should define the expected functionality: accurately recording the rate and cost of energy consumption, and for smart prepayment meters, the remaining credit, communicating that data to the energy supplier at least every 7 days (half hourly if the customer has a time of use tariff) and showing it on an in-home display.

**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, we agree that a reasonable target should be set.

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

Yes. In most circumstances, this period should be sufficient to schedule an appointment.

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

No. If a customer needs to have a repeat appointment to ensure their smart meter works as it should, follow up appointments should also happen in a timely fashion.

**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?**

Usually, one of the technical eligibility criteria is that it is safe and there is space to install a smart meter. We have a number of cases each year which get stuck in a stalemate, either because the homeowner cannot afford to have the enabling work done to have a smart meter installed, or because the landlord/housing association/supplier/DNO cannot agree whose responsibility resolving the specific issue is. We often see this where there are two meters at a property – one for night and one for day rate, or where the circuit board is attached to asbestos.

We reference here the recent consultation<sup>1</sup> in respect of setting tighter minimum EPC standards for privately rented homes. Smart meters are foundational infrastructure without which a smart, flexible energy system cannot be achieved. They offer consumers greater visibility and control over their energy usage and significant opportunities for bill savings through smart tariffs and technologies. As discussed in our response to that consultation, private tenants should be allowed equal access to technologies and market offers which could benefit them and reduce their bills. Therefore, we think there should be a mandatory requirement that all new rented properties have smart meters, and that, where it is possible to fit one, all tenants who wish to have a smart meter can have one.

User friendly guidance should be made available for consumers to access on supplier websites or the energy ombudsman website in the event of a smart meter not being able to be installed. The only up-to-date guidance<sup>2</sup> we have been able to find is aimed at meter installers.

We would like to see a change so that when a supplier tells a customer they are unable to mend or install a smart meter for a technical reason, that they give the customer a clear and simple to understand document outlining what needs to be done to enable the install/mend, including whose responsibility it is to do the work. Where a supplier fails to provide the customer with this information within 4 weeks of a failed install/mend the customer should receive automatic compensation. It would be helpful if this document outlined for customers on low incomes whether there are any options for them if they can't afford to pay for the works themselves.

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

None that we are aware of.

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<sup>1</sup> Improving the energy performance of privately rented homes: 2025 update  
[www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-2025-update](https://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes-2025-update)

<sup>2</sup> [www.eusr.co.uk/wp-content/uploads/2020/01/Guidance-for-Electricity-Gas-Meter-Installation-Customer-Facing-Issues.pdf](https://www.eusr.co.uk/wp-content/uploads/2020/01/Guidance-for-Electricity-Gas-Meter-Installation-Customer-Facing-Issues.pdf)

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

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

None that we are aware of.

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?

No. From the consumers perspective, it does not matter whether a failed smart meter installation is the fault of the supplier or the DCC.

Frequently we find that the cause of non-working meters is not always clear, and with responsibility falling on both the energy supplier and the DCC, no-one takes responsibility.

Energy suppliers should take the lead responsibility for fitting working smart meters, elevating problems to the DCC where necessary. When possible, the Smart Energy Code and contract with DCC should be updated to dovetail with these regulations, setting similar expectations for the DCC to ensure that they play their part promptly in resolving customer's problems.

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

None that we are aware of.

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

Yes

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

Yes

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

None that we are aware of.

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

No. This standard would be helpful but only covers the part of the process which is the responsibility of the supplier.

Having a functioning smart meter involves coordination between the energy supplier, who are responsible for correctly installing the meters and the DCC, who have responsibility for the home communication hub, which communicates between the smart meter and the home display.

It should not be the responsibility of the consumer to work out what the problem with their smart meter is, nor where the responsibility for fixing it lies. Energy suppliers should take the lead responsibility, elevating problems to the DCC where necessary.

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

Yes.

However, as discussed in relation to question 2, the description of a faulty smart meter or faulty smart pre-payment meter should be couched in terms of the overall functionality offered by the meter to the customer. For example, a smart meter which is communicating with the communications hub as standard, but where connectivity issues mean the communications hub is not sending usage data through to the energy supplier or the home interface should still be classed as a “faulty” smart meter. The minimum functionality should be defined. Any meter which doesn’t offer this functionality would be faulty.

The energy supplier should have overall responsibility for ensuring adequate service provision including any follow-through necessary with the DCC to resolve the customers problem.

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

None that we are aware of.

### 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?

No. We believe that even when it isn't in the supplier's control to resolve, the suppliers should be responsible for engaging with whichever organisation is able to resolve the issue, such as the DCC in order to provide a resolution for the customer. This should not require the customer to need to get involved in decisions about whose responsibility it is.

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

As covered in question 18, a non-communicative smart meter should be within scope whichever party is needed to provide a resolution. It should not be the responsibility of the consumer to work out what the problem with their smart meter is, nor where the responsibility for fixing it lies. We agree however that where there is no solution available from any party that will resolve a non-communicating smart meter, this should be out of scope.

We support in home displays being defined as in scope and therefore being within the responsibility of the energy supplier to maintain. From a customer's perspective, the in-home display is an integral component of a smart meter, in fact many consumers think the in-home display is the smart meter. For customers on standard (non-smart) tariffs, the provision of live information on usage to the consumer through their in-home display is the main additional functionality over and above having a dumb meter.

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 agree with your definition of a smart meter.

The consultation defines smart meters as not operating in smart mode as where the respective energy supplier cannot obtain automatic meter readings as expected, and the meter needs to be read manually. As previously mentioned, this definition needs expanding in order to clarify how “as expected”. Many smart meters will communicate once a day, or once a week or once a month. A clearer definition of how often a smart meter should be expected to communicate is needed, especially taking into account the level of communication needed for a dynamic time of use tariff.

The smart meter itself provides only part of the functionality of smart meters for consumers. We think the definition should be extended to include having a functioning and accurate in-home display.

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

We don’t agree that actions required by another party should be defined or result in responsibility being abdicated by the energy supplier. It is a major shortcoming that the guaranteed standards don’t include necessary actions by the DCC. Our view is that the energy supplier should have lead responsibility for resolving problems.

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

No. This is too long.

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

Yes.



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.

This would amount to energy suppliers being subject to an annual £40 fine. We do not think this is sufficient to motivate action by suppliers or to compensate consumers for the lack of service.

Time and type of use tariffs offer significant savings, especially for high energy users who can shift their demand for charging an electric vehicle or a home battery for instance. An EV owner could expect to save around 67% on the unit rate of energy on an EV tariff, should their smart meter not work for a month this could amount to closer to £40 a month for average use and potentially more for higher users or users with batteries that take advantage of cheap off-peak rates.

When smart meters aren't communicating, compensation should be automatically paid every 3 months. Once it starts working again, the smart meter's own 13 months of data should be used to retrospectively bill the customer for what they would have paid had the smart meter been working, taking into account any compensation amounts already paid. For example, if a smart meter is non-functioning for 200 days, the customer would receive 2 x £40. If on day 201 it regained connection, the smart meter data should be used to recalculate the bills for the past 201 days. If this recalculation leads to a saving of £150, the customer should receive £70 compensation as they have already received the 2 x £40 in automatic compensation.

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

None that we are aware of.

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

Yes. The smart energy transition requires significant shifts in the times we use energy, in order for businesses to be incentivised to do this they need a working smart meter and having compensation for smart meter issues incentivises suppliers and the DCC to resolve these issues more efficiently.

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?

None that we are aware of.

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?

None that we are aware of.

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?

None that we are aware of.

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

No comment.

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?

No comment.

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

No.