

# Statutory Consultation

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## Supplier Guaranteed Standards of Performance: Statutory Consultation

Publication date:	8 August 2025
Response deadline:	12 September 2025
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We are consulting on introducing new Guaranteed Standards of Performance for specific elements of the smart meter consumer experience. We would like views from those with an interest in smart metering. We particularly welcome responses from energy suppliers, other interested industry parties, consumer groups and charities.

This document outlines the purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

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## 1. Introduction

We are consulting on our proposals to update The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015 (the '2015 regulations') for a range of smart metering-related issues. This chapter sets out the background and the proposals we are consulting on.

### Background

- 1.1 Smart meters are a vital part of the energy market, bringing immediate benefits to consumers by helping them take control of their energy usage and gain access to time-of-use tariffs. Smart meters can bring an end to estimated bills and enable the transition to a more flexible energy market. They are also essential in supporting the successful delivery of Market-wide Half-hourly Settlement as well as providing extra assistance to consumers.
- 1.2 Consumers who want a smart meter should be able to have one installed quickly and they should work as intended. We are aware that some consumers have experienced delays in getting a smart meter, whilst others have had challenges with their operation.
- 1.3 We published a [consultation](#) on 28 March 2025 which sought views on introducing specific Guaranteed Standards of Performance (referred to as "Guaranteed Standards" in this document) in areas of smart metering. We consulted on proposals to update Guaranteed Standards to improve the consumer experience of getting, and having, a smart meter. We also consulted on whether these proposed standards should be applied to non-domestic consumers that are within scope of the smart meter rollout, as well as domestic consumers.
- 1.4 Guaranteed Standards set out minimum performance standards which all energy suppliers must meet and, when they don't, automatic payments are issued to the affected consumers. This is known as the "standard payment". The level of the standard payment was recently [raised](#) from £30 to £40 in line with inflation.

- 1.5 Consumers with smart meters are protected by the same Guaranteed Standards as those on traditional meters; however, there are currently no Guaranteed Standards that refer explicitly to smart meters and the specific smart meter experiences that consumers may have with their energy supplier. We aim to ensure regulations are up to date to reflect current smart meter coverage levels and future-proofed to accommodate continued growth in coverage.
- 1.6 A key rationale for this work is to ensure consumers experience a high level of service from their energy supplier. Our [multiyear strategy](#) includes using our regulatory powers to drive-up standards and hold the energy sector to account. Updating the 2015 [regulations](#) to reflect that most meters are now smart reflects our strategic priority (outlined in our Forward Work Programme) to shape a retail market that works for consumers by ensuring they experience a high standard of service. In our [Consumer confidence: a step up in standards](#), we also committed to exploring new Guaranteed Standards such as the introduction of new standards relating to the timely installation and maintenance of smart meters.
- 1.7 We consider compensation for consumers to be an important tool for strengthening consumer confidence in the energy market. Financial incentives for energy suppliers also play a key role in driving better outcomes for consumers, as well as providing some compensation for the inconvenience, time or financial detriment to consumers who encounter problems with their smart metering system or delays to their smart meter installation.
- 1.8 We published an [Approach to Impact Assessment](#) alongside our March consultation outlining our proposed approach to assessing the impact of our proposals. We subsequently issued a Request for Information (RFI), with the aim of collecting data on the costs and benefits of the proposals.

### **What are we consulting on**

- 1.9 We are consulting on our proposals for Guaranteed Standards in smart metering. Our March 20205 consultation covered:

## **Installations**

### *1. Installation appointment availability*

If a consumer requests a first time/new smart meter installation appointment, the energy supplier must offer the consumer an appointment to take place within six weeks of the request being made, otherwise the consumer receives compensation

### *2. Failed installations*

If a smart meter installation fails due to a fault within the energy supplier's control, the consumer will receive compensation

## **Smart meter issues**

### *3. Investigating smart meter operational issues*

If a consumer reports a problem with their smart meter, the energy supplier must complete an initial assessment, take an appropriate action and offer to update the consumer, within 5 working days, otherwise the consumer will receive compensation

### *4. Smart meters not operating in smart mode*

If a consumer's smart meter is not operating in smart mode, for over 90 days, due to an issue within the energy supplier's control to resolve, the consumer will receive compensation

- 1.10 We received stakeholder feedback from the policy consultation in March, which has been thoroughly assessed and reviewed. We now consider it is appropriate to progress these proposals to the next stage, and we are now formally consulting on a draft Statutory Instrument.
- 1.11 In line with stakeholder feedback, we are no longer proposing to implement new individual standalone regulations for our first three Guaranteed Standard proposals. We are instead proposing to amend the existing 2015 regulations in its present format. We are consulting on amending the following existing regulations:

***The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015***

- (2) General interpretation
  - (3) Appointments
  - (4) Faulty meters
  - (5) Faulty prepayment meters
  - (8) Suppliers' payment obligations
  - (9) Exemptions and limitations to supplier payment obligations
- 1.12 We are proposing to insert a new individual standalone regulation on smart meters not operating as intended (i.e. not in smart mode). We consider this standard should be standalone and not included as part of the proposed amendments to the existing Faulty meters and Faulty prepayment meters standards.
- 1.13 These proposals are contained in the indicative draft of the 2015 regulations contained in appendix one of this document and reflect the policy intention set out in this document. We welcome feedback on the draft amendments, which are subject to change in response to the consultation.
- 1.14 Our aim is to progress to a Final Decision before the end of the year. If applicable and appropriate, we aim to implement these proposals from January 2026, with a longer implementation period for the Guaranteed Standard on smart meters not operating in smart mode.



## **2. Clarification of regulations and other general points**

This section outlines our original proposal to amend the existing definitions of the 2015 regulations to include references to smart meters, and other wider points raised in the consultation.

### **Questions**

1. Do you have any comments regarding the drafting of the Statutory Instrument relating to the definition of electricity and gas meter?
2. Do you have any comments on the draft Impact Assessment?

### **Original proposal**

- 2.1 In our March consultation, we proposed amending the existing 2015 regulations to clarify they also apply to smart meters.
- 2.2 We outlined that, whilst consumers with smart meters are technically in scope of current Guaranteed Standards, there is no reference to smart meters within the regulations.

### **Summary of stakeholder feedback**

- 2.3 The majority of respondents to the consultation agreed that the 2015 regulations should be updated to include specific references to smart metering. Consumer groups were a key supporter, citing the need to future-proof regulations and ensure clear interpretations over the long-term. They also recommended including additional consumer protection measures within the standards, such as safeguards for those facing financial difficulties, and emphasised the need for clear definitions.
- 2.4 The importance of providing clear definitions of meters, appointment settings, and differing faults was stressed by many respondents. They suggested that explicit references to smart meters and In-Home Displays (IHDs) be made within the general interpretation section to eliminate any ambiguity regarding the application of the standards to smart meters and IHDs.

- 2.5 A few respondents, primarily energy suppliers, disagreed with the proposals, claiming that existing regulations are sufficient and that specific reference to smart metering may become outdated as all meters are upgraded to smart over time.

#### **Other General Points**

- 2.6 **Post 2025 Policy Framework:** Some energy suppliers noted that the current smart meter Targets Framework, under which energy suppliers are set annual smart meter installation targets, is set to conclude at the end of this year. There were some respondents who noted that, as there had been no confirmation from government on what the next iteration of smart meter policy will be, it made it more difficult to provide feedback on the proposals. Others noted that, because of this, it was not appropriate to introduce Guaranteed Standards. We explained in our consultation that we considered our proposals to be suitable with any future regulatory regime and provided the rationale for that view.
- 2.7 **Price Cap:** A small number of energy suppliers noted concerns around the price cap, highlighting that they are required to operate under the price cap for domestic consumers, which relates to operational costs. A limited number of energy suppliers stated in their view adjustments to the price cap were needed if these smart meter Guaranteed Standards were to be introduced.
- 2.8 **Approach to Impact Assessment:** We outlined our approach to the Impact Assessment (IA) alongside the policy consultation in March 2025. We also issued RFIs to energy supplier to gather data on the associated costs and redress values with these proposals. This data is used to assess the cost implications on suppliers and estimate potential redress figures for consumers. As the policy position has changed, we have considered how this affects the IA.

#### **Our position**

- 2.9 It is our minded to position to amend the general interpretation section of the existing 2015 regulations to specifically reference smart meters. We

note that the current definition of “electricity meter” and “gas meter” link to the Electricity Act 1989 and the Gas Act 1986, and do not explicitly reference smart meters.

2.10 We propose to amend the definition of electricity and gas meter to also include smart meter. As noted in our previous consultation, whilst existing definitions do not discriminate between traditional and smart meters, as they apply equally, in our view it is important to explicitly set out that electricity and gas meter also means a smart meter. Please see appendix one, regulation 2 General interpretation.

2.11 In addition, we also plan to insert other definitions that are relevant to parts of the Guaranteed Standard smart meter proposals, these include a definition of:

- a) “Smart meter”
- b) “IHD”
- c) “First time smart meter appointment”, and
- d) “Not operating as intended”

2.12 **Post 2025 Policy Framework:** The Department is consulting on the post-2025 smart metering policy framework. The proposals are for energy suppliers to take all reasonable steps to ensure smart meters are operating in smart mode as soon as possible and within 90 days; pre-emptively replace smart metering assets so they continue to communicate when WAN services end; and to complete the smart meter rollout by installing smart meters in remaining domestic premises by the end of 2030. These activities will be underpinned by the submission of deployment plans to Ofgem, in which each energy supplier will set out the activities they will undertake each year to meet their installation, operational and replacement obligations.

2.13 We consider our proposals will complement this policy. Our proposals seek to improve the consumer experience in both new installations and operational issues with existing smart meters, which requires a balance of

both types of activity from energy suppliers. Our view is that the Guaranteed Standards and Post-2025 policy work in conjunction together.

- 2.14 **Price cap:** As noted, we issued an RFI to all energy suppliers to determine the associated costs and potential redress of our proposals. These costs have been carefully analysed and assessed. Additional data was sought from energy suppliers after the original RFI was issued to ascertain further cost and redress data associated with the development of our proposals. We do not consider any adjustments to the price cap allowances are warranted.
- 2.15 From our data gathering through the IA, as expected, it is estimated there could be potential redress paid to consumers based on our original proposals. We do not consider it is appropriate to provide an ex-ante allowance where standards are not met.
- 2.16 **Approach to Impact Assessment:** During our evaluation of policy consultation responses, we have considered how our changes to our proposals have impacted the IA. Our further requests to energy suppliers for updated data, mostly related to the Guaranteed Standard on smart meters operating in smart mode. Our updated draft IA outlines our current views, please see the associated document published alongside this consultation. We are asking for views on the IA within the consultation questions here, please see question 2.

### **3. Smart meter installation availability**

This section outlines our original proposal on introducing a Guaranteed Standard on providing a first-time smart meter installation appointment within six weeks, stakeholder feedback on this proposal and our position going forward.

#### **Questions**

3. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulation 3, rather than implement a new individual standalone regulation?
4. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?

#### **Original proposal**

- 3.1 In our March consultation, we proposed introducing a Guaranteed Standard requiring energy suppliers to offer a smart meter installation appointment to take place within six weeks of the consumer request for an appointment. This request could be made through various types of channels such as telephone, website or app, and was applicable to first time smart meter appointments only and did not apply to other types of installation appointments, such as replacements.
- 3.2 We outlined that it is important for any consumer who wants a smart meter and requests a smart meter installation to be able to get an appointment in a timely manner from their energy supplier, irrespective of where they are located.
- 3.3 We considered, by implementing a set timeframe to the Guaranteed Standards for consumers who want a smart meter, it would incentivise energy suppliers to maintain a minimum level of installers in different regions or ensure they re-deploy mobile installation teams quickly to service the demand.

- 3.4 We proposed this would apply where a consumer is technically eligible to have a smart meter installed. We also proposed that this compensation could be awarded to the consumer for every six weeks that passed without the consumer having been offered an installation appointment.

### **Summary of stakeholder feedback**

- 3.5 This feedback, and feedback in section four, five and six, largely applies to both domestic and non-domestic consumers. Feedback relating to non-domestic only is covered in its own section, section seven.
- 3.6 Respondents to the consultation were largely in agreement on the importance of providing timely smart metering installation appointments to consumers. The majority of respondents agreed that six weeks was a reasonable timeframe in which to fulfil most requests for a smart meter installation appointment, and a small number suggested other timescales would be preferable. Some respondents suggested that timeframes should account for public holidays, and that regulations should not apply to suppliers in busy seasonal periods, such as over Christmas.
- 3.7 Additionally, some respondents raised concern around the challenges of installing in certain geographical locations, specifically more remote locations, with several detailing the complexities of servicing these areas in a timely manner.
- 3.8 On the proposal for this standard to apply to first-time installations only, rather than maintenance visits, respondents provided differing views. While most energy suppliers were in favour of this applying only to first time installs, consumer groups highlighted this should be applied to addressing faults as well, therefore should apply to all appointments.
- 3.9 Respondents from energy suppliers, other industry bodies and consumer groups requested clarity around technical eligibility for the Guaranteed Standard and called for clear definitions in cases of exemption. Some emphasised the importance of clarity over the trigger date of which the standard starts and ends.

- 3.10 Respondents were largely split on the proposal for this compensation payment to repeat, where a consumer continues not to be offered an appointment. Energy suppliers cautioned against this noting consumer gain as a possible consequence. However, consumer groups believed this would act as an incentive for energy suppliers to improve their processes more quickly.

### **Our position**

- 3.11 It is our minded to position to proceed with this Guaranteed Standard. Our view is that it is vital for consumers who want a smart meter to be able to receive an appointment in a timely manner. We consider this to be particularly relevant in the context of future progress of the smart meter rollout. See appendix one regulation 3 (4A) Appointments.
- 3.12 To note all timeframes in the Statutory Instrument refer to working days to be consistent with the existing references to working days, and this is applicable to all relevant Guaranteed Standards in this package.
- 3.13 We have considered the feedback received on this proposal and we are not proposing to implement a new individual standalone standard. We propose to amend existing regulation 3 Appointments. We consider this has many benefits which includes reducing potential complication, avoiding any overlap with existing regulations, and provides a set list of pre-existing exemption criteria.

### **Six-week timeframe**

- 3.14 Geographical issues were a key theme highlighted by some suppliers. We recognise that certain geographical regions pose additional challenges from a logistical and operational perspective; however, it is our view that consumers should not be disadvantaged by where they live.
- 3.15 Recent statistics published by the Department report that domestic electricity smart meter coverage in Scotland is 13% lower than in England and 10% lower than Wales. Of the 32 district council areas of Scotland, only two of those, Midlothian and West Lothian, are in line the national domestic electricity smart meter coverage level of 68%. It is our minded to

position that there will be no exceptions or exemptions for specific geographical locations to ensure consumers receive the same service regardless of the geographical region.

- 3.16 Installer capacity was also highlighted by some energy suppliers in relation to this proposal, noting the extra demand needed to potentially provide appointments in specific areas. In line with our previous expectations outlined to industry, it is our view energy suppliers should resource themselves accordingly to meet their obligations and the needs of their customers.
- 3.17 Some respondents noted that there are circumstances that should be considered as an exemption, such as things like extreme weather or the cancellation of ferry services. Others noted that this standard should take account of “exceptional circumstances” through an exceptions process. We would note that, as we are now amending existing regulations, rather than implementing new individual standalone regulations, there are already exemptions set within the 2015 regulations that would account for these types of scenarios, such as, “severe weather conditions” and “circumstances of an exceptional nature beyond the control of the supplier”.
- 3.18 Some respondents noted in their view eight weeks was a more appropriate timescale to offer an appointment. We do not consider a time scale of approximately two months to be in line with our intentions or indeed, consumer expectations. Others noted that in other industry sectors, such as the broadband sector, consumers do not have to wait as long as six weeks. We recognise that other industry sectors may provide shorter timescales however, we consider it is important to strike a balance between what we deem a good consumer outcome to be, against what is realistically achievable from an energy supplier’s perspective. We also note that six weeks should not be the default position for future first time smart meter appointments and energy suppliers could, and should, offer appointments sooner than that wherever possible.

#### **New/first time appointments**

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- 3.19 As noted, some groups disagreed this should only apply to first time smart meter appointment and should be applicable to all types of smart meter installation activity. In our view, it is important to understand the impact a six-week timeframe would have, if applied to all smart metering activity. We consider a range of appointment times may be needed to facilitate all types of metering activity. By applying this proposal to all types of smart metering, this would likely require an increase in engineer capacity to facilitate all appointments within six weeks, which may disproportionately impact smaller suppliers.
- 3.20 Therefore, our minded to position is that this Guaranteed Standard will apply to first time smart meter appointments only, as originally set out and not to any other category of meter appointment. We propose to define “first time smart meter appointment” to achieve this and the definition relates to the “purpose of installing a smart meter”, please see appendix one, regulation 2 General interpretation.

#### **Technically eligible**

- 3.21 Most energy suppliers agreed this standard should only be applicable to consumers who are technically eligible. Most noted that the main barrier was No WAN, and some also noted specific examples such as crowded meter rooms.
- 3.22 We recognise there is a solution in development which will help address No WAN situations (known as Virtual WAN) however at this point this technology is not currently available and whilst it is expected in the near future, it is not clear when it would be available to all energy suppliers as part of their business-as-usual processes. Therefore, we agree No WAN areas should be excluded in the immediate term as, whilst a smart meter installation could still be conducted in a No WAN area, the smart meter will not operate in smart mode. However, when the solution is readily available for suppliers, we would consider this exemption should cease to apply.

- 3.23 In our view, an exemption specific to “No WAN” would therefore not be needed, however we propose to insert an exemption that would cover technical eligibility more generally. We aim to achieve this by linking the definition to whether a smart meter could successfully operate from the point of installation, please see appendix one, regulation 3 (1A)(a) Appointments. We also consider an additional benefit to this approach would be that it would account for any technical issues in the future that we are currently not aware of and also specific niche situations, such as crowded meter rooms.

**Six-week re-occurrence**

- 3.24 Under this proposal consumers will be eligible for compensation should an energy supplier fail to offer a first-time smart meter appointment within six weeks. The compensation is contingent on the offer, and not the acceptance of the appointment. This means consumers would be eligible for compensation even if they accept an appointment offered to take place beyond the six-week period. We proposed that this Guaranteed Standard could repeat, and consumers could be eligible for more than one compensation payment. For clarity the below points are all relevant to further potential compensation only.
- 3.25 As noted, our minded to position is to amend the existing regulation 3 Appointments. This regulation is based on an instance where a customer requests the energy supplier visits their premises or the energy supplier requests to visit a customer’s premise. Our proposal is that the regulation would be applicable to all first-time smart meter appointments (subject to specific definitions and exemptions), and therefore consumers could be eligible for more than one standard payment. It is our current view that this would depend on the specific circumstances, and whether there were further requests for an appointment, rather than the continuation of the first contact.
- 3.26 Our original proposal outlined that if for whatever reason a supplier was unable to provide a smart meter appointment to the consumer due to no appointments being available at that time (and therefore eligible for

compensation), then the consumer would not be eligible for further compensation again until the original six weeks expired. This would prevent some situations where a consumer could potentially use this Guaranteed Standard to claim multiple compensation payments in a short timescale. We consider this is still an appropriate position to take and our minded to position sets out an exemption on this, please see appendix one, regulation 9 (3A) Exemptions.

3.27 Another point made in the original consultation was, if consumers did not accept the offer of an appointment, they would not be eligible for further compensation until the original six weeks expired. This point was raised by some respondents under the classification of refusals, on which there was disagreement. Linked to this were some concerns around other actions of the consumer that may impact this proposal, which were;

- i. customer refusing to accept an appointment (refusals)
- ii. customer cancelling appointment (or re-arranging an existing one)
- iii. customer refusing access to a booked appointment

all of which may result in another appointment being re-booked.

3.28 We agree there is potential for the customers actions to impact the intention of this proposal. We have carefully considered the points put forward on this subject and reflected on what the intention of this proposal sets out to achieve, and we agree that some of the situations outlined above should be exempt from further potential compensation.

3.29 Regarding point (i), we would expect energy suppliers to have varying appointment options available to a consumer at the point of booking. Therefore, we do not consider refusing the offer of an appointment on a continual basis to align with the intention of this proposal. Therefore, our minded to position is that action would exclude the consumer from being eligible for any further possible compensation for any future requests for a first-time smart meter appointment, please see appendix one, regulation 3 (1A)(b) Appointments.

- 3.30 Regarding point (ii), we do not consider that a specific exemption should be put in place for customers who cancel booked appointments (or re-arrange existing ones) and then subsequently try and re-book themselves or the supplier initiates the re-booking process. We note the concerns highlighted around potential consumer gain. However, in our view there may be legitimate reasons why a consumer may have to cancel a booked appointment, due to particular personal circumstances at that time and that should not necessarily preclude them from further potential compensation. In addition, we expect suppliers to be able to offer these appointments within six weeks on an ongoing basis and should be striving wherever possible to ensure this happens. However, if an energy supplier had sufficient evidence to justify that the actions of a particular consumer had resulted in them preventing from complying with this standard, such as repeatedly cancelling appointments on a continuous basis, then we consider there are existing exemptions already in place for energy suppliers to account for this. Regulation 9 (3)(e)(ii) Exemptions and limitations to supplier payment obligations states, a supplier is not obligated to make a standard payment if it was not reasonably practicable due to the action of a person who is not an officer, employee or agent of the supplier and who is not a person acting on behalf of the supplier.
- 3.31 Regarding point (iii), whilst there may be limited reasons why a consumer may not allow the appointment to go ahead on the day, we consider if a consumer does not allow access to their property to enable the meter exchange at the time of the installation, either in person or by being absent on the day, then this would exclude them from any further potential compensation. In our view this scenario is different from point (ii), as it is likely in these scenarios the energy supplier has actually visited the consumer's premise, please see appendix one, regulation 3 (1A)(b) Appointments.
- 3.32 Any supplier driven changes to an existing appointment such as the supplier cancels appointment, re-arranges appointment, or does not fulfil or complete the original appointment (which results in another appointment being necessary) the consumer would be eligible for further

compensation, if applicable. Therefore, any subsequent appointment request would be eligible for compensation if the root cause for not proceeding with the original appointment was the energy supplier. We consider this would be applicable from the point of the next booking request and would not be subject to any timebound exemptions.

## **4. Smart meter installation failures**

This section outlines our original proposal on introducing a Guaranteed Standard on failed smart meter installations within a supplier's control, stakeholder feedback on this proposal and our position going forward.

### **Questions**

5. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulation 3, rather than implement a new individual standalone regulation?
6. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?

### **Original proposal**

- 4.1 In our March consultation, we proposed introducing a Guaranteed Standard requiring energy suppliers to pay compensation to consumers for failing to complete smart meter installations due to factors that were within their control.
- 4.2 We considered that this measure should drive better standards and practices amongst suppliers and installers, increase the success rate of first-time installations, and reduce the number of failed installations due to meter installer errors/oversight from an energy supplier.
- 4.3 We outlined the specific scenarios we considered to be within a supplier's control which were:
  - i. Installer did not have the correct meter/asset equipment
  - ii. Installer did not have the correct safety equipment
  - iii. Installer did not have the correct tools
  - iv. Installer did not have the correct skills to complete the installation.We also asked for any other scenarios stakeholders considered might be covered by this proposal.

- 4.4 We highlighted that this proposal would be applicable to both first time and replacement smart meter appointments and that there should be no restriction on the number of times a consumer may receive this.

### **Summary of stakeholder feedback**

- 4.5 Respondents were divided on the need for a separate standard, with some arguing that failed installations are already addressed through existing regulations, specifically the existing regulation 3 Appointments standard.
- 4.6 There were calls for clearer definitions of what falls within a supplier's control, particularly in cases involving third parties, such as the DCC and service providers or inaccurate information provided by customers, for example at the booking stage. Proposals were made to improve data sharing across the industry to support better outcomes and reduce repeat failures.
- 4.7 Consumer groups largely supported the proposal, though highlighted risks that broad interpretation could allow energy suppliers to avoid accountability. They stressed that consumers expect energy suppliers to take ownership, regardless of where the fault lies.
- 4.8 Most respondents agreed the standard should apply to both first-time and replacement installations to ensure fairness and consistency. However, some preferred limiting the scope, citing complexity in implementation and coverage under existing standards.
- 4.9 There was little support from energy suppliers for recurring compensation, due to concerns over misuse and administrative burden. Some responses suggested that a defined list of qualifying failures could provide more fair outcomes. Energy suppliers also raised concerns about the cost and impact of additional site visits.

### **Our position**

- 4.10 It is our minded to position to proceed with this Guaranteed Standard.
- 4.11 One of the main factors that came out of this proposal was that many energy suppliers considered it to be already in existence. Regulation 3 (9) Appointments states: "in keeping the appointment in accordance with

paragraph (8), the supplier must ensure that whoever represented it for that purpose possesses the necessary skills, experience and resources to fulfil the purpose of the appointment as the supplier reasonably understands it.”

- 4.12 We agree that this existing regulation aims to achieve a similar outcome to our original proposal. Therefore, we are not proposing to implement a new individual standalone regulation, rather clarify the existing regulation in terms of smart meter installation appointment requirements, to avoid any potential confusion or overlap.
- 4.13 One possible option was to make no changes to this regulation and alternatively signal guidance to what in our view this existing regulation meant. However, we consider this to be a risk as may not ensure the right consumer outcomes. We propose to make a small amendment to clarify our position on smart meter appointments to ensure the right outcome for consumers in these circumstances and ensure consistency across all suppliers. See appendix one regulation 3 (9A) Appointments.
- 4.14 Other feedback seemed to go further in terms of the smart meter installation process, and highlighted issues around whether the smart meter successfully operated or not at the point of installation, outlining factors preventing a supplier from successfully achieving this.
- 4.15 The intention of our proposal was to provide compensation to consumers if an energy supplier **attended** a smart meter installation appointment, whether that was a first-time appointment or a replacement appointment, but **did not install** a smart meter, due to issues deemed within their control. To note, the intention of this standard was centred on if the installation of the smart meter took place or not, not if the smart meter operated in smart mode from the point of installation. Whilst we recognise the importance of a smart meter operating in smart mode from the point of installation, we do not consider any further exemptions or exceptions are needed to take these factors into account, as these are separate issues to the installation of the smart meter. Our other proposals on Guaranteed



Standards relate to the operation of the smart meters and consumers will be eligible for further compensation under these proposals if applicable.

- 4.16 Some noted that there may be specific circumstances that a supplier may not be aware of that may result in them not having the right meter or equipment. One specific example was the use of Alt HAN equipment, others noted poor industry data. We would note that use of Alt HAN equipment is likely to centre around whether the meter operates or not, rather than the actual installation of the smart meter itself.
- 4.17 We consider that the existing regulation wording in regulation 3 (9) would account for scenarios where a supplier may attend an appointment (without the knowledge of specific circumstances required) that resulted in them not having the right meter or equipment to install the smart meter, stating “as the supplier reasonably understands it”.
- 4.18 We do not consider a full exhaustive list of all the scenarios that would be applicable for compensation is the right approach. We consider energy suppliers should have sufficient understanding of what resources and skills are needed to allow for the installation of a smart meter.
- 4.19 Similarly to section 3, as we are now amending existing regulation 3, this proposal would be applicable to any time a supplier visits a customer’s premise. Therefore, a customer could potentially be in scope for more than one payment, if more than one visit occurred involving a smart meter. This though would be based on a new instance rather than a continuation of the first instance.

## **5. Investigating smart meter operational issues**

This section outlines our original proposal on introducing a Guaranteed Standard on investigating smart meter issues, stakeholder feedback on this proposal and our position going forward.

### **Questions**

7. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulations 4 and 5, rather than implement a new individual standalone regulation?
8. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?

### **Original proposal**

- 5.1 In our March consultation we proposed introducing a Guaranteed Standard to ensure that, where a consumer reports a problem with their smart meter, the energy supplier must complete an initial assessment, take an appropriate action and offer to update the consumer, within 5 working days, otherwise the consumer will receive compensation.
- 5.2 We outlined in the consultation that consumers who report issues with their smart meter once it is installed can often face difficulty when contacting their energy supplier about these types of issues. Some consumers find that they are left without a clear understanding of the issue, or the route to resolution.
- 5.3 We considered consumers with issues with their IHD to be in scope of this standard and would expect that they are similarly supported.
- 5.4 We considered that this Guaranteed Standard could expand on the existing “Faulty meters” and “Faulty prepayment meters” standards within regulations 4 and 5 of the 2015 regulations to cover smart meter issues.

## **Summary of stakeholder feedback**

- 5.5 There was broad support for the proposed standard, particularly among consumer groups, who recognised its potential to assist customers experiencing issues with smart meters or IHDs.
- 5.6 Some respondents felt the proposal was too limited in scope, addressing only a portion of the resolution process. There were calls from consumer groups for more robust support for vulnerable and low-income households, and the importance of giving priority to customers on the Priority Services Register (PSR) was emphasised in several responses.
- 5.7 Multiple responses, including those from both consumer groups and energy suppliers, stressed the need for clearer definitions, especially regarding what constitutes a “fault”. Ambiguous language and excessive energy supplier discretion were seen as barriers to accountability and some felt this could discourage consumers from seeking help. There was also a call for greater alignment and clarity around responsibilities across the sector, especially in situations involving multiple parties.
- 5.8 Energy suppliers were more divided in their views. Some agreed with the proposals in principle but believed that many of the issues raised were already covered by existing regulations. Others expressed concern that the scope of the proposal overlapped with areas outside their control, such as connectivity failures or third-party equipment faults. There was resistance to the idea of automatically classifying non-functioning IHDs or communication hubs.
- 5.9 A number of responses raised practical concerns, questioning the feasibility of meeting the proposed timeframes, especially in remote or hard-to-reach areas. There were also warnings about potential misuse of compensation mechanisms if responsibilities were not clearly defined. Several stakeholders suggested further industry collaboration to refine the definitions and responsibilities proposed in the standard.

## **Our position and proposal**

- 5.10 It is our minded to position to proceed with this proposal.

- 5.11 As noted in the original consultation we consider it is important consumers are supported when reporting issues with their smart meter.
- 5.12 Similar to our position in the two previous Guaranteed Standards on Installation appointment availability and Failed installations, we are not proposing to implement a new individual standalone regulation and propose to amend the existing Faulty meters & Faulty prepayment meters regulations already in place.

**Definitions**

- 5.13 Whilst Faulty meters are specific to a meter operating outside the margins of error, we consider that the core elements of this existing regulation contain what we want to achieve for smart meter issues. However, we are aware that the existing regulation is very specific and uses clear definitions such as “margins of error”, and our intention is not to conflate issues between smart meters and meters that may not be operating within the margins of error.
- 5.14 Therefore, our proposal does not affect the purpose of the existing regulation in relation to “faulty” meters and as outlined in our original consultation, we propose to expand on this by inserting new criteria relating to specific elements on smart meter issues. We will not adjust the definition of margins of error, rather insert a new term for smart meter issues.
- 5.15 Regarding responses on what constitutes a fault or issue, we consider issues with smart meters can be very broad and cover many different areas, as noted by some respondents. It is our view that a typical consumer is less likely to notice an issue with their smart meter from the actual meter itself, and it’s far more likely the consumer may notice an issue that stems from either an interaction with the IHD or on receipt of a bill or statement, or online account/smart application. Therefore, the definition of what the issue covers, would need to cover not only the meter, but the IHD and the customer’s bill or statement as well.

- 5.16 In our view, what we want to achieve is similar to the use of “margins of error” but applicable to smart meter issues only. Therefore, our minded to position is to use a definition of “not operating as intended” for smart meter issues. We have included what we consider that means in practice in appendix one, regulation 2 General interpretation.
- 5.17 A key element of the existing regulations is that the supplier must take an “appropriate action” within the initial 5-day period. Some feedback on our proposal centred around what constituted an appropriate action in the context of smart meter issues.
- 5.18 Feedback seemed to indicate issues relating to the full triaging process of smart meter issues, that would increase the length of time to resolve potential issues for consumers. We would highlight that in our view, whatever the core issue the consumer may be querying, it does not need to be fully resolved within five days, but a supplier should be taking the first steps to determine what the root cause is and relaying that to the consumer so they are re-assured the energy supplier has recognised the relevant issue, investigated the root cause and is progressing a pathway to resolution, whatever that may entail.
- 5.19 We propose to amend the definition of “appropriate action” by inserting specific criteria for smart meter issues. These criteria will be specific to smart meter issues only as they will be applied to the inserted regulations and not existing faulty meter regulations, please see appendix one regulation 4 (6)(c) Faulty Meters and regulation 5 (7)(b) Faulty Prepayment Meters.
- 5.20 Vulnerability is a key priority for Ofgem, and we take our responsibility to protect these consumers very seriously. Guaranteed Standards are designed to bring additional protections to all consumers, including those that are vulnerable. We expect energy suppliers to be adhering to existing rules for consumers in vulnerable situations, such as their duty to treat vulnerable customers fairly and offer services for those on the PSR. Consumers in vulnerable situations should already be prioritised by energy suppliers and if consumers on the PSR are contacting energy suppliers

regarding issues with their smart meter, we would expect the same approach to be applicable here. Our wider review on Guaranteed Standards will be used to identify if the regulations are providing the right levels of service and further evidence on vulnerability could be provided through this workstream.

## **6. Smart meters not operating in smart mode**

This section outlines our original proposal on introducing a Guaranteed Standard on fixing smart meters not operating in smart mode, within 90 days, that are in the control of the energy supplier, stakeholder feedback on this proposal and our position going forward.

### **Questions**

9. Do you agree this should be a new standalone regulation rather than an amendment to an existing regulation?
10. Do you agree providing additional 30 days to resolve smart meter issues relating to comms hub and WAN issues under the DCC, is the right approach?
11. Do you agree with the proposal to implement this Guaranteed Standard over a longer timeframe?
12. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?

### **Original proposal**

- 6.1 In our March consultation, we proposed introducing a Guaranteed Standard to be applied when a consumer's smart meter was not operating in smart mode for over 90 days, due to an issue within the control of the supplier, the consumer would receive compensation.
- 6.2 We outlined in the consultation that non-communicating smart meters was a key issue for consumers who want to actively monitor their energy usage and fully utilise the benefits of smart meters.
- 6.3 We also set out our views on key assumptions such as, the definitions of "smart meter" and "not operating in smart mode", and also what would be deemed in scope and out of scope.

### **Summary of stakeholder feedback**

- 6.4 There was broad agreement, particularly among consumer groups that responded to the consultation, that consumers should receive compensation when their smart meters fail to operate in smart mode due to issues within an energy supplier's control.

- 6.5 Respondents stressed the importance of clear and enforceable rules to ensure accountability, transparency, and consumer confidence. Ambiguities in definitions such as “within a supplier’s control” and “action of another party” were seen as a risk, potentially allowing energy suppliers to deflect responsibility by interpreting the definitions in a different way. There were some respondents which suggested narrowing or clarifying these definitions to ensure consumers are protected.
- 6.6 The proposed 90-day window to resolve smart meter issues drew mixed responses. There were some, including a number of energy suppliers, who supported this, particularly for smart meters already within their portfolio. However, they felt more time should be allowed where a smart meter has been inherited through a change of supplier. Consumer groups argued that 90 days was too long and suggested a shorter timeframe (such as 30 or 45 days) would better reflect consumer expectations. There was also support for using data to analyse root causes of delays and to inform the feasibility of different resolution periods.
- 6.7 There was disagreement about compensation for both gas and electricity smart meters. While energy suppliers preferred site-based approaches or restrictions based on supply type, consumer groups supported the standard applying to both types of meters, acknowledging practical complications for dual-supplier households.
- 6.8 The proposal to continue annual payments resulted in a variety of responses. Some agreed in principle if the fault was within an energy supplier’s control, while others favoured one-off payments, warning that year-long failures may lie outside the supplier’s remit. Conversely, consumer groups questioned whether an annual £40 payment would drive change, with some suggesting quarterly payments would likely be more effective.
- 6.9 There were concerns about ambiguous responsibilities, the need for clearer timing rules, and practical challenges from nearly all respondents.



## **Our position and proposal**

6.10 Our minded to position is to proceed with this proposal, with some changes from the original consultation.

6.11 In our view, smart meters not operating in smart mode is likely the biggest consumer issue in smart metering and it is critical that consumers are protected from levels of service that do not meet the required standards.

### **In scope/out of scope**

6.12 In our March consultation, we outlined that the proposal would be focussed on issues within an energy supplier's control to resolve. We provided some examples of what we considered to be both in scope and out of scope within the context of this proposal. The exemptions were divided into three categories;

- (i) The consumer
- (ii) Technical solution
- (iii) Actions of "another party"

6.13 Point (i) includes scenarios where consumers have specifically requested that their smart meter not communicate or had agreed for it not to communicate; resulting in the supplier having no direct control over whether the smart meter operated or not. Our minded to position is for this to be included as an exemption in the Statutory Instrument, regulation 5A (2)(a) Smart meters not operating as intended.

6.14 Point (ii) includes smart meters that cannot function in smart mode because the appropriate technical solutions are not available. As a result, these installed meters would be excluded from compensation eligibility. Our minded to position is for this to be included as an exemption in the Statutory Instrument, regulation 5A (2)(b) Smart meters not operating as intended.

6.15 Point (iii) includes scenarios where actions of "another party" would be part of the pathway to remedy the situation. We received detailed responses that the consumer should also be included within this category. The

primary argument raised by these respondents was that the consumer often has a role to play in the successful resolution of the issue with the meter. This is relevant in scenarios where the energy supplier is required to visit the consumer's premises, which requires the booking of an appointment, or where the customer may have to interact with the meter itself through a remote instruction from the supplier.

- 6.16 We agree the consumer does have a role to play in some instances and will therefore include these relevant factors within the exemption criteria. Our minded to position is for this to be included as an exemption in the Statutory Instrument, regulation 5A (2)(c) Smart meters not operating as intended.
- 6.17 There was considerable feedback on our proposed exemptions which centred around point (iii) actions of another party. Respondents noted the difficulty in determining who was responsible for the issue in many cases, and that this would negatively impact the consumer. Consumer groups explained that in their view, the main organisation or "party" this likely refers to, is the DCC. The rationale behind this assertion is because they are responsible for the network on which smart meters communicate.
- 6.18 They argued that consumers likely do not have any understanding of who the relevant responsible party may be for their issue. Additionally, this would not be in line with consumer expectations for this and would render them ineligible for compensation. It was further highlighted that this approach would likely be seen as unfair to consumers. There were some energy suppliers who also commented on this aspect; however, their responses were in reference to the difficulties involved in explaining this approach to consumers. Simply, how they would detail to consumers the process of determining who would, or would not be, eligible for compensation.
- 6.19 Our original proposal was applicable to scenarios that were within the control of the energy supplier. We recognise that the exclusion of these consumers may not drive performance sufficiently to incentivise the outcomes we believe will lead to the right protections for all consumers.

- 6.20 However, after careful consideration, we agree that consumers affected by these types of issues should not be excluded and should be eligible to receive compensation. This provides a simpler, more consistent and fairer approach to delivering the right outcomes this Guaranteed Standard is designed to achieve. A primary outcome that we want to ensure is that as many consumers are protected as possible and all service levels are incentivised to be improved.
- 6.21 Currently issues with WAN and comms hubs are generally reported to the DCC, which is facilitated through the DCC's incident management service. Some of these instances are covered by a 90-day Service Level Agreement. We considered this when assessing the time frame for resolving this subset of meters under the terms of this proposal.
- 6.22 Our minded to position is, if an energy supplier raises an incident due to a comms hub or WAN issue, from the day of that request, the suppliers shall be allowed more time to resolve the relevant issue, as it will involve engagement with the DCC. Our current view, which has been informed by our own engagement with industry, is that issues submitted to DCC are primarily resolved or responded to relatively quickly, and usually within 90 days. Most issues would either be investigated and resolved by the DCC or passed back to the supplier as deemed not to be a comms hub or WAN issue, in a relatively short timeframe.
- 6.23 Therefore, we propose to allow an extra 30 days to compensate for additional administrative tasks associated with this process. The supplier would be required to notify the DCC (or relevant holder of the smart meter communications licence) of the failure as soon as they become aware of it, see regulation 5A (5)(a) Smart meters not operating as intended. However, we would expect to see most of these issues resolved within the 90-day time frame as with other reported issues. The extra 30 days would be used for the administration of the initial triage by the supplier in determining what type of issue has been reported to them by the consumer (DCC or energy supplier control), the submission of the issue to the DCC, and also the administration of contacting the consumer about the outcome once the

DCC has completed the fix for the issue. Our view is that the extra 30 days provides ample amount of time to triage, submit the issue to DCC, and for DCC to triage and report back to the supplier.

- 6.24 The inclusion of these issues is the best outcome for consumers. We are obliged to protect both existing and future consumers, and our view is that by including these issues we are not only providing the best protections for consumers, but we are also incentivising suppliers to ensure the utmost efficiency within their smart offerings to consumers and it will forge a more efficient and effective process between suppliers and the DCC.
- 6.25 Please see appendix one, regulation 5A Smart Meters not as intended, for the proposed drafting. Due to this change in approach there will be no requirement to define “actions of another party” as previously consulted on.

#### **Definitions**

- 6.26 We proposed that smart meters would be defined as any version of a SMETS1 or SMETS2 in the Smart Energy Code. Some noted that whilst it was reasonable for SMETS1 meters to be included they noted that in their view unenrolled SMETS1 meters should be excluded.
- 6.27 SMETS1 meters underwent a large-scale programme of work to connect them to the DCC systems, which was known as “enrolment”. This allowed SMETS1 meters to be fully interoperable. Some of these SMETS1 meters were unable to be enrolled due to technical issues. We disagree though that these should be excluded from compensation on the premise that their communication status is unresolvable. In our view, whilst the unenrolled SMETS1 meter itself will never communicate, there is a clear pathway to resolution for these consumers, which is to replace with a SMETS2 meter.
- 6.28 We had previously proposed a definition of smart meter in the March consultation. We have amended this defined term to align with existing definitions in regulation, please see appendix one regulation 2 General Interpretation. Our other proposed definition “not operating in smart mode”

shall be accounted for within the definition of not operating as intended, please see appendix one, regulation 2 General Interpretation.

- 6.29 We also set out in our consultation that IHDs would be excluded from this proposal. This remains our minded to position.

**90-day threshold**

- 6.30 We consider it is appropriate to proceed with the proposed 90-day timeframe. Some consumer groups argued this should be much shorter, however in our view this would not be realistically achievable for situations where the only route to resolution is a meter replacement. In these scenarios, energy suppliers will have to contact the consumer and arrange a site visit, and this requires an adequate amount of time to allow for this process. For clarity, the 90 days previously consulted on was calendar days. Proposed drafting in the Statutory Instrument will be in working days.
- 6.31 A key point for this proposal is that all energy suppliers are clear on when the 90-day threshold begins. We recognise current industry reporting practices apply a set number of days before a smart meter would be officially classed as non-operating. Whilst we agree with that principle from a reporting perspective, we do not consider applying the same metric here would drive the right consumer outcomes, as it would result in more time being added to the proposed 90 days.
- 6.32 We were also clear that this proposal would not be based on customer contact, as in our view there are likely to be some consumers who are not aware their smart meter does not operate, and they should not be disadvantaged.
- 6.33 Through existing engagement with suppliers, we are aware most have sophisticated reporting systems in place, with dedicated resources that monitor the operational status of their smart meter estate on a continual ongoing basis. Therefore, in our view suppliers should have full visibility of when smart meters stop communicating. The intent of this proposal is to see quicker, more efficient resolutions to non-communicating smart meters

and if not, the consumer receives compensation. Therefore, it is important that the trigger point is at the earliest point possible, whilst still being appropriate and clear to understand. It is our minded to position that the most appropriate and clear metric for when the 90 days begins, would be the day **after** the last expected automatic meter reading. i.e. automatic meter reading was expected on the 2<sup>nd</sup> day of the month, the meter reading was not received, automatic meter reading was also not received the next day, the 3<sup>rd</sup> day of the month, therefore the 3<sup>rd</sup> is the start point and should be classified as “day 1” for the smart meter not operating in smart mode.

- 6.34 We would note that suppliers should be resolving issues quicker than this wherever possible, particularly where a pathway to resolution can be carried out remotely rather than through a site visit.
- 6.35 We recognise there are different read schedules for different smart meters depending on various factors. The above proposal is simple to understand for daily reads, as reads are expected every day. For monthly reads, we consider the same principle would apply. If the read is expected on the first of each month for example, and the reading is not received, then the 2<sup>nd</sup> is “day 1”. We do not consider waiting until the 2<sup>nd</sup> monthly read to confirm the position is the right outcome, as it would set a larger threshold for consumers on this read cycle. We consider consumers should not be disadvantaged by their read schedule. Please see appendix one, regulation 5A (4) Smart Meters not operating as intended.
- 6.36 Separately, another point raised was the change of supply process, and that more time should be allowed for this. In our view, the change of supply process is a common occurrence in the retail energy market and a process that affects all energy suppliers. We do not consider any further time should be allowed for this and that industry should work together to create better efficiencies in this process to ensure faster resolution of meters affected by this issue.

### **Electricity and gas meters**

- 6.37 Some respondents noted challenges with resolving operational issues for gas meters, particularly for those meters where the electricity meter is not part of the same supplier's portfolio.
- 6.38 We recognise there are specific challenges unique to gas meters, as the comms hub is attached to the electricity meter, but would highlight there are numerous additional solutions that would help with gas meter issues, such as dual band comms hubs, Alt HAN equipment and hot shoes. We note that many of the technical solutions available to energy suppliers would be more applicable to issues within the Home Area Network, rather than the Wide Area Network.
- 6.39 It is our minded to position that there should be no specific exemptions for gas, however, we have inserted a technical eligibility exemption. It is our view that if an energy supplier deemed that there is no technical solution available to them to make the gas meter work, then we consider the technically eligible exemption would apply.

**365-day re-occurrence**

- 6.40 Most energy suppliers agreed with the position to repeat the standard payment every 365 days where the smart meter remained non-communicating, however some consumer groups argued this would not deliver the right outcomes and the timescales should be shorter.
- 6.41 Our original proposal was based on the principle if a consumer was left with a non-communicating smart meter for a pro-longed period of time they should be entitled to additional compensation due to a continued detriment. We consider this is still the right approach to take; however, we acknowledge feedback that 365 days may not be the most appropriate timeframe for the consumer.
- 6.42 Most consumer groups and charities who responded to the policy consultation disagreed with the proposal of a 365-day compensation, reiterating that smart meter issues should not last more than a year. Some respondents suggested that the compensation should be paid every three

months (90 days). We do not consider that compensation payments should be provided at a rate of every 90 days.

- 6.43 We agree that smart metering issues should not be left unresolved for over a year, and this may result in a poor consumer experience. Therefore, we propose that compensation for consumers should be issued by energy suppliers for every six months that their smart meter continues not to operate in smart mode. This would continue to provide consumer compensation for as long as the meter remained non-communicating.
- 6.44 Therefore, our minded to position is to reduce the potential for re-occurrence of this Guaranteed Standard from one year to six months. We would also note that our minded to position is that the six-month period will commence from the date at which the supplier failed to achieve the original standard, and not from the day when the smart meter stopped communicating ("day 1"). Please see appendix one, regulation 9 (1A) Exemptions.
- 6.45 Some noted that existing regulations prevented a repeat payment being applied to the same instance. Regulation 9 Exemptions and limitations to supplier payment obligations, section (1) states, "where a supplier's failure to meet an individual standard of performance is continuing a supplier is not required to make more than one standard payment under regulation 8 (2) in respect of that failure."
- 6.46 We agree existing regulation wording prohibits a supplier from making recurring payments. However, we are minded to proceed with this proposal as in our view there is a continued detriment to a consumer from having a non-communicating smart meter that warrants the potential for more compensation. Our proposed drafting outlines the existing regulation 9 (1) would not be applicable for this Guaranteed Standard. Please see appendix one regulation 9 (1A) Exemptions and limitations to supplier payment obligations.

### **Implementation**



- 6.47 We noted that this regulation, if put into legislation, would be applicable to any non-communicating smart meter regardless of when it stopped communicating, or if it had never communicated. Therefore, smart meters that have been non-communicating for some time would be included.
- 6.48 We are minded to proceed with this approach; however, we are aware it could mean that on the day of implementation, should that arise, a number of meters would have already triggered the 90-day threshold. We therefore propose that “day 1” for any historic non-communicating smart meter would be the day of implementation, which would allow energy suppliers time to take any relevant action needed for this group of consumers.
- 6.49 Our aim is to proceed to a final decision before the end of this year and if appropriate, aim to implement the smart meter Guaranteed Standards in January 2026.
- 6.50 We are aware that our change in approach to this Guaranteed Standard increases the volume of smart meters in scope of potential compensation. However, it is our view that the data we have gathered through RFI’s in relation to our IA, includes these smart meters that haven’t been communicating for some time. The data is not necessarily fully reflective of the potential compensation at the point at which this standard could be implemented.
- 6.51 Our expectation is that, with new technologies being introduced, such as virtual WAN and 4G comms hubs, suppliers will have more tools at their disposal to help resolve non-communicating smart meters going forward. We note through our own compliance engagement there has been an overall decrease in the volume of non-communicating smart meters since that engagement began, and we expect this to continue.
- 6.52 Even though our view is that non-communicating meters will continue to reduce over time, we are minded to introduce this Guaranteed Standard over a longer timeframe. As noted by some respondents there can be multiple parties involved in the triaging and resolution process. In our view, implementing this Guaranteed Standard over a longer timeframe will enable suppliers and other industry parties to work together to tighten up

their processes, and gain efficiencies to enable better consumer outcomes, and prepare monitoring and reporting processes ahead of this standard coming into effect.

- 6.53 Our expectation is that energy suppliers should use this additional time to work with other parties to help drive the overall performance of the smart meter operational system, prior to the standard coming into effect. We would also expect energy suppliers to work with the primary provider of the smart meter network, the DCC, to tackle wider operational issues which will help drive positive outcomes for consumers. If energy suppliers are dissatisfied with performance outcomes, we consider there are industry processes to help review and facilitate improvements.
- 6.54 Our minded to position is to implement this Guaranteed Standard, should that be deemed appropriate at the final decision, from April 2026. As noted previously, the day of implementation will constitute day 1 for all existing non-communicating smart meters, at that point in time. Therefore, compensation will start from July 2026 onwards if we proceed with this approach. We are seeking views on this and welcome responses to question 11.

## **7. Non-Domestic**

This section outlines our original proposal on introducing these Guaranteed Standards in the non-domestic sector and our current position.

### **Questions**

- 13. Do you agree with the smart meter Guaranteed Standards applying to smart meters and microbusinesses only?
- 14. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) regarding microbusiness consumers?

### **Original proposal**

- 7.1 In our March consultation we proposed expanding the smart metering Guaranteed Standards into the non-domestic sector. We outlined that, although non-domestic meters represent only 6% of the smart meter rollout, they account for an estimated £1.5 billion in consumer benefits due to the sector's high energy savings potential.
- 7.2 In this context, recognising the importance of the non-domestic sector in achieving the benefits of smart metering and supporting the transition to net zero, we sought views on applying four proposed Guaranteed Standards to non-domestic premises. The proposed scope set out that these standards would apply to all Designated Premises and both SMETS and Advanced meters.
- 7.3 Our policy consultation also explored whether the compensation value of £40 could be tailored to reflect the characteristics of non-domestic consumers.

### **Summary of stakeholder feedback**

- 7.4 There was a reasonable degree of support for the proposals in the non-domestic sector overall, particularly with respect to extending the Guaranteed Standards to microbusiness and SMETS meters. This support

was consistent across energy suppliers, consumer bodies, and other industry parties.

- 7.5 Some respondents disagreed with the overall proposal to extend the Guaranteed Standards to the non-domestic sector. Most of the commentary on this regarded larger non-domestic meters and advanced meters.
- 7.6 Key concerns raised were in relation to larger business complexities of multi-site premises with higher volumes of meters under a portfolio, the varied nature of non-domestic customers and issues requiring tailored and case-by-case support, risk of gaming by Third Party Intermediaries (TPIs) and the more consideration required for nuances of the non-domestic sector in terms of business sizes and meter types.

## **Our position and proposal**

- 7.7 It is our minded to position, to proceed with our proposals for non-domestic consumers however, not at the scope set out in the original policy consultation.

### **Scope**

- 7.8 Most of the feedback on our non-domestic proposals centred around the scope of the proposals, specifically the potential complexities of extending the smart meter Guaranteed Standards to medium-larger non-domestic consumers, including those with advanced meters, given the potential technical considerations and cost implications. Many non-domestic respondents noted that medium-larger non-domestic consumers have different needs to domestic consumers.
- 7.9 Some of the points outlined where non-domestic needs and outcomes diverge from domestic, were in relation to,
- non-domestic sites having more complex metering arrangements, beyond single phase meters mostly in use in domestic premises

- additional requirements when facilitating appointments, including factors such as, health and safety, security, remote access, powering down the site
- non-domestic consumers using the services of TPIs, sometimes limiting direct contact between supplier and customer

As outlined, all of these points seemed mainly to relate to larger multi-site non-domestic premises.

- 7.10 After careful consideration, it is our view that the possible extension of these Guaranteed Standards to medium-larger non-domestic consumers and/or advanced meters, would need further assessment and stakeholder engagement.
- 7.11 However, we would highlight that some respondents clearly noted that the proposals would be more suitable for microbusinesses and we agree with feedback that there is value in progressing these standards for microbusiness consumers. We consider these Guaranteed Standards will help increase confidence in the microbusiness sector with smart meter installations, enhance the overall customer experience helping maximise the benefits of smart meters to this sector. Metering arrangements of microbusinesses are more similar to domestic consumers as energy suppliers must offer microbusinesses SMETS meters by default. There is also precedent for including microbusinesses within Guaranteed Standards of performance as it already exists in the Appointments regulation, where customer also means microbusiness customer.
- 7.12 Therefore, our minded to position is to amend the scope of each of the proposals, which will now be applicable to microbusinesses and SMETS meters only.
- 7.13 The wider Ofgem review on Guaranteed Standards of Performance will look at the non-domestic sector in more detail, and any further consideration of the possibility of any new or existing Guaranteed Standards applying to medium- larger non-domestic premises or other meter types, could be

explored through engagement in this workstream, over a longer timeframe. The feedback that has already been provided by stakeholders on the application of these proposed Guaranteed Standards to non-domestic customers, will be taken into account for the wider review.

**Smart meter installation availability & installation failures**

- 7.14 Some of the feedback noted that non-domestic consumers prefer longer time frames for appointments to allow relevant planning for their business operations to facilitate the meter exchange. However, we would note that should the needs of a microbusiness consumer determine that a longer timeframe for an appointment would be more suitable, the micro-business consumer can request a longer timeframe from the supplier should they wish to do so. There should be no obligation on the microbusiness consumer to accept the offer of an appointment within six weeks if this is not suitable for them. However, we consider it is important they are offered the same timescale as domestic consumers if they consider this to be something that suits their needs. Should they decline the offer of an appointment within six weeks, and request a longer timeframe, this would mean that they are not eligible for compensation. As long as the supplier offered the option of an appointment within six weeks, they have discharged the obligation.
- 7.15 Some feedback noted the additional issues non-domestic suppliers face when attending appointments. Similar to our view for domestic, the intention of the installation failure proposal is for the energy suppliers to have the right resources, skills and equipment, to have the ability to install the smart meter. If there are specific nuanced scenarios in the microbusiness sector that may result in the supplier not having the correct engineer with the correct skills or equipment, due to an issue they were unaware of prior to attending, then the existing wording should account for this, “as the supplier reasonably understands it.”
- 7.16 As we are amending regulation 3 Appointments, for the Guaranteed Standards relating to six-week first time installation appointments and failed installations, this regulation already states that “customer” also

means “microbusiness customer”, therefore it is our view that there is no need for any further amendment for these proposals. The definition of smart meter also does not contain any reference to Advanced meters.

**Investigating smart meter issues**

- 7.17 Most of the feedback seemed to centre on larger non-domestic premises and/or advanced meters. Some of the feedback was similar to domestic supplier feedback and appeared to go further in the process and outlined issues with resolving meters. As noted previously, the purpose of this proposal is for suppliers to determine the root cause of the issue and offer to confirm this in writing within 5 working days, not to fully resolve the operational issue itself. Therefore, we do not consider any specific exemption, or exceptions, would be needed in the context of microbusiness consumers with SMETS meters.
- 7.18 Some responses highlighted the risk of TPIs unduly using the Guaranteed Standard for their own gain, such as repeated contacts about the same issue. In our view, energy suppliers should be able to evidence their initial response (if was within 5 working days) which shows the obligation was met.
- 7.19 As this Guaranteed Standard is based on customer contact, our aim is to replicate what already exists in regulation 3 Appointments. Therefore, our minded to position is to also state the “customer” means “microbusiness customer” for regulation 4 Faulty meters and regulation 5 Faulty prepayment meters for the inserted smart meter regulations. To clarify, this amendment will not be applicable to the existing faulty meter regulations, i.e. “margins of error”, and will only be applicable to investigating smart meter issues. We consider this is the simplest method of applying microbusinesses to these regulations.

**Smart meters not operating in smart mode**

- 7.20 Similar to comments in other sections, most feedback seemed to centre around the application of this Guaranteed Standard to larger non-domestic premises, and/or advanced meters.

- 7.21 As the Guaranteed Standard on smart meters not operating in smart mode is a standalone regulation rather than the amendment of an existing one, we have considered the most appropriate way of applying this to microbusinesses with SMETS meters.
- 7.22 Whilst the application of this standard is applicable to both gas and electricity meters, the proposed wording of this standard applies to the “customers” meter. Therefore, we deem the most straight forward way of applying this Guaranteed Standard to microbusinesses is to link this to the definition of customer, similar to the other Guaranteed Standards.

### **Payment value**

- 7.23 Due to the change in approach to microbusinesses and smart meters only, our minded to position on the payment value for non-domestic is that we will **not** propose a differing value to the standard payment of £40.
- 7.24 In our view there is merit in assessing a higher payment value for microbusiness consumers within the context of all of the relevant Guaranteed Standards. As a result, we consider the wider Ofgem review on Guaranteed Standards will be a more appropriate channel for considerations in this area. This was also mentioned in some of the responses to the policy consultation. This will allow us to examine the issue of different payment levels more broadly across the underlying framework to ensure that a consistent approach is applied to all of the relevant Guaranteed Standards and customer groups, rather than specific to just smart metering.



## **8. Response, data and confidentiality**

### **Consultation stages**

#### **Stage 1**

Consultation opens 8/08/2025.

#### **Stage 2**

Consultation closes (awaiting decision). Deadline for responses 12/09/2025.

#### **Stage 3**

Responses reviewed and assessed

#### **Stage 4**

A final decision will be published which may contain the final Statutory Instrument if we consider it is appropriate

### **How to respond**

- 8.1 We want to hear from anyone interested in this consultation. Please send your response to [smartmetering@ofgem.gov.uk](mailto:smartmetering@ofgem.gov.uk).
- 8.2 We've asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 8.3 We will publish non-confidential responses on our website at [www.ofgem.gov.uk/consultations](http://www.ofgem.gov.uk/consultations).

### **Your response, your data and confidentiality**

- 8.4 You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 8.5 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the

confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

- 8.6 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see appendix three.
- 8.7 If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

### **General feedback**

- 8.8 We believe that consultation is at the heart of good policy development. We welcome any comments about how we've run this consultation. We'd also like to get your answers to these questions:
1. Do you have any comments about the overall process of this consultation?
  2. Do you have any comments about its tone and content?
  3. Was it easy to read and understand? Or could it have been better written?
  4. Were its conclusions balanced?
  5. Did it make reasoned recommendations for improvement?
  6. Any further comments?

Please send any general feedback comments to [stakeholders@ofgem.gov.uk](mailto:stakeholders@ofgem.gov.uk)

## How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the 'notify me' function on a consultation page when published on our website.

Choose the notify me button and enter your email address into the pop-up window and submit. [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations)

Notify me +

Would you like to be kept up to date with *Consultation* name will appear here? subscribe to notifications:

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Submit >

Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

**Upcoming** > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

## Appendices

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## **Appendix 1 – Draft Statutory Instrument**

Proposed modifications of the statutory instrument are set out below with insertions underlined in blue text and deletions shown in strikethrough (~~strikethrough~~) in red text. Please note this draft text is indicative of what the amended regulations will look like and are subject to change.

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### STATUTORY INSTRUMENTS

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#### **2015 No. 1544**

#### **The Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015**

*Made* - - - -

*11th July 2015*

*Coming into force - -*

*1st January 2016*

The Gas and Electricity Markets Authority (the “Authority”) makes the following Regulations in exercise of the powers conferred by sections 33A, 33AA, 33AB, 33D and 47 of the Gas Act 1986 (the “Gas Act”) and sections 39, 39A, 39B, 42A and 60 of the Electricity Act 1989 (the “Electricity Act”).

In accordance with section 33BAA(1)(a) of the Gas Act and section 40B(1)(a) of the Electricity Act, the Authority has considered the results of research to discover the views of a representative sample of persons likely to be affected by these Regulations.

In accordance with section 33BAA(1)(b), (2) and (3) of the Gas Act and section 40B(1)(b), (2) and (3) of the Electricity Act, the Authority has published a notice of its proposals and considered the representations made in respect of those proposals.

In accordance with section 33BAA(1)(c) and (4) of the Gas Act and section 40B(1)(c) and (4) of the Electricity Act, the Authority has consulted Citizens Advice and Citizens Advice Scotland, gas suppliers, electricity suppliers, and persons and bodies appearing to be representative of persons likely to be affected by these Regulations.

The Secretary of State has consented to the making of these Regulations in accordance with sections 33A(2), 33AA(2) and 33AB(5) of the Gas Act and sections 39(1), 39A(1) and 39B(5) of the Electricity Act.

### **Citation, commencement, transitional and savings provisions**

1.—(1) These regulations may be cited as the Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2016 and come into force on 1st January 2016.

(2) These Regulations are subject to the following transitional provisions—

- (a) regulation 3 (appointments) does not apply to any request for an appointment which is made before 1st January 2016;
- (b) regulations 4 and 5 (faulty meters and faulty prepayment meters) do not apply to any notification of a kind described in regulation 4(1) or 5(1) which is made before 1st January 2016; regulation 6 (reconnection) does not apply to any arrangements made between a customer and supplier in relation to reconnection where these arrangements are made before 1st January 2016;
- (c) regulation 8 (suppliers' payment obligations) does not apply to any payment which is received by a supplier from an electricity distributor or a gas transporter for onward transmission to the supplier's customer before 1st January 2016; and
- (d) the Schedule (standards of performance – practice and procedure for determinations) does not apply in respect of any dispute which is referred to the Authority before 1st January 2016.

(3) Where paragraph (2)(a), (b), (d) or (e) applies, the Electricity (Standards of Performance) Regulations 2015 or the Gas (Standards of Performance) Regulations 2005 continue to apply, as

applicable, as if they had not been amended by these Regulations.

(4) Where paragraph (2)(c) applies—

- (a) service 4 of the standards of overall performance determined by the Authority in December 2001 under section 33B of the Gas Act; or
- (b) service 2 of the standards of overall performance determined by the Authority in September 2002 under section 40 of the Electricity Act,

continues to apply, as applicable.

(5) For the purposes of paragraph (2)(d), “customer” has the meaning given in regulation 7(2).

## **General interpretation**

2. In these regulations—

“additional standard payment” has the meaning given in regulation 8(3);

“customer” means, except where otherwise provided for in these Regulations, domestic customer;

“distributed payment” has the meaning given in regulation 7(2);

“domestic customer” means a natural person supplied or requiring to be supplied with gas or electricity at domestic premises (but excluding such person insofar as they are supplied or require to be supplied with gas or electricity at premises other than domestic premises);

“domestic premises” means premises at which a supply of gas or electricity is taken or to be taken wholly or mainly for domestic purposes;

“Electricity Act” means the Electricity Act 1989;

“electricity meter” means a meter which conforms to the requirements of paragraph 2 of Schedule 7 to the Electricity Act [\(and includes a smart meter\)](#);

[“first-time smart meter appointment” means the first appointment a supplier attends for the purpose of installing a smart meter in a customer’s premises;](#)

“Gas Act” means the Gas Act 1986;

“gas meter” means a meter which conforms to the requirements of section 17(1) of the Gas Act [\(and includes a smart meter\)](#);

[“in-home display unit” means a device which is associated with or ancillary to a smart meter in a customer’s premises that is designed to display accurate real-time information about that customer’s energy consumption including tariff information and expenditure;](#)

[“individual standard of performance” means one of the standards of performance a supplier is required to meet under regulations 3 to 6D;]

“make a payment” includes crediting the account of a customer for charges incurred or to be incurred in respect of the supply of gas or electricity;

“meter” means a gas meter or an electricity meter;

“micro-business customer” means a customer (other than a domestic customer), which is a “relevant consumer” (in respect of premises other than domestic premises) for the purposes of article 2(1) of the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008;

[“new supplier” means a supplier who has[, or will have,] responsibility for the supply of electricity or gas to the customer after the transfer of the customer from the old supplier to the new supplier;]

“not operating as intended” in relation to a smart meter or an in-home display unit, means operating in a manner where—

- (a) the smart meter is not sending automatic meter readings either directly to a supplier, or using a smart meter communication service;
- (b) the customer receives an inaccurate bill as a result of the smart meter operating as described in paragraph (a);
- (c) the in-home display unit is not displaying accurate real-time information about the customer’s energy consumption, including tariff information and expenditure; or
- (d) in the case of a smart meter operating as a prepayment meter, the meter is operating in a mode where the customer is unable to pay remotely in advance for the consumption of gas or electricity through that meter;

[“old supplier” means a supplier who had responsibility for the supply of electricity or gas to the customer prior to the transfer of the customer to the new supplier;]

[“prepayment meter” means any meter operating in a mode that requires a customer to pay for the consumption of gas or electricity through that meter in advance of that consumption;]

“Smart meter” has the meaning given to it in paragraph (a) of that definition in section 4(6) of the Electricity Act and section 5(12) of the Gas Act;

“standard payment” has the meaning given in regulation 8(2);

“supplier” means a gas supplier or an electricity supplier;

[“supplier transfer” means in relation to any domestic premises at which a supplier is supplying gas or electricity, the transfer of responsibility for the supply of gas or electricity to a new supplier;]

[“last resort supply direction” means a direction given by the Authority to a supplier to take over responsibility for the supply of electricity or gas to customers of a failed supplier;]

[“valid contract” means a contract for the supply of electricity or gas by the supplier to the customer—

- (a) that has been entered into by the customer;
- (b) that relates to the premises for which the transfer has been made; and
- (c) for which the notice of cancellation of that contract has not been received by the new supplier in accordance with any relevant contractual term or applicable statutory provision;]

“working day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day that is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971; and



“working hours” means the period between 8am and 8pm on a working day and between 9am and 5pm on any other day.

(2) For the purposes of these Regulations—

(a) where more than one person is a customer (however defined for the purposes of any provision of these Regulations to which this paragraph applies) in respect of a particular premises by virtue of receiving a shared supply of gas or electricity through a shared meter, the supplier discharges its obligations in respect of all of those customers, so far as those obligations arise in relation to those premises, by fulfilling its obligations to any one of those customers; and

(b) any reference to a customer (however defined for the purposes of any provision of these Regulations to which this paragraph applies) includes any person who the supplier reasonably believes has authority to represent the customer (except where the reference to a customer relates to the entitlement to any payment due from a supplier under these Regulations).

## Appointments

3.—(1) This regulation applies where—

- (a) a customer requests that their supplier visits the customer’s premises, or a supplier requests permission to visit their customer’s premises;
- (b) the visit is in connection with activities that the supplier is required or authorised to carry out under its licence; and
- (c) the visit either requires access to the customer’s premises to be afforded to the supplier’s representative, or is a visit for which it would otherwise be reasonable to expect the customer to be present.

(1A) This regulation does not apply where the request in paragraph (1) is made by a customer for a first-time smart meter appointment; and—

- (a) a supplier reasonably concludes that a smart meter installed at the customer’s premises would not operate as intended in the manner set out in paragraph (a) of that definition in regulation 2; or
- (b) where the customer has refused the offer of a first-time smart meter appointment, or prevented access to a premises for the purpose of a first time-smart meter appointment.

(2) Where this regulation applies, the requirements on the supplier set out in paragraphs (3), (5), (7), (8) and (9) are each an individual standard of performance.

(3) The supplier must within a reasonable time offer the customer an appointment that—

- (a) is on a date that is itself within a reasonable time; and
- (b) takes place within a specified period of time that is—
  - (i) no more than 4 hours long; and
  - (ii) during working hours.

(4) Subject to paragraph (4A), in paragraph (3), reference to “within a reasonable time” means within a reasonable time of—

- (a) a request made by the supplier or the customer under paragraph (1)(a); or
- (b) a request to rearrange the appointment by the customer or the supplier.

(4A) Where the appointment is for a first-time smart meter appointment, reference to “within a reasonable time” in paragraph (3)(a) means on a date that is within the period of 30 working days beginning with—

- (a) the day on which the supplier or the customer requests the appointment; or
- (b) the day on which the supplier or the customer requests to rearrange the appointment.

(5) Subject to paragraph (6), where a supplier is required to offer a customer an appointment under this regulation and the customer requests that the appointment takes place on a particular date and time, the supplier must not unreasonably withhold agreement to that request.

(6) The supplier is not obliged to agree to an appointment under paragraph (5) that is to take place within a specified period of time that is—

- (a) less than 2 hours long; or
- (b) not during working hours.

(7) A supplier must not rearrange an appointment less than 1 working day prior to the date of the appointment without—

- (a) obtaining the express agreement of the customer to the rearrangement; and
- (b) retaining a written record of the basis of the customer’s agreement to the rearrangement.

(8) The supplier must keep an appointment offered in accordance with paragraph (3) and accepted by the customer, or agreed in accordance with paragraph (5) subject to—

- (a) any cancellation or requested rearrangement by the customer; or
- (b) any rearrangement by the supplier (and any such rearrangement must be in accordance with paragraph (7) where it occurs less than 1 working day prior to the date of the appointment).

(9) In keeping the appointment in accordance with paragraph (8), subject to paragraph (9A), the supplier must ensure that whoever represents it for that purpose possesses the necessary skills, experience and resources to fulfil the purpose of the appointment as the supplier reasonably understands it.

(9A) Where the purpose of the appointment is to install a smart meter, the requirements in paragraph (9) mean that a supplier must ensure that whoever represents it, must fulfil the purpose of the appointment.

(10) In this regulation, “customer” includes micro-business customer.

## **Faulty meters**

4. (1) This regulation applies where a customer notifies their supplier—

- (a) ~~a customer notifies their supplier~~ that the customer considers that a meter, through which the customer receives a supply of gas or electricity from the supplier, is operating outside the margins of error; ~~or~~
- (b) ~~a customer notifies their supplier~~ of matters relating to a meter, through which the customer receives a supply of gas or electricity from the supplier, that the supplier ought reasonably to expect to mean that the meter is operating outside the margins of error;.

- (c) that the customer considers that an in-home display unit or a smart meter is not operating as intended; or
  - (d) of matters relating to an in-home display unit or a smart meter, that the supplier ought reasonably to expect to mean that the in-home display unit or smart meter is not operating as intended.
- (2) This regulation does not apply where the meter through which the customer receives the supply of gas or electricity is a prepayment meter.
- (3) Where this regulation applies, the requirements on the supplier set out in paragraph (4)(a), (b) and (c) are each an individual standard of performance.
- (4) Within 5 working days of receiving a notification under paragraph (1)~~(a) or (b)~~, the supplier must—
  - (a) complete an initial assessment of—  
~~complete an initial assessment of whether the meter is operating outside the margins of error;~~
    - (i) in the case of a notification under paragraph (1)(a) or (b), whether the meter is operating outside of the margins of error; or
    - (ii) in the case of a notification under paragraph (1)(c) or (d), whether an in-home display unit or a smart meter is not operating as intended.
  - (b) take an appropriate action; and
  - (c) offer to confirm, in writing—
    - (i) the nature and outcome of that initial assessment and that appropriate action; and
    - (ii) in the case of a notification under paragraph (1)(a) or (b), the actions which the supplier will take to ensure that the customer is receiving the supply referred to in paragraph (1) through a meter operating within the margins of error and the timescale within which those actions will occur; or
    - (iii) in the case of a notification under paragraph (1)(c) or (d), the actions which the supplier will take to ensure that an in-home display unit or a smart meter is operating as intended, and the timescale within which that action will occur.
- (5) For the purposes of paragraph (4)—
  - (a) where—
    - (i) the supplier has advised a customer of a particular postal address that is appropriate for receipt of the information described in paragraph (1)~~(a) or (b)~~; and
    - (ii) the customer notifies the supplier of that information by post alone,  
the information is to be treated as received by the supplier when it is received at that particular postal address; and
  - (b) where notification is given to the supplier outside working hours, the period of time within which the individual standard of performance must be completed begins to run at the commencement of the next following period of working hours.

(5A) Where the provisions of this regulation relate to a notification under paragraph (1)(c) or (d), “customer” includes a micro-business customer.

- (6) In this regulation—

“appropriate action” means action which will assist the supplier to—

- (a) identify the cause of the customer’s meter operating outside the margins of error; ~~or~~
- (b) ensure that the customer is receiving the supply referred to in paragraph (1)(a) or (b) through a meter operating within the margins of error; or
- (c) identify the cause of the customer’s in-home display unit or smart meter not operating as intended.

“margins of error” means—

- (a) in relation to a gas meter, the standards or margins of error prescribed in the Gas (Meters) Regulations 1983(a) or the Measuring Instruments (Gas Meters) Regulations 2006(b), as applicable; or
- (b) in relation to an electricity meter, the prescribed margins of error or the agreed margins of error as defined by paragraph 13 of Schedule 7 to the Electricity Act or regulation 28(2)(b) of, and paragraph 15 of Schedule 1 to, the Measuring Instruments (Active Electrical Energy Meters) Regulations 2006(c), as applicable.

### Faulty prepayment meters

5. (1) This regulation applies where a customer notifies their supplier—
- (a) ~~a customer notifies their supplier~~ that the customer considers that a prepayment meter, through which the customer receives a supply of gas or electricity from the supplier, is faulty; ~~or~~
  - (b) ~~a customer notifies their supplier~~ of matters relating to a prepayment meter, through which the customer receives a supply of gas or electricity from the supplier, that the supplier ought reasonably to expect to mean that the meter is faulty; ~~or~~
  - (c) that the customer considers that an in-home display unit or a smart meter operating as a prepayment meter, is not operating as intended; or
  - (d) of matters relating to an in-home display unit or a smart meter operating as a prepayment meter, that the supplier ought reasonably to expect to mean that the in-home display unit or smart meter operating as a prepayment meter is not operating as intended.
- (2) Where this regulation applies, the individual standards of performance are—
- (a) the requirement on the supplier set out in paragraphs (3) and (4); and
  - (b) the requirement on the supplier set out in paragraph (5).
- (3) Where paragraph (1) applies and the customer has lost supply of gas or electricity from the meter, the supplier must take either of the steps set out in paragraph (4) within—
- (a) 3 hours on a working day; or
  - (b) 4 hours on any other day,
- of receiving a notification under paragraph (1).
- (4) The supplier must—
- (a) arrive at the customer’s premises to commence such work as appears necessary to ensure that the supply of gas or electricity is restored to the customer; or

- (b) where the supply of gas or electricity can be restored without a visit by the supplier to the customer's premises, commence such work as appears necessary to ensure that the supply of gas or electricity is restored to the customer.

(5) Where paragraph (1) applies and the customer has not lost supply of gas or electricity from the meter, the supplier must take an appropriate action within—

- (a) 3 hours on a working day; or
- (b) 4 hours on any other day,

of receiving a notification under paragraph (1).

(6) For the purposes of paragraphs (3) and (5)—

- (a) where—
  - (i) the supplier has advised a customer of a particular postal address that is appropriate for receipt of the information described in paragraph (1)(a) or (b); and
  - (ii) the customer notifies the supplier of that information by post alone, the information is to be treated as received by the supplier when it is received at that particular postal address; and
- (b) where notification is given to the supplier outside working hours, the period of time within which the individual standard of performance must be completed begins to run at the commencement of the next following period of working hours.

(6A) Where the provisions of this regulation relate to a notification under paragraph (1)(c) or (d), “customer” includes micro-business customer.

(7) In this regulation—

“appropriate action” means action which will assist the supplier to—

- (a) in the case of a notification under paragraph (1)(a) or (b)— confirm  
~~whether the customer's prepayment meter is faulty;~~
  - (i) confirm whether the customer's prepayment meter is faulty;
  - (ii) ~~(b)~~ restore the faulty meter to being a working meter; or
  - (iii) ~~(c)~~ replace the faulty meter with a working meter;
- (b) in the case of a notification under paragraph (1)(c) or (1)(d), identify the cause of the customer's smart meter operating as a prepayment meter, or in-home display unit, not operating as intended;

“faulty” in relation to a prepayment meter, means a meter which is not operating so as to permit a supply of gas or electricity to be given to a customer's premises in the manner for which that prepayment meter was designed;

... and

“working” in relation to a prepayment meter, means a meter which is operating so as to permit a supply of gas or electricity to be given to a customer's premises in the manner for which that prepayment meter was designed.

### **Smart meters not operating as intended**

5A.—(1) This regulation applies where a customer's smart meter is not operating as intended in the manner set out in paragraph (a) of that definition in regulation 2.

(2) This regulation does not apply where the reason for a smart meter not operating as intended in the manner set out in paragraph (a) of that definition in regulation 2 is that —

- (a) a customer has requested for or agreed to the smart meter to operate in that manner;
- (b) a smart meter installed at the customer's premises would not operate as intended in the manner set out in paragraph (a) of that definition in regulation 2 due to no technical solution being available; or
- (c) a customer has taken action that prevents a supplier from ensuring the smart meter operates as intended.

(3) Where this regulation applies, the individual standard of performance is the requirement on the supplier set out in paragraph (4).

(4) Subject to paragraph (5), a supplier must ensure that the smart meter resumes operating as intended within 60 working days, beginning with the day after the smart meter is not operating as intended.

(5) Where the smart meter is not operating as intended for a reason involving or relating to a smart meter communication service—

- (a) the supplier must notify the holder of the smart meter communication licence of the failure the day after the smart meter is not operating as intended; and
- (b) the supplier must ensure that the smart meter resumes operating as intended within 80 working days, beginning with the day after the smart meter is not operating as intended.

(6) In this regulation, "customer" includes micro-business customer.

### **Reconnection**

**6.** —(1) This regulation applies where a supplier has disconnected the supply of gas or electricity to a customer's premises as a result of any non-payment of gas or electricity charges by the customer and—

- (a) the customer has—
  - i. paid the relevant charges;
  - ii. paid the reasonable expenses of disconnection and of re-connecting the supply of gas or electricity; and
  - iii. given a security deposit, if requested by the supplier in accordance with the relevant condition of a licence granted under section 7A of the Gas Act or section 6 of the Electricity Act; or
- (b) the customer and the supplier have agreed a repayment plan in relation to the relevant charges.

(2) Where this regulation applies, the individual standard of performance is the requirement on the supplier set out in paragraph (3).

(3) Within 24 hours of the earlier of the events referred to in paragraph (1)(a) or (b), the supplier must have reconnected the supply of gas or electricity to the customer's premises.

(4) For the purposes of paragraph (3), where the events referred to in paragraph (1)(a) or (b) occur outside working hours, the period of time within which the individual standard of performance must be completed begins to run at the commencement of the next following period of working hours.

**[Obligation to complete a supplier transfer]**

**6ZA.**—(1) [This regulation applies where a customer requests a supplier transfer.

(2) This regulation does not apply where the supplier transfer cannot be completed because—

- (a) the customer notifies the new supplier that they do not wish the supplier transfer to take place;
- (b) a previous supplier transfer is being processed in relation to the same meter point; or
- (c) the customer's current supplier objects to the supplier transfer.

(3) Where this regulation applies the new supplier must complete the supplier transfer—

- (a) [where the customer has requested that the new supplier begin the supply before the end of the cooling off period, within the period of 5 working days beginning with the day of receipt by the new supplier of sufficient information to—

- (i) confirm the supplier transfer relates to the customer who requested it, and
  - (ii) identify the meter point or meter points to which the supplier transfer request relates;]

- (b) where the customer has requested a supplier transfer takes [place] on a date after the end of the period referred to in sub-paragraph (a), on the date requested; . . .

- (c) where the customer has existing debt on a prepayment meter and the new supplier agrees to be assigned that debt, within the period of 15 working days beginning with the day of that assignment being agreed between the old and new supplier, but no later than 32

working days from receipt by the new supplier of the information in sub-paragraph (a)(i) and (ii)  
[or,

- (d) where the customer has not requested that the new supplier begin the supply before the end of the cooling off period, within the period of 5 working days beginning with the day on which the latest of the following events occurs—

- (i) receipt by the new supplier of sufficient information to confirm the supplier transfer relates to the customer who requested it,
  - (ii) receipt by the new supplier of sufficient information to identify the meter point or meter points to which the supplier transfer request relates, and
  - (iii) expiry of the period of 14 days beginning with the day on which the customer and new supplier entered into the contract].]

(4) [In this regulation—

- (a) where the customer enters into a contract with the new supplier after 5pm on a working day, a reference to “5 working days” is to be read as “6 working days”; and
- (b) “cooling off period” means the period of time after entering into a contract with a new supplier

within which that customer may cancel the contract in accordance with any relevant contractual term or applicable statutory provision.]

**[Avoidance of erroneous transfers]**

**6ZB.**—(1) [This regulation applies where a new supplier proposes to complete a supplier transfer.

(2) This regulation does not apply where a customer is transferred to a supplier appointed by the Authority following a last resort supply direction being given within 21 working days of an agreement reached in accordance with regulation 6C(1)(b).

(3) Where this regulation applies the new supplier must only complete a supplier transfer where there is a valid contract with the customer who is subject to the supplier transfer.

(4) For the purposes of this regulation, failure to meet the standard of performance in paragraph (3) is determined when the old supplier and the new supplier have agreed that the customer has been transferred without a valid contract.]

**[Identification of erroneous transfers]**

**6A.**—(1) [This regulation applies where a customer notifies their old supplier or their new supplier that the customer believes that they have been transferred without a valid contract with the new supplier.

(2) This regulation does not apply where a customer is transferred to a supplier appointed by the Authority following a last resort supply direction being given within 20 working days of notification described in paragraph (1).

(3) Where this regulation applies, the old supplier and the new supplier must within 20 working days of the customer notification, agree whether the customer has been transferred without a valid contract.

(4) For the purposes of paragraph (1)—

(a) where—

(i) the supplier has advised a customer of a particular postal address that is appropriate for receipt of the notification described in paragraph (1); and

(ii) the customer notifies the supplier of that information by post alone, the information is to be treated as received by the supplier when it is received at that particular postal address; and

(b) where notification is given to the supplier outside working hours, the period of time within which the individual standard of performance must be completed begins to run at the commencement of the next following period of working hours.]

**[Investigation of erroneous transfers]**

**6B.**—(1) [This regulation applies where a customer has notified the old supplier or new supplier that the customer believes the customer has been transferred without a valid contract.

(2) This regulation does not apply where a customer is transferred to a supplier appointed by the Authority following a last resort supply direction being given within 20 working days of notification described in paragraph (1).



(3) Where paragraph (1) applies, the supplier who initially receives the notification from the customer within 20 working days of that customer notification must take either of the steps set out in subparagraphs (a) or (b)—

- (a) where the old supplier and new supplier have agreed that the customer has been transferred without a valid contract, provide written confirmation that the customer will be returned to their old supplier; or
- (b) provide the customer with a written statement confirming the outcome of the investigations carried out by the old supplier and new supplier.]

**[Resolution of erroneous transfers]**

**6C.—**(1) [This regulation applies where—

- (a) a customer has notified the old supplier or new supplier that the customer believes the customer has been transferred without a valid contract; and
- (b) the old supplier and new supplier have agreed that the customer has been transferred without a valid contract.

(2) This regulation does not apply where a customer is transferred to a supplier appointed by the Authority following a last resort supply direction being given within 21 working days of the agreement described in paragraph (1)(b).

(3) Where paragraph (1) applies, the old supplier must within 21 working days of the agreement referred to in paragraph (1)(b), re-register the customer with the old supplier.]

**[Provision of a final bill]**

**6CA.—**(1) [This regulation applies where a supplier no longer has responsibility for the supply of electricity or gas to the customer where—

- (a) a customer transfers to another supplier under a valid contract; or
- (b) a supplier's responsibility for the supply of electricity or gas to the customer has otherwise terminated.

(2) This regulation does not apply where responsibility for the supply of electricity or gas to a customer transfers from one supplier to another supplier without a valid contract.

(3) Where this regulation applies in circumstances where a customer transfers to another supplier under a valid contract, the old supplier must within 6 weeks of the supplier no longer having responsibility for the supply of electricity or gas, issue the customer's final bill.

(4) Where this regulation applies in circumstances where a supplier's responsibility for the supply of electricity or gas to the customer has otherwise terminated, that supplier must issue the customer's final bill within 6 weeks of the later of the date on which—

- (a) the supplier no longer has responsibility for the supply of electricity or gas; or
- (b) the supplier is notified of no longer having responsibility for the supply of electricity or gas.]

**[Credit balances]**

**6D.—**(1) [This regulation applies where—

- (a) a supplier no longer has responsibility for the supply of electricity or gas to the customer where—
  - (i) a customer transfers to another supplier under a valid contract; or
  - (ii) a supplier’s responsibility for the supply of electricity or gas to the customer has otherwise terminated.

(2) This regulation does not apply where responsibility for a supply of electricity or gas to a customer transfers (from one supplier to another) without a valid contract.

(3) Where paragraph (1) applies, a supplier must within 10 working days of issuing a customer’s final bill, or if applicable, corrected final bill, refund any outstanding credit balance to the customer.

(4) For the purposes of paragraph (3), where a supplier is to issue the refund by cheque, a supplier must dispatch the cheque in good time such that the customer will receive the refund within 10 working days of the issue of the customer’s final bill, or if applicable, corrected final bill.

(5) In this regulation—

“corrected final bill” means any final bill issued that makes corrections to the previously issued final bill.]

**Distributed Payments**

**7. —**(1) When a supplier receives a distributed payment for onward transmission to the supplier’s customer, the supplier must relay the distributed payment to that customer within 10 working days of receipt of the distributed payment.

(2) In this regulation—

“customer” means any person who is supplied or requires to be supplied with gas conveyed through pipes or with electricity at premises which that person owns or occupies; and

“distributed payment” means a payment to be made by—

- (a) a gas transporter to a customer—
  - (i) in fulfilment of an obligation imposed on it by regulations made under section 33AA of the Gas Act; or
  - (ii) following a determination by the Authority under section 33AB of the Gas Act; or
- (b) an electricity distributor to a customer—
  - (i) in fulfilment of an obligation imposed on it by regulations made under section 39A of the Electricity Act; or
  - (ii) following a determination by the Authority under section 39B of the Electricity Act.

**Suppliers’ payment obligations**

8. —(1) [A supplier must meet each individual standard of performance set out in regulations 3 to 6D].
- (2) If a supplier fails to meet any individual standard of performance it must, for each such failure, make a payment of [£40] (a “standard payment”) to the customer who is affected by the failure within 10 working days of the supplier’s initial failure to achieve the relevant individual standard of performance.
- (3) If a supplier—
- (a) fails to make a standard payment in accordance with paragraph (2); or
  - (b) fails to relay a distributed payment in accordance with regulation 7(1),
- it must, for each such failure, make a payment of [£40] (an “additional standard payment”) to the customer who is affected by the failure within 10 working days of that failure.
- (4) The obligation to make an additional standard payment under paragraph (3) is additional to the obligation to make a standard payment under paragraph (2) or relay a distributed payment under regulation 7(1).
- (5) In relation to any premises at which more than one person is a customer, a standard payment, distributed payment or additional standard payment to any of the customers in respect of those premises is a complete discharge of the supplier’s obligation to make the payment in question to all the customers of the premises.
- (6) Nothing in, or done by a supplier in consequence of, these Regulations determines who is beneficially entitled to any payment made under these Regulations.
- (7) Where a customer requests that a payment actually or potentially due to be made to the customer under these Regulations is made by a particular payment method, the supplier must not unreasonably withhold agreement to make the payment to the customer by that method.
- (8) This regulation is subject to regulation 9 (exemptions and limitations to supplier payment obligations).
- (9) In this regulation, “customer”—
- (a) includes micro-business customer in the application of this regulation to an individual standard of performance in regulation 3 (appointments), [regulation 5A \(smart meters not operating as intended\), and where specified in regulation 4 \(faulty meters\) and regulation 5 \(faulty prepayment meters\)](#); and
  - (b) means, in the application of this regulation to any failure of a supplier to relay a distributed payment under regulation 7 (distributed payments), any person who is supplied or requires to be supplied with gas conveyed through pipes or electricity at premises which that person owns or occupies.

### **Exemptions and limitations to supplier payment obligations**

9. —(1) [Subject to regulation 9\(1A\)](#), ~~W~~where a supplier’s failure to meet an individual standard of performance is continuing, a supplier is not required to make more than one standard payment under regulation 8(2) in respect of that failure.

[\(1A\) Beginning with the day after the period mentioned in regulation 5A\(4\) or \(5\) expires, the supplier is required to make a standard payment under regulation 8\(2\) for every continuous period of 120](#)

[working days during which a smart meter is not operating as intended in the manner set out in paragraph \(a\) of that definition in regulation 2.](#)

- (2) Where a supplier's failure to make a standard payment under regulation 8(2) or relay a distributed payment under regulation 7(1) is continuing, the supplier is not required to make more than one additional standard payment under regulation 8(3) in respect of that failure.
- (3) A supplier is not obliged to make a standard payment under regulation 8(2) or an additional standard payment under regulation 8(3), as applicable, if—
- (a) there is a genuine dispute between the supplier and the customer as to whether the supplier is obliged to make the standard payment or the additional standard payment;
  - (b) the customer notifies the supplier that the customer does not wish the supplier to take any action, or any further action, in relation to the matter and the notification occurs before the time when the supplier would have failed to meet the individual standard of performance had the notification in question not occurred;
  - (c) the supplier reasonably considers that the following matters are frivolous or vexatious—
    - (i) [the notification given by the customer to the supplier under regulation 4(1), 5(1) or 6A(1); or]
    - (ii) the request made by the customer under regulation 3(1);
  - (d) the customer has—
    - (i) committed an offence under paragraph 10 or 11 of Schedule 2B to the Gas Act(a) or under paragraph 6 of Schedule 6 to, or paragraph 11 of Schedule 7 to, the Electricity Act(b); or
    - (ii) failed to pay any charges due to the supplier after receiving notice under paragraph 7(3) of Schedule 2B to the Gas Act(c) or paragraph 2(2) of Schedule 6 to the Electricity Act, and the action taken or not taken by the supplier was in exercise of its powers under the relevant paragraph; or
  - (e) it was not reasonably practicable for the supplier to meet the individual standard of performance before the contravention time as a result of—
    - (i) severe weather conditions;
    - (ii) the act or default of a person who is not an officer, employee or agent of the supplier and who is not a person acting on behalf of an agent of the supplier; [except in a case where the supplier is not meeting the individual standard of performance in regulation 5A\(4\);](#)
    - (iii) the inability of the supplier to obtain any necessary access to any premises;
    - (iv) the existence of circumstances by reason of which the supplier could reasonably expect that, if it took the action required by the regulation in relation to which the standard payment or additional standard payment is due, it would or would be likely to be in breach of an enactment;
    - (v) the effects of an event for which emergency regulations have been made under Part 2 of the Civil Contingencies Act 2004(a); or
    - (vi) other circumstances of an exceptional nature beyond the control of the supplier, and the supplier has complied with the requirements set out in paragraph (4).

(3A) Where in the application of regulation 3(4A) a supplier has made a first standard payment under regulation 8(2), the supplier is not required to make a standard payment for 30 working days beginning with the day the customer requests a first-time smart meter appointment, if the reason for the supplier not meeting the individual standard is due to the supplier being unable to offer a first-time smart meter appointment within 30 working days.

(4) In the event of any of the circumstances set out in paragraph (3)(e)—

- (a) the supplier must, prior to the contravention time, have taken all such steps as were reasonable to—
  - (i) prevent the circumstances from occurring (other than the circumstances in paragraph (3)(e)(i) or (v)); and
  - (ii) prevent the circumstances from having the effect that it was not reasonably practicable for the supplier to meet the individual standard of performance in question; and
- (b) when the action required by the individual standard of performance is the keeping of an appointment in accordance with regulation 3 (appointments) or attending the customer's premises in fulfilment of any obligations under regulation 4 or 5 (faulty meters and faulty prepayment meters), the supplier must—
  - (i) if practicable to do so before the contravention time, explain why the supplier is unable to keep the appointment or attend the premises; or
  - (ii) if not practicable to do so before the contravention time, explain as soon as reasonably practicable after the contravention time why the supplier was unable to keep the appointment or attend the premises.

(5) A supplier is not obliged to make a standard payment following failure to meet any individual standard of performance set out in regulation 3 (appointments)—

- (a) when the appointment is for the purpose of responding to a notification given under regulation 5(1) (faulty prepayment meters) or where it relates to the events referred to in regulation 6(1) (reconnection); or
- (b) when the appointment is wholly or mainly in connection with disconnecting the premises in exercise of the power contained in paragraph 7 of Schedule 2B to the Gas Act or in paragraph 2 of Schedule 6 to the Electricity Act(b).

(6) Where an appointment is agreed in accordance with regulation 3 (appointments) for more than one purpose, the supplier is not, in respect of that appointment, required to make more than one standard payment in respect of any failure to meet a relevant individual standard of performance under regulation 3.

(7) A supplier is not obliged to make a standard payment following a failure to meet any individual standard of performance set out in regulation 4 (faulty meters) or 5 (faulty prepayment meters) if it is necessary to attend the customer's premises in order to achieve the standard of performance and the customer has asked the supplier not to do so.

(7A) [A supplier is not obliged to make a standard payment following failure to meet the individual standard of performance under regulation (6B)(3)(a) or (6B)(3)(b), where the supplier can demonstrate that the written confirmation or written statement was sent within a reasonable time to meet the individual standard of performance but—

- (a) the customer provided the supplier with an inaccurate or incomplete postal address, where the

written confirmation or written statement is to be sent by post; or

- (b) the customer provided the supplier with incomplete or inaccurate details for receipt where the written confirmation or written statement is to be sent by electronic communication.

(7AA) [A supplier is not obliged to make a standard payment following failure to meet the individual standard of performance under regulation 6ZB, where—

- (a) a customer has withdrawn a request for a supplier transfer after the supplier transfer has completed —
  - (i) in accordance with any term in the contract between the new supplier and the customer, or
  - (ii) by virtue of any enactment, or (b) having agreed with the old supplier that the customer has been transferred without a valid contract in accordance with regulation 6C(1), the new supplier reasonably believes this is as a result of fraudulent activity by that customer.

(7AB) A new supplier is not obliged to make an additional standard payment under regulation 8(3) following a failure to make a standard payment under regulation 8(2) after failing to meet the individual standard of performance under regulation 6A or 6ZB, where—

- (a) the new supplier has insufficient contact details for the customer who has been transferred to the new supplier without a valid contract, and that new supplier can demonstrate that it has used reasonable endeavours to obtain sufficient contact details for that customer in order to make the standard payment; or
- (b) the customer who has been transferred from one supplier to another without a valid contract provided the new supplier with an inaccurate or incomplete—
  - (i) postal address, where the standard payment is to be sent by cheque in the post; or
  - (ii) electronic payment details, where the standard payment is to be made by electronic transfer.

(7AC) The old supplier is not obliged to make a standard payment following failure to meet the individual standard of performance under regulation 6CA where—

- (a) there is an ongoing formal dispute between the old supplier and the customer, regarding billing that customer;
- (b) the customer did not provide a postal address to which to issue the final bill and the old supplier has no alternative electronic address to which to issue the final bill for that customer;
- (c) the final bill was issued by the old supplier but not received by the customer because the customer provided the old supplier with an inaccurate or incomplete—
  - (i) postal address, where the final bill was issued by post; or
  - (ii) electronic address, where the final bill was issued by electronic communication; or
- (d) the final bill is in respect of a customer who was transferred to the old supplier appointed by the Authority following a last resort supply direction being given within the 3 months prior to the date on which the old supplier no longer had responsibility for the supply of gas or electricity.]

(7B) A supplier is not obliged to make a standard payment following failure to meet any individual standard of performance set out in regulation 6D as applicable if—

- (a) there is a formal dispute between the supplier and the customer, and that process is still ongoing, as to—
  - (i) the amount of the credit balance due, or

- (ii) the method for refunding the credit balance;
- (b) where the credit balance is to be refunded by cheque—
  - (i) the supplier can demonstrate that the cheque was dispatched within a reasonable time to meet the individual standard of performance but the customer provided the supplier with inaccurate or incomplete postal address;
- (c) there is otherwise a delay in refunding the credit balance due to events outside of the supplier's control.]
- (8) In this regulation—
  - “contravention time” means the time at which, if this regulation did not apply, the supplier would become liable to make the standard payment or additional standard payment to the customer;
  - “customer”—
    - (a) includes micro-business customer in the application of this regulation to an individual standard of performance in regulation 3 (appointments), [regulation 5A \(smart meters not operating as intended\), and where specified in regulation 4 \(faulty meters\) and regulation 5 \(faulty prepayment meters\)](#); and
    - (b) means, in the application of this regulation to any failure of a supplier to relay a distributed payment under regulation 7 (distributed payments), any person who is supplied or requires to be supplied with gas conveyed through pipes or electricity at premises which that person owns or occupies; and
  - a “genuine dispute” does not exist between the supplier and the customer as to whether the supplier is obliged to make a standard payment or an additional standard payment, unless the supplier believes, on reasonable grounds, that it is not obliged to make the standard payment or the additional standard payment.

### **Statement of obligations**

- 10.—**(1) Whenever circumstances arise to which any individual standard of performance applies in relation to a customer, the supplier must notify the customer promptly of the applicable individual standard of performance.
- (2) A supplier must prepare and from time to time revise a statement describing—
    - (a) the requirements of regulations 3 to 9; and
    - (b) the matters set out in paragraphs (3) and (4), as applicable.
  - (3) If the supplier is a gas supplier, the supplier must describe—
    - (a) any standards of performance applying to gas transporters which are prescribed under section 33AA of the Gas Act or determined under section 33BA(a) of that Act; and
    - (b) the effect of section 33A(5) of that Act.
  - (4) If the supplier is an electricity supplier, the supplier must describe—
    - (a) any standards of performance applying to electricity distributors which are prescribed under section 39A of the Electricity Act or determined under section 40A(a) of that Act; and

(b) the effect of section 39(4) of that Act.

(5) The statement must be in plain and intelligible language and have a form and content that a supplier could reasonably expect to be within the understanding of customers to whom the statement relates.

(6) A supplier must ensure that the statement is at all times readily accessible on its website.

(7) Upon request from a customer or potential customer, a supplier must provide the statement in such format as the customer or potential customer may reasonably request.

(8) An electricity supplier must, at least once in any period of 12 months, send to any of its customers who are the subject of a distributor request a notice of electricity interruption and restoration standards.

(9) In this regulation—

“customer”—

(a) in relation to paragraph (1), includes micro-business customer;

(b) in relation to paragraphs (5) and (7), means any person who is supplied or requires to be supplied with gas conveyed through pipes or electricity at premises which that person owns or occupies;

“distributor request” means a request from an electricity distributor to a supplier that the supplier forward a copy of that distributor’s current notice of electricity interruption and restoration standards to one or more identified customers of the supplier; and

“notice of electricity interruption and restoration standards” means a notice prepared by an electricity distributor describing the standards of performance applying to electricity distributors which are prescribed under section 39A of the Electricity Act and which relate to supply interruption and restoration.

## **Dispute resolution**

**11.** The Schedule (standards of performance – practice and procedure for determinations) sets out the practice to be followed in connection with the determination of any dispute under section 33A of the Gas Act, section 39 of the Electricity Act, or any provision of these Regulations, which is referred to the Authority for determination under section 33AB(1) of the Gas Act or section 39B(1) of the Electricity Act.

## **Amendment of the Gas (Standards of Performance) Regulations 2005**

**12.** The Gas (Standards of Performance) Regulations 2005(b) are amended as follows—

(a) in regulation 3 (interpretation)—

i. for the definition of “relevant operator”(c) substitute—

““relevant operator” means the relevant gas transporter or the gas transporter according to the circumstances of the relevant customer’s case;”

ii. omit the definitions of “appropriate meter”, “margins of error” and “specified time”;



- (b) for the heading of Part 2 (Gas supplier's and gas transporter's individual standards of performance), substitute "Gas transporter's individual standards of performance";
- (c) omit regulations 4, 5, 6, 12(1) and (3), 14, 15(1), (3) and (4) and 16;
- (d) in regulation 13(4) (exemptions), for the words "regulation 6(1) or 10(1)(d)", substitute "regulation 10(1)(d)";
- (e) for the heading of Schedule 1, Part 1 (Prescribed periods and prescribed sums applicable to all gas suppliers and gas transporters), substitute "Prescribed Periods and Prescribed Sums Applicable to all Gas Transporters"; and
- (f) in Schedule 1, Part 1, omit the entries in the table in relation to regulations 4(2), (4)(a) and (4)(b), 5(3), 6(2) and (3) and 12(3).

#### **Amendment of the Gas (Standards of Performance) (Amendment) Regulations 2008**

**13.** The Gas (Standards of Performance) (Amendment) Regulations 2008(a) are amended as follows—

- (a) omit regulation 2(2)(n);
- (b) omit regulation 11; and
- (c) in regulation 12(2), omit the entries in the table in relation to regulations 4(2), (4)(a) and (4)(b), 5(3), 6(2) and (3) and 12(3) of the Gas (Standards of Performance) Regulations 2005.

#### **Amendment of the Electricity (Standards of Performance) Regulations 2015**

**14.** The Electricity (Standards of Performance) Regulations 2015(b) are amended as follows—

- (a) in regulation 3(1) (General interpretation)—
  - i. omit the definition of "margins of error"; and
  - ii. for the definition of "relevant operator", substitute—

““relevant operator” means the relevant electricity distributor or the electricity distributor”;
- (b) omit regulations 14, 15, 16, 17(3)(a) and (4)(a), 19(3) and (6), 22(2), (4) and (5) and 23;
- (c) in regulation 17(6)(b) (appointments), for the words “11, 13, 15 or 16”, substitute “11 or 13”;
- (d) in regulation 20(4) (exemptions), for the words “regulation 13(1), 14(1) or 15(1)”, substitute “regulation 13(1)”;
- (e) in regulation 21 (timing of notification), for the words “regulations 13, 14 and 15”, substitute “regulation 13”; and
- (f) in Schedule 2 (data for the purpose of calculating payments), omit the entries in the table in relation to regulations 14(2)(a), (2)(b) and (2)(c), 15(2), (4)(a) and (4)(b), 16(3), 17(3)(a) and (4)(a) and 19(6).



## **Appendix 2 - Summary of responses to policy questions**

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

Most respondents agreed that the 2015 regulations should be updated to include smart meters. Consumer groups were a key supporter, citing the need to future-proof regulations and ensure clear interpretations over the long term. They also highlighted the need for suppliers to provide clear and accessible information about the Guaranteed Standards, including on the process to claim compensation. A few energy suppliers disagreed with the proposal, claiming that existing regulations are sufficient. Other stakeholders, including non-domestic suppliers, said regulations should remain unchanged for the non-domestic market.

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

Consumer groups called for additional consumer protection measures, including increased compensation values and safeguards for those facing financial difficulties. They also emphasised the need for clear definitions of non-functioning smart meters and faulty meters.

There was some agreement amongst mixed and domestic energy suppliers that if Guaranteed Standards were updated to only apply to smart metering, then this could potentially apply to appointments, faulty meters and faulty pre-payment meters. There was limited agreement amongst non-domestic suppliers that the definitions and general interpretations should be updated to reflect smart metering.

Other stakeholders also supported updating the regulations to reflect smart metering, stressing the importance of providing clear definitions of meters, appointment settings, and differing faults. They suggested explicit references to smart meters and IHDs within the general interpretation section to eliminate ambiguity regarding the application of the standards.

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

Energy suppliers generally agreed, with some raising concerns about the lack of post-2025 policy. A few suppliers suggested the exclusion of remote locations, where placing engineers permanently can become costly. Non-domestic suppliers noted that the proposal does not reflect the operational realities of the non-domestic market. Other stakeholders said that timeframes should account for public holidays, and regulations should not penalise suppliers in busy periods, such as over Christmas. Some consumer groups agreed, noting that the focus should be on successful installs, rather than timescale.

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

Energy suppliers had a mixed view. Amongst those who agreed, they proposed some exclusions, such as for remote and rural areas. Those who disagreed claimed that there is a lack of clarity around when the timeframe begins. A few suppliers said that this is not suitable for the non-domestic market, with some suggesting a longer timeframe of 8-10 weeks. Consumer groups generally agreed, noting that this would incentivise suppliers to meet demand.

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

Energy suppliers generally agreed, noting that meeting a minimum appointment threshold would induce a significant cost to consumers. Some suppliers noted the six-week timeframe is inappropriate for the non-domestic market, whilst others expressed concerns about a two-tier system prioritising first-time installs.

Consumer groups widely disagreed, highlighting neglect of existing customers and the need for reliable smart meters for financially vulnerable customers. Some suggested updates to standards for operational faults and exemptions for replacement appointments.

**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?**

Energy suppliers generally agreed, with a few noting that the definition of "technically eligible" should be clarified, and that eligibility should be consistent with Ofgem's wider

smart rollout criteria. There were also suggestions for exemptions in situations where there is no WAN, or where a customer or third party needs to take action.

Consumer groups widely agreed, also noting that Ofgem should more clearly define eligibility criteria. They claimed that the term "technically eligible" is too ambiguous, and may result in a second tier of customer to energy suppliers, who may end up concentrating on more straightforward installations. A few consumer groups suggested that customers should be informed as to why an installation is not possible.

Other stakeholders had mixed views, with one organisation stating that the standard should apply to all, and another saying that third party arrangements should not be applied to the standard.

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

Energy suppliers suggested several exemptions, particularly for non-domestic consumers, complex metering sites, and areas with connectivity issues. They also noted that the non-domestic market faces longer lead times due to complex site access and questioned the applicability of Guaranteed Standards to this sector. One supplier suggested that the standard should only apply to customers who have been with their energy supplier for at least six weeks, and another said that meter shortages due to supply chain issues should be exempt.

Consumer groups focused on ensuring that exemptions do not unfairly impact vulnerable consumers, such as those with low income or in rented accommodation. They also suggested considering unexpected extreme weather or global events.

Other stakeholders proposed methods for applying exemptions due to unforeseen circumstances and emphasised that the Guaranteed Standards are not suitable for the non-domestic sector.

**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?**

Consumer groups were largely in favour, noting that quarterly compensation should be provided if the fault remains, and one-off payments should be made in other circumstances. They highlighted that the proposal would serve as a strong incentive for suppliers to resolve issues quickly.

Energy suppliers widely disagreed, noting that there is a lack of evidence that this would improve consumer outcomes, and called for further clarification on exemptions for circumstances outside suppliers' control. Some claimed that the measure is "unfairly punitive" towards suppliers, noting that the non-domestic sector may require extended lead times as remote and hazardous sites can be more complex, and therefore imposing time constraints with financial penalties is unreasonable.

Other groups said that offering compensation every six weeks may be unfair due to the potential administration of the process and noted that the proposal might lead to excess meter removals.

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

Energy suppliers highlighted the need for clear definitions and consideration of scenarios outside of their control. They emphasised the complexity of the non-domestic sector, noting that large multisite contracts and remote locations could lead to unfair compensation triggers. Suppliers also raised concerns about potential perverse incentives and called for a 'reasonable steps' basis for compensation, ensuring that efforts made by suppliers are recognised.

Consumer groups focused on the potential negative impact of delays on vulnerable consumers, such as those in social housing or facing financial difficulties. They recommended clearer guidance on compensation eligibility and suggested that Ofgem removes disincentives suppliers face in remote installations.

Other stakeholders raised concerns about the applicability of the Guaranteed Standards to the non-domestic sector and the potential indirect penalties for Meter Asset Providers (MAPs) via contractors. They suggested that exemptions should be considered for unforeseen circumstances and emphasised the importance of aligning revised standards with the broader incentive regime.

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

Energy suppliers had mixed views. Those who agreed urged Ofgem to provide an exhaustive list of failures in the final regulation, to ensure transparency and fairness.

Other energy suppliers claimed that this is already covered by existing regulations, and also claimed that the proposal is not suited to the non-domestic market.

Consumer groups raised concerns that the proposal allows suppliers a significant degree of interpretation, enabling them to avoid paying compensation. They also agreed that for consumers, it is not relevant if failures are due to suppliers or the DCC, and called for energy suppliers to take the lead in fitting smart meters and raising issues to the DCC.

Other groups also called for clarity in defining what is in, and not within a suppliers control.

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

Energy suppliers noted that scenarios are only within their control if the customer informs them. They highlighted the operational realities of the non-domestic market, where achieving the proposed standards is often unfeasible. Suppliers also mentioned that control should relate to what they reasonably expect the job to entail, and appointments may fail due to remedial issues that must be undertaken by the customer or DNO, or due to inaccurate information provided by the customers.

Consumer groups raised concerns about the evidence required to ensure suppliers are innovating technology to counter connectivity issues. They highlighted that technical issues with smart meters can prevent customers from accessing competitive tariffs and suggested including measures to prevent poor communication, no-shows, and inflexible appointment times.

Other stakeholders suggested that engineers should always carry Alt HAN stock to meet various installation scenarios. They also mentioned that if a consumer changes their mind after the existing metering installation has been removed, the reinstallation of a traditional meter should not be subject to compensation. Additionally, they recognised the differences in supplier installation performances and suggested that improvements could be made through a more consistent approach and improved data sharing.

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

Many respondents agreed that the standards should apply to both first-time and replacement smart meter appointments. Among the consumer groups, there was a

strong emphasis on the importance of consistency and the need to address consumer detriment caused by failed appointments. One consumer group called for quarterly ongoing compensation under certain scenarios, whilst another noted that the impact of failed installations is the same for both new and existing customers. It was also highlighted that suppliers should be held to the same standard for both new and existing customers. Amongst other stakeholders, it was noted that this could increase reverse logistics costs for Meter Asset Providers (MAPs) if more meters are returned due to failed installations.

Several energy suppliers disagreed with the proposal. They argued that limiting the standards to first-time appointments would reduce negative outcomes and that the issue is already covered by the Guaranteed Standard. One energy supplier suggested that the standards should only apply to replacement visits, as first-time appointments are more likely to encounter complications.

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

Primarily consumer groups agreed that there should be no restrictions on the number of times a consumer could receive compensation. They highlighted that this would prompt suppliers to address issues in a timely manner and ensure that vulnerable customers are not unduly impacted by failures.

Some energy suppliers supported the idea but advocated for an exhaustive list of qualifying failures to ensure transparency. A significant number of energy suppliers disagreed with the proposal, stating that compensation payments should be one-off, raising concerns that the primary beneficiaries of introducing Guaranteed Standards the non-domestic market could be third-party intermediaries rather than consumers. They also noted the risk of consumers gaming the system and the potential administrative burden.

Other stakeholders expressed concerns that the proposal does not adequately consider the supplier's perspective, particularly in challenging situations where resolution is complex or impractical. They also noted that if a supplier is aware that a site is challenging, it may reduce their interest in offering a contract to that customer.



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

Energy suppliers expressed concerns about the potential need for pre-site visits, which could add delays, costs, and potentially result in a poorer customer experience. They highlighted the importance of clear definitions and the need for clarity on whether the rules apply to all non-domestic customers or only micro-business customers. There were some concerns about incentivising poor practices, particularly around meter replacements, and the need for clear communication to ensure customers understand when compensation would be due.

Consumer groups expressed concerns about the need for clear and accessible communication with customers, the impact of technical issues on accessing competitive tariffs, and the importance of providing support for vulnerable consumers. They also emphasised the necessity of compensating customers for any disadvantages faced due to these issues and highlighted the challenges consumers encounter in obtaining relevant information online.

Other stakeholders suggested that good installation practices could be improved through better data sharing between suppliers on failed installations. They proposed that allowing a central body to assist suppliers by providing comprehensive, consolidated data from across the industry could enable greater comparison of successful and failed installations, as well as non-communicating devices in different geographic locations.

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

Consumer groups generally agreed that the standard would benefit customers. They emphasised the importance of providing better information on how to use In-Home Displays (IHDs), recognised the central role IHDs play in realising the benefits of smart meters, and called for accessible IHDs (AIHDs) to be held to the same standards. Some consumer groups disagreed, arguing that the standard only covers part of the process and expressed concerns about suppliers avoiding compensation by claiming issues are outside their control. One consumer group appreciated the inclusion of IHDs but raised concerns about the wording "faulty" potentially discouraging consumers from contacting suppliers.

Energy suppliers who agreed noted that issues with smart meters are often identified via IHDs and provided insights on what issues would be within or outside their control. Many energy suppliers disagreed, raising concerns about existing Guaranteed Standards already covering the issues, factors outside their control, and the relevance of IHDs in the non-domestic context.

Other respondents had mixed views - some agreed, emphasising the need for clear definitions and consistent understanding across all energy suppliers to avoid unintended consequences. A few other stakeholders disagreed, noting the complexity and nature of the site may require significant investigation to establish whether the smart meter is faulty and suggesting an industry-wide approach to providing more information and training. Another stakeholder suggested considering a centralised smart meter diagnostic system to review issues raised by customers and determine the root cause.

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

Many energy suppliers disagreed, claiming that exiting regulations are sufficient. Other suppliers claimed that a lack of communications and non-working IHDs should not be considered as faults, and expanding on these would wrongly indicate faulty meters.

Consumer groups generally agreed to expand the existing standards, but emphasised the need for clear definitions of “faulty” in terms of overall functionality. They also urged explicit reference to AIHDs. One consumer group raised concern in suppliers’ ability to complete regulatory actions and suggested requirements of completing initial installs, particularly in remote areas.

Amongst other stakeholders, there was also agreement that existing regulations are sufficient, and there were also calls for caution around use of the term “faulty” to avoid unnecessary meter removals.

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

Energy suppliers raised concerns about the applicability of Guaranteed Standards to the non-domestic sector. They highlighted the complexity of metering setups and indirect supplier-consumer relationships, suggesting that more tailored consideration is required. There were also calls for clarity on definitions and the practicality of certain

requirements, such as putting the onus on suppliers to resolve issues when at times the issue may lie with the network or another party. Additionally, suppliers noted the potential for misuse of compensation claims and the need for industry workshops to explore any missed factors.

Consumer groups focused on the experiences of vulnerable consumers and those in rented accommodation. They emphasised the need for greater accountability and compensation for technical issues, as well as the importance of accessible communication and prioritising households on the Priority Services Register (PSR) when issues arise. There were also concerns about suppliers claiming issues are beyond their control and the lack of accountability for certain entities.

Other stakeholders raised concerns about the practicality of the proposed timescales for the non-domestic market and the complexity of diagnosing smart meter issues remotely. They also noted the potential for unnecessary and costly replacements if certain proposals were implemented. There were calls for clear alignment on definitions and responsibilities among stakeholders.

**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?**

Energy suppliers generally disagreed, noting that existing Supply Licence Conditions (SLCs) and code obligations already incentivise suppliers to maintain metering systems. They raised concern about the complexity and time consuming nature of accessing non-domestic sites, and the potential surge in compensation claims from hard-to-reach sites. Some suppliers were supportive, with the condition that issues outside of their control are clearly defined and that they are exempt from paying compensation for those reasons. Many suppliers called for clarification over what is considered within a supplier's control.

Consumer groups generally agreed, emphasising the need to incorporate failures by the DCC into consumer protections. Another highlighted the detriment to consumers from the sustained loss of smart functionality. Some consumer groups criticised the term "within a supplier's control," suggesting it allows suppliers to avoid payment. They called for suppliers to make payments, and then recover costs from the DCC or other relevant bodies.

Other groups stressed the need for clear identification of responsibilities between suppliers, networks, communications and asset responsibility. A few other organisations raised concerns about the potential increase in meter removals without resolution for the consumer and the need for clear definitions and adoption of DESNZ definitions.

**Q19. Do you agree with our initial views of “in scope” and “out of scope”?**

Some stakeholders believe this is a welcome step. Consumer groups believe all third-parties should be in scope as well as for IHDs but believe consumer choice to be in dumb mode should be out of scope.

Suppliers are largely supportive of the principle but vocal that further clarity is required around responsibility for faults and more effort necessitated for defining a list of exemptions. The definition of what constitutes other parties was asked for and more clarity on who is accountable and at what stage of the issue.

Energy suppliers also raised concerns that the proposal overlooks the realities of the non-domestic market, where customers often appoint their own metering agents. Suppliers also raised that the obligations could have unintended consequences for customers in remote areas.

**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?**

Energy suppliers generally agreed, with one suggesting reducing the scope to only meters that are interoperable. Some energy suppliers disagreed, noting the current definition does not address certain scenarios, and the need for consistent industry alignment and clarity on certain aspects. Consumer groups suggested a consumer-centric metric, raising concerns about the criteria being decided solely by suppliers.

Some consumer groups agreed but suggested expanding the definition to include how often a smart meter should communicate readings and having a functioning IHD.

Other respondents noted their disagreement with extending Guaranteed Standards to the non-domestic market and raised concerns about the types of readings covered and required accuracy. Such groups also cautioned against introducing new obligations on suppliers which may rely on customer action.

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

Energy suppliers proposed including all instances outside of a supplier's control and recommended clarifications to account for consumer inaction and third-party agents contracted by the customer. Some suppliers suggested a high-level definition due to the fluctuating nature of smart meter communications.

Consumer groups highlighted the need for more information on what constitutes "another party," noting the potential for confusion due to the broad scope, and raised concern on the possibility of suppliers abdicating responsibility. They recommended a narrow definition, including only events genuinely out of a supplier's control. Other stakeholders also suggested clearly defining "actions of another party" remove ambiguity and protect consumers.

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

Energy suppliers had mixed views. Some agreed that 90 days is reasonable for smart meters already on supply but noted that a longer period might be necessary for meters gained through a change of supply. Others disagreed, emphasising the need for alignment with other ongoing initiatives and clarity on when the 90-day window begins. There were also concerns about the feasibility of resolving issues within 90 days for non-domestic suppliers who may inherit numerous non-communicating meters simultaneously.

Consumer groups generally disagreed, arguing that 90 days is too long for smart meters to be out of communication with suppliers, potentially causing consumer detriment. They suggested a shorter period of 30-45 days, particularly for consumers in remote or rural areas.

Amongst other stakeholders, some agreed with the 90-day timeframe, while others raised concerns about remote or restricted metering being a challenge. There were also suggestions that the root cause should be identified, and the accountable party notified, with considerations for areas with wider communication issues.

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

Energy suppliers had mixed views. Some agreed but noted that it would not be reasonable to pay out compensation if you are a gas-only supplier, and there is a fault with the electricity meter. Other energy suppliers and stakeholders argued that compensation should be site-based as issues relating to both meters might have the same cause, such as the loss of WAN.

Consumer groups suggested a single scheme for both. They agreed that although they agreed in principle, it may be complicated in practice with customers with two suppliers.

Other groups raised the potential value in merging gas and electricity standards.

**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?**

Energy suppliers were divided on this issue. Those in agreement emphasised that the error should be within the supplier’s control. However, many suppliers disagreed, arguing that payments should be one-off to replicate other Guaranteed Standards. A few suppliers noted that if a meter fails to operate for 365 days or more, the issue is likely to be outside of the supplier’s control.

Consumer groups also had mixed views. A few raised concerns with the possibility of smart meters issues lasting more than one year and questioned whether an annual fine of £40 would incentivise suppliers to address issues, some suggesting it could be paid more frequently (such as every three months).

Other stakeholders said subjecting suppliers and MEMs to financial penalties will not help them to remedy meters which are not providing consumers smart benefits.

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

Energy suppliers raised concerns about the clarity of what constitutes scenarios outside of their control, the potential surge in compensation payments, and the need for clear distinctions between responsibilities. They also highlighted the importance of defining when the clock starts for compensation and the potential strain on the network due to daily health checks of meters. Additionally, they suggested industry workshops to

explore any missed factors and emphasised the need to consider customer consent for non-operating meters.

Consumer groups focused on the need for suppliers to be more proactive in supporting consumers, especially those in energy debt, and integrating smart meter access with other affordability frameworks. They also highlighted the importance of reforms to guard against high call-out charges and the reliance on manual meter readings in cases of internet signal loss.

Other stakeholders expressed concerns about the inclusion of certain devices in the regulations, the difficulties in defining scenarios within and outside of supplier control, and the need for incentivising technology updates to ensure a positive consumer experience. They also emphasised the importance of clear communication and support for consumers facing connectivity or metering issues.

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

Several energy suppliers and consumer groups agreed that encouraging suppliers to install and maintain working smart meters is beneficial. They noted that smart meters enable businesses to shift energy usage and support the smart energy transition. Many respondents appreciated the positive intent of the proposals but also highlighted the diversity of the non-domestic sector and noted that standards should be tailored to different customer types and metering arrangements.

**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?**

Many responses supported, or accepted, extending protections to microbusinesses with SMETS only, citing closer similarities to domestic consumers in terms of size and metering arrangements.

Many suppliers disagreed with applying the Guaranteed Standards to non-microbusiness consumers including those with advanced meters. They argued that these businesses can negotiate bespoke contracts with service-level agreements, making compensation arrangements less suitable in this context. Suppliers also raised concerns about potential cost implications, such as due to administrative complexity. Some suppliers and

consumer groups highlighted the complexity of large multi-site portfolios requiring more tailored guaranteed standards and the need to avoid discouraging suppliers from serving certain customer segments. Other suggested that including advanced meters in scope of Guaranteed Standards would require wider review.

Some suppliers noted their concerns that Third Party Intermediaries (TPIs) operating in the non-domestic market could exploit compensation mechanisms.

**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?**

Some respondents saw value in aligning consumer expectations across the domestic and non-domestic sectors. This could help drive investment in optimisation practices and improve engagement between suppliers, Meter Operators (MOPs), and non-domestic consumers.

Some responses acknowledged that Guaranteed Standards could help clarify responsibilities and improve service quality, if carefully scoped and supported by clear definitions and exemptions.

Many respondents highlighted the diversity of the non-domestic sector and that a one-size-fits-all approach may not be appropriate.

Some suppliers called for clearer delineation of responsibility between suppliers, customers, and third-party agents (e.g. MOPs, TPIs). It was asserted that suppliers should not be held liable for failures or delays caused by agents outside their control.

**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?**

Some respondents agreed that the proposed Guaranteed Standards could be applicable to microbusinesses, where there are more parallels with domestic consumers in terms of meter arrangements and appointment processes.

There was support for Ofgem to work with industry stakeholders to refine the standards. Suggestions included: clearly distinguishing between microbusinesses and larger non-



domestic entities, defining when and how Guaranteed Standards should apply, considering exemptions for third-party involvement and complex customer arrangements.

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

Some respondents supported the idea of differentiated compensation, noting that the financial impact of service failures can vary significantly between different types of businesses, for example, a large nursing home versus a vehicle service centre. However, most stakeholders opposed tailoring compensation amounts based on business size or consumption levels, with concerns that such an approach could introduce administrative complexity, increase supplier costs, and create opportunities for misuse, particularly by TPIs. Some feared that linking the compensation amount to consumption could lead to disproportionate financial burdens on suppliers, especially in cases involving low-load or vacant properties and might discourage suppliers from serving certain customer segments.

While a few respondents (especially consumer groups) acknowledged that tailoring compensation might make sense in principle, particularly to reflect the circumstances of small businesses, most preferred to retain the existing flat-rate structure. One response suggested that any changes to compensation levels should be considered as part of a broader Guaranteed Standard framework review, rather than in isolation. Overall, the prevailing view was that the current £40 payment strikes a reasonable balance between incentivising supplier performance and avoiding unintended cost or complexity, and that any further tailoring should be

**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?**

Stakeholders were largely in disagreement to both proposed options for determining compensation amounts for non-domestic consumers under the Guaranteed Standards for the reasons addressed in the summary of Question 30.

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

Most points raised are covered in responses to Question 30. Overall, the responses underscored the need for a balanced, evidence-based approach that protects consumers while ensuring that compensation mechanisms are fair, proportionate, and do not undermine supplier participation in the market. Finally, one response called for greater visibility and promotion of Guaranteed Standards, arguing that poor-performing suppliers may have little incentive to inform customers of their rights. They noted stronger awareness is therefore needed to ensure the intended consumer protections are realised.

## **Appendix 3 – Summary of consultation questions**

1. Do you have any comments regarding the drafting of the Statutory Instrument relating to the definitions of electricity and gas meter?
2. Do you have any comments on the draft Impact Assessment?
3. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulation 3, rather than implement a new individual standalone regulation?
4. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?
5. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulation 3, rather than implement a new individual standalone regulation?
6. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?
7. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulations 4 and 5, rather than implement a new individual standalone regulation?
8. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?
9. Do you agree this should be a new standalone regulation rather than an amendment to an existing regulation?
10. Do you agree providing additional 30 days to resolve smart meter issues relating to comms hub and WAN issues under the DCC, is the right approach?
11. Do you agree with the proposal to implement this Guaranteed Standard over a longer timeframe?
12. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?
13. Do you agree with the smart meter Guaranteed Standards applying to smart meters and microbusinesses only?
14. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) regarding microbusiness consumers?

## **Appendix 4 - Privacy notice on consultations**

### **Personal data**

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

#### **1. The identity of the controller and contact details of our Data Protection Officer**

The Gas and Electricity Markets Authority is the controller, (for ease of reference, "Ofgem"). The Data Protection Officer can be contacted at [dpo@ofgem.gov.uk](mailto:dpo@ofgem.gov.uk)

#### **2. Why we are collecting your personal data**

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

#### **3. Our legal basis for processing your personal data**

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

#### **4. With whom we will be sharing your personal data**

We plan on sharing all responses to this consultation with DESNZ.

#### **5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for 6 months after the project is closed.

#### **6. Your rights**

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data

- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3<sup>rd</sup> parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information For more information on how Ofgem processes your data, click on the link to our "[ofgem privacy promise](#)".