

1. Do you agree that we have - to a reasonable degree - identified, understood, and described the potential costs and benefits of implementing the Consumer Consent Solution with RECCo Ltd delivering the Solution?

No. We do not believe the draft Consumer Consent Solution impact assessment (IA) adequately identifies or reflects the true costs and benefits of the Consumer Consent Solution.

We have concerns about the scope described and assessed in the draft IA, particularly where it diverges from recent discussions in the Consumer Consent working groups (autumn 2025).

Additionally, we have specific issues with the assumptions made around costs and benefits. Overall, we consider that the draft IA considerably underestimates the costs and overstates the benefits.

a) General Comments

Scope being assessed

We are unclear about the scope and timeline of delivery considered in the draft IA. Despite our active involvement in all three Consumer Consent Working Groups, we are concerned that the delivery scope is shifting, potentially weakening the programme and jeopardising the intended outcomes. Our main concerns are:

- Whether the Consumer Consent Solution will achieve full coverage of DCC Other Users. Full coverage is essential to assure customers that they can see the complete list of parties accessing their data. However, working group discussions have indicated that participation will not be mandatory at MMP, nor afterwards.
- Whether the Consumer Consent Solution will control all access via the DCC Other User route. For effective oversight, it should include all third parties, regardless of whether they access data through (a) a Consumer Consent Solution-onboarded SEC Other User, (b) a non Consumer Consent Solution-onboarded SEC Other User, or directly through (c) the third party's own Other User accreditation.

Paragraph 2.3 of the draft IA states that only the MMP is being assessed, which will only cover domestic Smart Meter Consumption data. It remains unclear whether this will provide customers with a single, comprehensive list of all parties accessing their data.

The counterfactual scenario – what would happen without the Consumer Consent Solution

We believe the 'counterfactual' scenario – what would happen without the Consumer Consent Solution – is depicted overly negatively. Specifically:

- A Privacy Controls Framework is already established within the Smart Energy Code, and it is currently functioning effectively.
- Both the Tariff Interoperability and Flexibility Market Asset Register (FMAR) programmes are developing their own consent frameworks for delivery in early and mid-2027, as the Consumer Consent Solution will not be ready in time.
- We also understand that the Elexon Smart Data Repository (SDR) may need to establish its own consent framework.

Although these frameworks will be fragmented, their simultaneous delivery and industry coordination should ensure consistent standards for disclosure, verification, and record keeping. The SEC's Privacy Controls Framework could also be updated, and we have suggestions for its modernisation.

Supplier Consent integration

As stated in our previous responses to the Call for Input and Consultation, we do not consider it cost-effective to integrate Supplier consents into a central platform. This issue is exacerbated if the platform only presents an incomplete list of third parties, reducing its usefulness for customers. Given the current concern over energy bills, such an approach seems especially inadvisable.

b) Costs

It is difficult to fully understand the cost assumptions, on the basis of the limited detail provided in the IA document. We have identified several concerns and proposed some adjustments.

- We believe the RECCo Business Case costs (from January 2025) may now be outdated due to new complexities identified by the working groups. While we have not proposed an adjustment, we recommend the RECCo team review and confirm whether these estimates remain valid.
- We believe your industry cost estimates are significantly understated, particularly as all parties will need to upgrade or acquire new IT systems to interface with the Consumer Consent Solution (see 2.19). We recommend adding a further ballpark £10m to account for this.
- Additionally, your calculations omit the DCC's costs for implementing tokens or verification tools – essential for a robust consent solution to exceed the current SEC Privacy Controls Framework. We suggest allocating an extra ballpark £10m for these measures.
- Since the Consumer Consent Solution will not be ready for Tariff Interoperability and FMAR services by 2027, two further future migrations to the Consumer Consent Solution will be required, in addition to migrating existing HH consumption data consents. This will be highly complex, so we recommend budgeting an additional ballpark £10m. This goes beyond simply addressing Supplier consents.
- To realise the Flexibility Benefits outlined in the draft IA, further capability for SSES, Flexibility, and DSR data sharing is needed, yet paragraph 2.3 shows the Solution is only focused on domestic Smart Meter Consumption data. We advise an extra ballpark £10m budget for this.
- Finally, there are inconsistencies between Table 3.9 (page 49) and the Monetised Break-Even Point graphs (pages 50–52): while the graphs' costs match Table 3.9, the benefits by 2033/4 are only about half those shown in the table.¹ In each case, the graphs would

Inconsistencies in draft IA	Worst Case	Mid Case	Best Case
Total Costs in Table 3.9 (£m)	90.15	75.61	62
Total Costs in BEP graph (ending 2033/4) (£m)	90	76	62
Total Benefits in Table 3.9 (£m)	77.23	345.92	564.38
Total Benefits in BEP graph (ending 2033/4) (£m)	39	168	274
Benefits to Cost Ratio (BCR) – Table 3.9	0.85 x	4.58 x	9.10 x
1 Benefits to Cost Ratio (BCR) – using graph information	0.4 x	2.2 x	4.4 x

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need to be extended by an additional five years, up to 2038/9, for the cumulative benefits to match those in Table 3.9. This means there should be a further five years of running costs added to the Benefit:Cost assessment in each scenario.

Overall impact of proposed necessary adjustments - Costs

Incorporating the suggested ballpark adjustments indicates that costs should be higher across all three scenarios. Specifically, the 'Mid Case' cost would rise from £76m to £146m.

Consumer Consent Solution Costs £m	Worst Case		Mid Case		Best Case	
	Draft IA	Amended	Draft IA	Amended	Draft IA	Amended
RECCo Set Up Costs & Supplier	90	90	76	76	62	62
Additional Industry Costs (upfront & ongoing)	0	10	0	10	0	10
DCC – introduction of Tokens or other verification	0	10	0	10	0	10
Migration of 3 rd party existing consents (one off)	0	10	0	10	0	10
Other SSES / Flex / DSR builds (beyond HH data)	0	10	0	10	0	10
Extra 5 years running costs to 2038/9	0	35	0	30	0	25
Total Costs	90	165	76	146	62	127

c) Benefits

We broadly support your methodology for calculating the direct economic benefits associated with the Consumer Consent Solution. Specifically, we endorse your decision to concentrate on those archetypes less likely to be early adopters.

The rationale for the 'Low Uptake' and 'High Uptake' assumptions is unclear. We also disagree with how you have used the 'average', particularly given the significant range for some customer groups. If 'Low Uptake' is 1% and 'High Uptake' is 9%, we would consider a geometric mean (3%) is more appropriate than an arithmetic mean (5%). Applying this approach to Table 2.1 would result in an annual mean benefit of £25m, rather than £34.9m.

The basis for the 'Low Saving' and 'High Saving' assumptions is unclear and they appear optimistic. Crucially, the Consumer Consent Solution is credited with all potential benefits, when in reality, other deliverables are essential to realising these savings. The Consent Solution facilitates data access, but the true value depends on the data itself and the companies delivering services. Only about one third (33%) of the possible bill savings should be attributed to the Consumer Consent Solution.

Indirect Economic Benefits - Flexibility

The IA estimates indirect Flexibility benefits at £16m–£20m per year, but provides minimal justification for these figures. We do not believe the Consumer Consent Solution will deliver these benefits, particularly as it will not be implemented in time to support early Tariff Interoperability and Flexibility Market Asset Register data sharing, both of which will require their own consent mechanisms.

Furthermore, while there is some benefit to load controllers to have access to smart meter HH consumption data, internal specialist advice suggests this access is 'additive, but not transformational' for future load controller business models, given the availability of Consumer Access Devices (CADs) and other asset-metering options. Realising flexibility service benefits from the Consumer Consent Solution would require rapid integration, before alternative data access and consent solutions are established.

Accordingly, we propose reducing the estimated annual benefit range to £1m – £16m, with a geometric mean mid-point of £4m.

These figures remain highly ambitious, particularly for the ‘Mid’ and ‘Best’ case scenarios. Achieving them will likely require a shift in priorities for delivering the Consumer Consent Solution, as current plans do not always align with the benefits projected in this draft IA. We recommend that the Ofgem Consumer Consent Solution team engage directly with industry experts to assess whether even these reduced flexibility benefit estimates are realistic. Additionally, the assumed timing for cost realisation in paragraph 3.29 should be reconsidered – implementation may need to be further delayed, especially as there is still no confirmed date for the Consumer Consent Solution to take over consent management for Tariff Interoperability and the Flexibility Markets Asset Register.

Indirect Economic Benefits – ‘Supplier benefits’

Regarding the so-called ‘Supplier benefits’ (0.1% of £8bn), we see no tangible benefit for Suppliers: we already have processes in place for collecting and recording consent (as noted in paragraph 2.46), and it is unclear how a tool for third-party data sharing consents would aid our supplier settlement activities (see paragraph 2.43, second bullet). From our perspective, duplicating our existing consent arrangements through the Consumer Consent Solution simply adds unnecessary cost. Consequently, we believe this benefit should be set to zero.

Indirect Economic Benefits – ‘Carbon and Air Quality’

With respect to the ‘Carbon and Air Quality’ cost savings (1% of £2bn), it is inappropriate to base these estimates on the 2019 Smart Meter rollout IA, as it is now outdated and largely irrelevant. Moreover, using this assessment to justify benefits for a future Consumer Consent scheme is misleading, given that the Smart Meter rollout is already 70% complete.

Additionally, carbon savings have already been accounted for in the Flexibility IA and should therefore be removed from this separate category. Since air quality made up roughly 20% of the total ‘Carbon & Air Quality’ benefits in the original Smart Meter IA, and considering the substantial rollout progress before 2025, this indirect benefit should be reduced to £1m.²

Overall impact of proposed necessary adjustments - Benefits

Incorporating the above ballpark adjustments suggests that the benefits in all three scenarios should be lower. Specifically, the **‘Mid Case’ benefits would decrease from £345m to £95m.**

Consumer Consent Solution Benefits	Worst Case		Mid Case		Best Case	
	Draft IA	Amended	Draft IA	Amended	Draft IA	Amended
£m						
Direct Benefits	53	18	209	70	419	140
Indirect Benefits – Flexibility	19	6	108	24	120	96
Indirect Benefits – Supplier Benefits	2	0	8	0	8	0
Indirect Benefits – Carbon / Air Quality	4	1	20	1	20	1
Total Benefits	78	25	345	95	567	237

Overall impact of proposed necessary adjustments – Benefits to Cost Ratio (BCR)

Incorporating the above ballpark adjustments to both costs and benefits reduces the Benefits to Cost Ratio (BCR) significantly in all three scenarios. Specifically, the **‘Mid Case’ BCR falls from 4.5x to 0.7x.** The ‘Best Case’ BCR does still exceed 1x, but this is heavily reliant upon unlocking the Indirect Benefits from Flexibility.

² Ofgem’s current figure for Carbon and Air Quality benefits is £20.1m, calculated as 1% of the c. £2bn figure from the 2019 Smart Meter rollout IA. We think this should be reduced to a lower figure of £1m, calculated as (100%-69%) x 1% of the £380m ‘Air Quality only’ figure from the 2019 Smart Meter rollout IA. This is a total figure, not per year.

Consumer Consent Solution	Worst Case		Mid Case		Best Case	
	Draft IA	Amended	Draft IA	Amended	Draft IA	Amended
Total Benefits (£m)	78	25	345	95	567	237
Total Costs (£m)	90	165	76	146	62	127
Benefit to Cost Ratio (BCR) x	0.87 x	0.15 x	4.54 x	0.65 x	9.15 x	1.87 x

2. Do you agree that we have - to a reasonable degree - identified, understood, and described the potential impacts of implementing the Consumer Consent Solution with RECCo Ltd delivering the Solution?

As highlighted in our response to Question 1, we believe the draft Consumer Consent Solution IA has considerably underestimated the costs and overstated the benefits.

Delays in launching a Consumer Consent Solution have eroded its value

We are concerned that the draft Consumer Consent Solution IA fails to identify and prioritise the most critical requirements needed to deliver a Consumer Consent Solution that generates value, particularly the importance of speed of delivery. The Consumer Consent Solution project has been under discussion for several years and is now being rolled out too late to meet the Tariff Interoperability and FMAR consent requirements from their respective launch dates. This significantly undermines the business case for the Consumer Consent Solution.

Does the project still meet the definition of “Option 1” as previously consulted upon

Given the above delays and the lack of mandatory participation for 3rd parties, there are two fundamental questions that Ofgem needs to consider:

- Does the proposed solution, without mandatory participation, still meet the definition of Option 1 as previously consulted on: *a single, technical solution – mandated by Ofgem and adopted across the energy sector*? If not, the outcome of the Call for Input and prior consultations are irrelevant to the option under development.
- Have the delays diminished the project's value to the point where it is no longer justifiable in its current form? Would adopting a set of overarching principles (as in Option 2) to guide the existing and emerging fragmented solutions offer better value for money, enable quicker implementation, and still be suitable for inclusion in the consent frameworks for Tariff Interoperability, FMAR, and the SDR?

Taken together, these two questions suggest that the viability of Consumer Consent Option 1 as it currently stands needs to be reconsidered.

3. Are there, in your view, any unintended economic consequences of implementing the Consumer Consent Solution with RECCo Ltd delivering the Solution which we have not identified?

As highlighted in our response to Question 1, we believe the draft Consumer Consent Solution IA has considerably underestimated the costs and overstated the benefits.

Unintended economic consequences from consent migration

Ongoing discussions in working groups highlight concerns about migrating existing consents, particularly the potential requirement for customers to reconfirm their consent. This process may temporarily disrupt business models across suppliers and third parties, as obtaining reconfirm outside initial service sign-up is often challenging. Consequently, active customer numbers could decline for third party services, and some Suppliers could see a notable reduction in customers consenting to share half-hourly data for MHHS settlement. The exercise would also generate additional costs to suppliers from outbound contact. Further, there is high risk of potential confusion for consumers and undermining of the credibility of consent provision, in particular if the regime and grounds for consent provision are themselves unchanged. This is directly counter to the policy aim of enhancing consumer trust in data-sharing services.

Unintended consequences linked to DCC latency

There is a concern that introducing tokens to DCC service requests may significantly increase DCC response times.

We agree that the Consumer Consent Solution must have mechanisms to ensure that only those approved third parties can access data. However, we suggest exploring alternative approaches for the DCC. For instance, instead of verifying tokens with every data request, the Consumer Consent Solution token could be stored in a DCC-managed data lake, with regular monthly audits – perhaps sampling around 100,000 meters each month – conducted separately from the main DCC infrastructure to check that no unauthorised parties have accessed data.

4. Do you agree with our assumptions and proposed attribution rates for value accrued to the Consumer Consent Solution?

As detailed in our response to Question 1, we believe the draft Consumer Consent IA underestimates the true costs and overstates the potential benefits.