British Gas
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Dear Paul Fuller,

Supporting effective switching for domestic customers with smart meters

British Gas has been supportive of Ofgem's intention to introduce licence obligations that will enable 'smart' customers to effectively switch supplier. This is in a world where some suppliers will be able to support smart meters while others may not. We recognise there is a significant risk of consumer detriment and we support the proposed licence conditions.

The additional statutory consultation seeks to address a perceived data privacy issue and the concern that complying with the originally proposed licence conditions may result in suppliers being in breach of the Data Protection Act. This would involve a smart metering system defaulting to 'dumb' functionality when a customer switches to a supplier that cannot support smart functionality. As consumption data would remain on the IHD and meter (under Ofgem's original proposals) then on a change of tenancy / homeownership, the IHD will still display historic consumption data for that property but relating to a time before their occupancy.

We estimate this to be a rare occurrence and once smart to smart change of supplier becomes the norm, we would not expect this to be an issue any more.

As a change of supplier from 'smart to dumb' is a much more common occurrence than smart to dumb followed by a change of tenancy, there is a risk that the uncertainties faced by suppliers over what constitutes personal data may result in an adverse negative impact on customers where they will not be able to reap the benefits of access to historic consumption data after a change of supplier, eg they will be unable to determine the best tariff for their energy usage patterns.

Wiping consumption data from the smart metering system seems to be a disproportionate response to a small risk. We have concerns that for fear of breaching the Data Protection Act, suppliers may start deleting consumption data on every change of supplier instance to the detriment of consumers.

We note that Ofgem's letter states that "If the current supplier can establish that its obligations under the DPA can be met without deleting the data, then in keeping with the spirit of the modifications to the licences the data should ideally

not be deleted". We welcome this addition as a reasonable and proportionate response to a minor concern. In the next section we set out our views on whether consumption data in this instance should be considered personal data.

We would like to be clear that we consider compliance with the Data Protection Act a serious matter and we will endeavour to ensure that any actions we take are not in breach of the Act. However, we also wish to provide the highest level of service to our customers and access to historic consumption data will enable this.

We note that the original intent was for one set of obligations to be implemented once the correct consultation process had been followed and for the remaining obligations to become effective from 1 January 2013. Due to the necessary further consultations on the licence conditions it is looking likely that the first set of licence conditions will become effective in mid-October at the earliest.

These delays and the resulting lack of certainty around the licence conditions has also pushed back our system and process changes necessary to comply with these obligations. Therefore to implement the first set of conditions for mid-October will incur a significant cost that will ultimately be picked up by our customers. We consider it would be much more cost efficient for supplier changes (both for system changes and training of sales staff), and less confusing for customers, if all obligations became effective on 1 Jan 2013.

We would greatly appreciate the opportunity to discuss these dates with you before the notice of implementation is issued.

Definition of personal data

We agree that a customer's consumption data should be considered personal data as, when presented at a granular level, it enables third parties to determine their exact pattern of energy usage and therefore their habits e.g. when they are not at home.

However this personal data is a product of the resident and their residence. Once the resident has moved out of the house into a new home, then their consumption pattern will undoubtedly change. Therefore retrospective access to this data will tell third parties very little about their current behaviour.

The new resident is likely to find historic consumption data useful in managing their own consumption, and when selecting the best tariff and best supplier for them. The new tenant will not be aware of who the former occupant is. Should they find out their name from eg letters through the post they will not be able to determine who that individual is nor their current address. There is very little that a new tenant can do with their consumption data other than use it to potentially find a better tariff or manage their own energy usage better.

For these reasons, we can see no circumstance where it would be appropriate to wipe consumption data from the IHD and/or meter on a change of supplier unless it was a direct request from the customer. Based on the arguments above, we would also question whether it's necessary or best practice to delete consumption data on a change of tenancy.

In conclusion, the removal of the requirement to leave historic consumption data on change of supplier does raise some concerns for us. But as it leaves the decision, on whether to delete or retain consumption data, in the hands of suppliers we have no objection to this statutory notice.

We also consider there to be a sizable benefit of implementing all of the effective switching licence obligations simultaneously on January 2013 and would welcome the opportunity to discuss this with you further.

Yours Sincerely,

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