



Consultation on the Smart Metering Installation Code of Practice

Response from Citizens Advice to Ofgem

February 2013

Introduction

Citizens Advice welcomes the opportunity to respond to Ofgem's consultation on the Smart Metering Installation Code of Practice.

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The service aims:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of about 360 independent advice centres that provide free, impartial advice from more than 3,500 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups.

In 2011/12 the Citizens Advice service in England and Wales advised 2.03 million people on 6.9 million problems. Debt and welfare benefits were the two largest topics on which advice was given. In total we received 97,321 fuel debt enquiries and 39,348 other fuel related enquiries in 2011/12.

Chapter 2 – SMICOP Section A – The Code of Practice

Question 2: Is 'greater than two working days' an appropriate and reasonable notice period in the context of clause 2.7.9?

AND

Question 3: Should the SMICOP specify that suppliers must inform customers during the pre-installation period of any charges that could be applied if the customer were to cancel or reschedule an installation visit?

We appreciate that customers cancelling or changing their appointment at short notice will push up the costs of delivering the programme, which would in turn place upwards pressure on consumers' bills. Customers should therefore be strongly encouraged to give suppliers as much notice as possible if they need to cancel or change their appointment.

However, as Ofgem concedes, some customers will encounter unforeseen circumstances. For example a family member could fall ill or they may need to change their plans at the last minute due to an unexpected work commitment. We would not like to see these customers unduly penalised for circumstances beyond their control. Rather than a blanket policy of charging customers for cancelling or rescheduling an appointment at short notice,

we believe that it would be more proportionate to allow one such late notice cancellation free of charge with a fee charged for any subsequent cancellation at late notice. Ofgem should also consider preventing suppliers from levying such charges for low income and vulnerable consumers who are likely to be least able to afford them. We would also like to see the notice period reduced to 24 hours before the appointment.

If Ofgem do choose to allow suppliers to impose a charge for the late cancellation or rescheduling of appointments, it is vital that customers are informed of any charges that may be applied in particular circumstances during the pre-installation period. We would not like to see customers unwittingly incurring charges. Furthermore, any charges imposed must be proportionate, justifiable and suppliers should be required to take into account the customer's ability to pay.

Question 4: Should the SMICOP specify that suppliers must inform customers during the pre-installation period, and before any installation appointment is agreed, that they are entitled to request a timed appointment as defined by existing requirements of the Electricity (Standards of Performance) Regulations 2010 and the Gas (Standards of Performance) Regulations 2005?

Ofgem is right to recognise that consumer awareness of their right to request a timed appointment is extremely low and rarely exercised. As the smart meter installation visit may be the first time that many consumers will have been visited at home by their supplier, as they may not have had cause to do so in the past, this would be a timely and important opportunity to raise consumer awareness of these rights. We therefore believe that the SMICOP should require suppliers to inform consumers of their right to request a timed appointment during the pre-installation period.

We recognise that making consumers aware of their rights in this regard may push up the overall cost of the roll-out as particular time slots, such as evenings and weekends, will inevitably prove more popular with many consumers. However, we do not believe that this is a good enough reason to neglect to inform consumers that these rights exist, in essence denying them the opportunity to exercise them. Furthermore, on a more practical level, if a customer is able to ask for a more defined time slot they may feel more able to plan to be at home for the specified hours, reducing the risk of costly failed appointments and last minute cancellations.

Question 5: Should the SMICOP require suppliers, when they are seeking prior consent from a domestic customer to engage in face-to-face marketing at the installation visit, to tell these customers explicitly that they have no obligation to receive such marketing?

AND

Question 6: Should the SMICOP require suppliers, when obtaining prior consent from a domestic customer to engage in face-to-face marketing at the installation visit, to notify the customer of the types of products and services that may be discussed during a marketing conversation? For example, a

supplier seeking to market both energy tariffs and energy efficiency products would need to specify that both types of product may be offered?

The primary purpose of the roll-out of smart meters is to ensure that every home in the UK has a smart meter by the end of 2019, and not to present suppliers with the opportunity to enter every home in the country to sell additional products at a profit. The success of the roll-out depends to a large degree on the willingness of consumers to allow their suppliers into their home to carry out the necessary work. Levels of trust in energy suppliers is currently extremely low, due in part to the widespread mis-selling and pressure selling of products on the doorstep by suppliers in recent years. The public backlash when the extent of bad practice in this area was exposed led each of the 'big six' suppliers to suspend doorstep selling activity.

It is therefore vital, both in the interest of the success of the smart meter roll-out and the wider agenda of restoring consumer trust, that suppliers think very carefully about whether they want to include product marketing in smart meter installation visits and, if so, how the topic is broached with their customers. We therefore welcome the protections already offered by the SMICOP as drafted in this regard, but they do not currently go far enough.

Some customers may welcome being given information about the various ways they could save money, for example through switching tariff or installing energy efficiency measures, while other customers will simply want the meter installed as quickly as possible and then be left alone. It is vital that customers are given the opportunity to decide whether they wish to receive marketing material, and in order to make an informed decision in this regard it is essential that they have access to all of the relevant information. We would therefore strongly recommend that suppliers be required to make it explicitly clear to customers that they were under no obligation to receive any marketing during the visit. It would also be necessary to ensure that customers are made fully aware of what exactly they are consenting to when giving their consent to receive marketing during the visit.

Question 7: Should the SMICOP require suppliers to maintain an auditable record of instances where a customer requests that the supplier contacts them at a future date to conduct marketing or sales activities?

Yes. This is important to ensure that the supplier has proof that the customer gave informed consent to future marketing in the event of a subsequent customer complaint. As a minimum, this record should include the date consent was given, how it was given, how the customer consented to be contacted (e.g. by email, by telephone or by post) and which products they requested information on (e.g. energy efficiency measures, tariff information or insurance products).