

# Consultation on the Smart Metering Installation Code of Practice

March 2013

Energy UK is the trade association for the energy industry. Energy UK has over 70 companies as members that together cover the broad range of energy providers and supplies and include companies of all sizes working in all forms of gas and electricity supply and energy networks. Energy UK members generate more than 90% of UK electricity, provide light and heat to some 26 million homes and last year invested £10billion in the British economy.

## Executive Summary

Energy UK and its members welcome the opportunity to respond to this consultation on the Smart Metering Installation Code of Practice.

Having been involved in the development of the code over the last two and a half years, and having implemented and tested portions of the code in practice, Energy UK and its members believe the code in its current form clearly meets the objectives of the code and the corresponding licence conditions. The current version has been widely consulted upon and we believe the inclusive nature of its development has resulted in a workable, independent code. As such, Energy UK and its members do not believe any further change or refinement is required at this stage. However, our members all recognise that there are some areas of the code that have yet to be tested in practice, and there may well be a need for changes (utilising the governance and change control framework of the code) in the future as suppliers gain valuable experience and learning from the early stages of the smart metering roll-out period.

In order to engage customers effectively, suppliers will need to be careful to ensure customers are not over-loaded with information or presented with too many choices immediately prior to, or at the installation visit. Experience and research has shown that providing customers with too much information in a very short space of time often results in very little of the information actually being taken on board. This is particularly relevant for the installation visit booking call, where our members (those installing smart meters now, and those that have taken part in trials such as those under the Low Carbon Network Fund) have already reported that the initial conversation with the customer is overly long. Should the collective proposals outlined in this consultation be implemented, there is a significant risk that installation visit booking calls could be even longer and filled with too much information for customers to sensibly take-in. A balance needs to be struck between covering the information that is absolutely necessary at that point in time, and the customer's ability to absorb or understand it.

The response below presents the views of Energy UK's members. We are happy to discuss any of the points made in further detail if helpful.

## Response to Consultation Questions

**1. *What are your views on the smart metering-specific accreditation and training requirements that should be set out in the SMICoP?***

A positive customer experience of the installation process will be essential to the success of the smart meter Programme. The installation visit represents the biggest contact a customer will have with the smart metering Programme. A small number of failures in this area could have a large impact on the customer perception of smart metering and the reputation of the Programme.

We believe that in order to deliver assurance to domestic and micro business customers and the wider program stakeholders, there must be a consistency in the standard or level of training for all installers (new and existing), accompanied by a rigorous accreditation program for the training providers.

We consider that NSAP have set an authoritative benchmark for installer training that is appropriate to domestic and microbusiness installations. The qualification has been developed by industry experts, is government backed and endorsed, and accompanied by a rigorous training provider accreditation program. These collectively provide robust assurance that installers would be trained to the same standards, appropriate to the technical and customer needs for an installation.

Cost-wise, the NSAP qualification has a one off registration fee, plus a cost per installer for training. We have not found the costs to have all installers NSAP trained to be any more expensive than any existing training we have put installers through, therefore not onerous or prohibitive for any suppliers. Suppliers aren't also obliged to be accredited to deliver NSAP training. We have found, for example smaller suppliers can economically have their installers trained with another accredited provider.

Energy UK members therefore believe the NSAP smart metering qualification and accreditation needs to be mandated as the standard for all smart metering installations.

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

Energy UK members agree that greater than two working days' notice is a reasonable notice period. We also believe the current SMICoP drafting (clause 2.7.9) is appropriate and fit for purpose to support this requirement.

Less than two days' notice may incur cost to suppliers as adequate time is needed to reschedule another installation visit to fill that scheduling slot. Optimisation of the workforce scheduling will also be essential to meeting the 2019 rollout target as efficiently as possible.

Setting out a minimum standard in the SMICoP should ensure customers are aware of the requirements upon them. If a customer were to cancel an appointment at a later date, this would not necessarily mean they would be charged. Whilst it is not current policy of Energy UK members to charge customers for cancelled or missed appointments, it remains the individual supplier's discretion as to whether or not any charge is applied.

**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?***

Energy UK members agree that this is a fair and reasonable thing to do if suppliers are to charge the customer for providing less than two days' notice. This is also consistent with the approach taken in other industries. We do however believe that specifying this level of detail in the code is unnecessary.

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 the existing requirements of the Electricity (Standards of Performance) Regulations 2010 and the Gas (Standards of Performance) Regulations 2005?**

In developing the code over the past 2.5 years we have retained principle that the code must not duplicate existing regulatory obligations. The SMICoP can therefore not specify any greater detail than it already does in this area.

We believe that collectively, clauses 2.7.8, 2.7.9, and 2.7.10 as drafted provide customers with a complete range of options, whilst not conflicting with existing regulations. Clause 2.7.10 already requires suppliers to inform customers of their rights under GSOP, and under the GSOP suppliers are required to routinely inform customers of their rights, e.g. the right to a timed appointment.

In lieu of Ofgem having recently issued a call for evidence on GSOP in light of market developments, it would also seem odd to suggest changes here while another review is underway.

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?**

Energy UK members don't believe it is necessary to explicitly state that a customer isn't obliged to receive marketing, given that the process of obtaining consent by default presents the customer with the choice, yes or no.

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 licence conditions surrounding the code already require consent to be fully informed and freely given. To obtain 'fully informed and freely given' consent, an outline of the products or services to be marketed would have to form part of the process anyway. It would be extremely difficult to ask a customer to provide consent if you do not outline what they are consenting to.

Energy UK members therefore consider the present drafting in the code already appropriately compliments the licence obligations. This may be an area that the compliance survey in part B of the SMICoP can deliver assurance that suppliers are providing suitable and appropriate details to their customers.

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?**

We understand the intention behind this proposal is that by recording instances where a customer has provided consent, this could in principle prevent customers being pressurised by an installer into a follow up marketing call (or visit).

Energy UK members do not see it as necessary to include this in the code. We believe the code already comprehensively addresses behaviour at the installation visit, particularly around any marketing related activity, e.g. clause 3.8.2. "*The discussion is ended immediately at the customer's request, or if the customer clearly indicates that it is inconvenient, unwelcome or inappropriate*", and clause 3.8.5, "*No high pressure tactics are used*". Energy UK members consider any discussions initiated by a customer related to

products and services on offer would be classified as marketing related, therefore these clauses apply.

In addition to this, clause 3.8.11 also requires a minimum follow up period of two working days, specifically to allow customer's the time to reconsider their decision, and to explore other options.

Clause 3.3.7 also requires a record to be maintained of which installer visited the customer, thereby making it a simple process to identify the person in question and move to address the issue.

SLC 41.17 also requires suppliers to maintain a record of performance against and compliance with the aforementioned clauses in the code.

There are also existing regulations governing marketing and sales activity, e.g. distance selling regulations. One of the key principles underpinning the code was to not duplicate existing regulations.

It is not in anyone's interests (least a supplier) to upset customers and create complaints as this simply adds costs and raises barriers to rollout.

Energy UK members do not therefore see it necessary to include this in the code.

8. **Do you have any views on whether it is practicable for additional information to be included in the SMICOP on the costs to suppliers of fulfilling the code requirements around monitoring and compliance?**

Energy UK and its members recognise that for the central administration and to aide business planning, any costs associated with code compliance needs to be transparent such as code administration costs and audits commissioned by the code board.

The only cost that remains unknown for the SMICoP is the customer survey element of the governance. The requirements and specifications for conducting customer surveys is presently in the process of being drafted in order for a customer feedback trial to run. One of the intended outputs from that trial is to provide an outline of the likely costs for obtaining feedback from customers.

Energy UK members therefore consider it unnecessary to include cost estimates in the code. We also consider that the approach proposed in question 8 would be completely inappropriate as that is not an approach used in any other known codes of practice, and risks placing liability on the code governing body should the costs vary from any estimates provided.

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