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Dear Jonathan,

CONSULTATION ON THE SMART METERING CODE OF PRACTICE

Thank you for the opportunity to respond to the above consultation.

We have been closely involved the development of the Smart Metering Installation Code of Practice (SMICOP) and we consider that it delivers a robust and proportionate framework to ensure competent and effective installation and also customer protection in the area of smart metering. Our primary aim in the development of the SMICOP has been to create a framework that delivers a positive customer experience and works in harmony with existing obligations.

This most recent consultation brings forward a number of helpful ideas. However, many of them are already covered by existing obligations; rather than duplicating (and risk confusion or slight divergence of drafting), we think that SMICOP could more usefully refer to them. In this respect we think that Ofgem and suppliers should focus on ensuring that the SMICOP clarifies areas of ambiguity, and only makes supplementary provision where the necessary provisions have not already been made under existing codes of practice, licence conditions or legislation. One or two of the proposed additions may, as outlined in our detailed response, not be proportionate or practicable to implement.

Our responses to the specific consultation questions are set out in the attached Annex.

I would be pleased to discuss these points or any other aspects of the SMICOP with you in more detail; please contact me on the details above if you would find this useful.

Yours sincerely,



Rupert Steele
Director of Regulation

**CONSULTATION ON THE SMART METERING INSTALLATION CODE OF PRACTICE –
SCOTTISHPOWER RESPONSE**

Chapter 2 – SMICOP Section A – The Code of Practice

Question 1: What are your views on the smart-metering specific accreditation and training requirements that should be set out in SMICOP?

It is important that the SMICOP sets a clear benchmark for training requirements that allows a minimum standard to be experienced by all customers, while still giving suppliers the flexibility to design their wider accreditation and training programmes based on the services that they will offer to their customers. We therefore think that establishing an NSAP accreditation and training programme as a minimum requirement is sensible, to ensure consistency for customers.

We think that the NSAP accreditation should apply for supplies to micro-business customers as well, as this will give the relevant suppliers a clear standard to aim at and provide appropriate assurance to DNOs. We are not convinced that small suppliers would face disproportionate cost in utilising accredited staff.

We are confident that the NSAP training programme provides robust assurance of training standards, to ensure strong customer protection, while still leaving room for suppliers to define their approach beyond this. We do not believe it is necessary for additional training requirements to be set out in SMICOP, nor for SMICOP to dictate the training requirements of its signatories beyond this.

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

Yes. The notice period in the context of clause 2.7.9 should be fair and proportionate for consumers. As we can expect to see heightened levels of installation activity during smart meter rollout, it is important to suppliers that they have a reasonable and workable timeframe in which to fulfil their statutory obligations in relation to the installation of smart meters. We therefore agree with the proposal that suppliers may not charge for rescheduled or cancelled appointments if notice of 'greater than two working days' is given.

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 re-schedule an installation visit?

It is also appropriate for customers to be informed of any charges that would apply in the event of cancellation or re-scheduling at shorter notice, and for any such charges to be reasonable. We consider that these requirements exist in general consumer law and therefore do not need to be replicated in SMICOP. Indeed, if one of the purposes of making a reasonable cancellation/re-scheduling charge is to discourage consumers from taking these steps unnecessarily, then a clear explanation of the possible charge will be necessary in order to have the desired effect.

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 the existing requirements of the Electricity (Standards of Performance) Regulations 2010?

Under Regulation 19 of the The Electricity (Standards of Performance) Regulations 2010, suppliers are already required pro-actively to offer customers timed appointments (as defined by Regulation 19(6)) when arranging with a customer to visit the customer's premises. Failure to do so (subject to certain exceptions) triggers a requirement to make a compensation payment.

In the circumstances, it could be confusing for SMICOP to contain separate requirements covering the same area. It could however be helpful for SMICOP to mention that the offering of timed appointments is governed by the Regulation 19 of the Regulations.

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?

Licence condition 41.10(b) requires Suppliers to obtain explicit consent from consumers to undertake such marketing, in advance of the installation visit. As with any marketing consent, this consent would need to be fully informed and based on accurate information, and suppliers are required to maintain evidence of any consents being given. It is necessarily implicit in a requirement to seek consent that the question must be asked in a manner which reasonably admits a negative as well as a positive answer.

We think that specifically stating that the consumer may say "no" could bias the question towards a negative response. This could lead to customers missing out on opportunities to receive energy efficiency assistance or the offer to consider a cheaper tariff. We do not think that this would be in the interests of consumers.

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 or services that may be discussed during a marketing conversation?

As detailed in our response to Question 5, suppliers will be required to ensure that any consent received from a consumer to receive marketing during the installation visit is fully informed and based on accurate information. If the customer asks what the marketing is likely to relate to, the supplier will need to give a broad explanation to the best of its ability.

However, we think that a specific requirement to detail the products and services that might be discussed will be difficult to administer, as it would be necessary to record what specific marketing was disclosed to the customer and ensure that what was delivered matched it. It would also be necessary to have a process to deal with the case where a customer accepts marketing of one type but not another. We think that this could constitute an undue level of complexity.

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 sales or marketing activities?

We do not think that it is necessary for the SMICOP to require auditable records to be maintained where a customer requests future contact for sales or marketing activities. It will be in a supplier's interests to maintain a record of such requests to a) ensure that they follow up on the request and can potentially receive commercial benefit from it and b) ensure that if any marketing or sales activity results in a sale from that customer, there will be clear and auditable records to demonstrate its behaviour is compliant with its other Marketing obligations (e.g. SLC 25).

Beyond this, we consider that the customer feedback element of the SMICOP should reveal whether conduct at the visit (including where marketing takes place) has followed good practice, and drive improvements in conduct where necessary. It may be appropriate to add specific questions around this issue to the customer satisfaction feedback script to satisfy any specific audit concerns.

Chapter 3 – SMICOP Section B – Code Governance

Question 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?

It is not clear from the consultation document exactly what further information Ofgem is considering should be included within the SMICOP, which makes it difficult to comment at this stage. While we do not think it is appropriate for SMICOP to be too prescriptive about how much suppliers should spend on monitoring, it may be helpful to include some general principles which discourage gold plating, given that such costs will ultimately be borne by consumers.

ScottishPower
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