



Jonathan Blagrove
Consumer Policy and Insight
Ofgem
9 Millbank
London
SW1P 3GE

SSE
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Ofgem ref: (19/13)

8 March 2013
steven.findlay@sse.com
01738 516852

Dear Jonathan,

Consultation on the Smart Metering Installation Code of Practice

SSE and SGN are pleased to enclose their response to the above consultation (on behalf of SSE Supply, SSE Power Distribution and Scotia Gas Networks). We welcome the ongoing engagement with Ofgem and other stakeholders in relation to the development and implementation of Smart Metering Installation Code of Practice (SMICoP).

We have provided a response to the specific question posed within the attached annex.

Overall, we believe the current drafting of the SMICoP is appropriate and no further additional requirements should be imposed on suppliers without considering the net-benefit for consumers. For example, we do not believe it is appropriate to impose a requirement on suppliers to notify the customer of the types of products and services that are likely to be discussed during the installation visit. We believe that this could vary dependent on the customer's circumstances and could only be couched in very general terms at the appointment making stage.

We would also highlight the potential conflict with the Data Protection Act in relation to the requirement to notify the customer of the types of products available. If a customer has indicated to us that they do not wish to receive marketing information, then we are prohibited from marketing to these customers under the Data Protection Act. Ofgem must consider this obligation in relation to the wider requirements imposed under Data Protection legislation.

Also, it may become apparent upon visiting the premises that different types of tariffs, energy efficiency products or energy services are appropriate for that particular customer. We do not believe that a supplier should be restricted to stating the type of offering available prior to the installation visit, only to decide that other products are appropriate upon visiting the premises. This could potentially restrict the overall benefit of the rollout of smart metering and result in a poor customer experience.

We also do not believe that the SMICoP should specify requirements that are already covered within existing legislation. If the SMICoP was to duplicate the requirements under pre-existing legislation this would run the risk of double jeopardy and is unnecessary.



The Ofgem consultation document suggests that the SMICoP could specify that suppliers are required to 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. WE does not agree with this proposal as suppliers will be required to offer timed appointments in line with the aforementioned regulations regardless of whether or not they are contained within the SMICoP.

Please do not hesitate to contact me should you wish to discuss any of the points made within this letter in more detail.

Yours sincerely

Steven Findlay
Regulation

Annex – Consultation Questions

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

We believe the current drafting around accreditation and training is sufficient to compliment the existing accreditation and training set out in other codes.

We have already expressed at the Smart Installation Steering Group (where SMICoP was developed) that one or more of the distribution companies has yet to sign up to the National Skills Academy for Power accreditation. We believe SMICoP needs to reflect this but would push for consistent arrangements across the industry to ensure the same standards are achieved throughout. The current drafting of the SMICoP does not reflect the requirements of some of the distribution companies, in terms of the accreditation required in order to undertake the necessary work on their network.

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

The notice set out in the footnote accompanying clause 2.7.9 to be an appropriate and reasonable expectation to set the customer. In order to meet the challenging rollout requirements in relation to smart metering, we cannot sustain a high number of last minute cancellations.

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?

Whilst we agree that suppliers should be transparent in relation to any charges that could apply if the customer were to cancel or reschedule, we believe that this does not need to be made explicit within the SMICoP. We recommend that each supplier is able to determine their own policies and procedures in relation to charges, and how to communicate these to consumers. We would suggest that Ofgem explore the role that the Consumer Delivery Body introduced by Government could have in this area.

4. Should the SMICoP specify that supplier 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?

We do not believe that the SMICoP should duplicate pre-existing legislation. Regardless of whether the requirement to offer the customer timed appointments is set out within the SMICoP, suppliers will be obliged to do so as per the regulations specified above. This could potentially lead to double jeopardy should a supplier fail to offer appropriate timed appointments.

The SMICoP already makes the relevant references to the requirements as per the Electricity and Gas Standards of Performance in relation to timed appointments.

5. **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 tell these customers explicitly that they have no obligation to receive such marketing?**

As suppliers will be required to obtain explicit prior consent before any marketing is undertaken at the installation visit, we believe that the customer is provided with ample opportunity to decline should they choose to do so. We therefore do not agree with the proposal for suppliers to explicitly notify customers that they can opt out of receiving marketing information during the installation visit.

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 the 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.**

It is not appropriate to impose a requirement on suppliers to notify the customer of the types of products and services that are likely to be discussed during the installation visit. We believe that this could vary dependent on the customer's circumstances. It may become apparent upon visiting the premises that different types of tariffs, energy efficiency products or energy services are appropriate for that particular customer. We do not believe that a supplier should be restricted to stating the type of offering available whilst arranging the appointment, only to decide that other products are appropriate upon visiting the premises. This could potentially restrict the overall benefit of the rollout of smart metering and a poor customer experience.

We would highlight the existing requirements within the energy supply licence that provide customers with additional protection when undertaking any marketing activities (Supply Licence Condition 25 for both electricity and gas). SLC 25 requires energy suppliers to ensure that during any marketing activities, the supplier's activities are complete, accurate and do not relate to products which are inappropriate for the customer's circumstances. Any marketing activity undertaken by the supplier must also be fair in both terms of its content and how it is presented to the customer and conducted in a professional and appropriate manner.

We would also note the new requirements under Ofgem's Retail Market Review and the Standards of Conduct that are likely to apply in the near future. Energy suppliers will be required to adhere to 'Standards of Conduct' (SoC) that will be embedded within the gas and electricity supply licences. The SoC will apply right across the entire energy supply market and will affect decision making and contact with customers throughout our business. The SoC should bring a new level of confidence for consumers when dealing with energy suppliers and as a suppliers result will be incentivised to offer an excellent level of service or otherwise fall short of meeting the SoC proposed by Ofgem.

We would recommend that Ofgem does not include any additional obligations within the SMICoP as SLC 25 provides a sufficient level of protection in order to ensure that suppliers are not offering products that are inappropriate for the customer's individual circumstances.

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 appreciate the intent of intent of this proposal as it may help prevent customers feeling pressured into agreeing a follow up marketing visit.

However, we do not believe it is necessary to include this clause within the code. Under SLC 25 and the SMICoP (as currently drafted), the relevant consumer protection already exists, particularly relating to marketing activity. We would point to 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*". Also, additional protection is provided to the customer under clause 3.8.11 whereby the minimum follow up period of two working days specifically allows the customer time to reconsider their decision as to whether to receive follow up marketing activity.

SSE Energy Supply is also required to maintain a record under SLC 41.17 in relation to its compliance with the SMICoP and the aforementioned clauses in the code.

In addition to the requirements in the code, there are existing regulations governing marketing and sales activity, e.g. distance selling regulations. One of the key principles underpinning SMICoP was to not duplicate existing regulations.

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?

We do not believe it is practicable for additional information to be included in the SMICoP relating to the costs of compliance and monitoring. Requirements under the Code will develop over time and each individual member will have different needs under the Code.