

By email to
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Monitoring suppliers' smart meter roll-out activities

Citizens Advice welcomes this opportunity to comment on the monitoring of suppliers' smart meter roll-out activities¹. We are concerned about the low priority currently given to the benefits of the programme for consumers and want to see monitoring activity help to address this. Consumers can opt out of smart meter installations and will do so if they do not see any additional benefits, and if those perceived benefits do not outweigh concerns about privacy, health and high tariffs.

Overall we are disappointed to see that Ofgem's key concern is the extent to which these monitoring activities place a regulatory burden on suppliers. Evaluation should be a core part of the rollout activity, and we are determined that consumers should see quantifiable benefit from the £11 billion that they are paying for the programme. Further, we can see there may be an issue with the number of bodies to which the delivery partners will need to report, potentially at different times and in different formats. We are keen to see some rationalisation of reporting, but this should focus on the quantity of reporting pathways, rather than reducing the ability to monitor the meeting of legislative and regulatory requirements, and for the management of reputational risks.

With regards to smaller suppliers, we are concerned that Ofgem will miss the opportunity to identify and help address a significant level of detriment if smaller suppliers are not required to report on their smart meter roll-out activities. Consistency of provision is key to the CDB's ability to send out clear messages to the public about the benefits of smart meters, as without it there are barriers to the speed of switching and availability and/or quality of services. We have noted below the particular measures that we would like monitored across the market.

The quality and impact of the reports would be greatly improved by the inclusion of postcode data to enable understanding of national, regional and local differences. This would help suppliers, the regulator and ourselves understand gaps in provision; the impact of management differences or local campaigns on uptake of smart meters and/or IHDs; and hotspots for faults, either in installations or equipment, thereby encouraging and enabling scrutiny of how these are dealt with by suppliers and network operators. We do not believe this would add an unreasonable burden to the reporting costs as suppliers will of course

¹ <https://www.ofgem.gov.uk/ofgem-publications/87411/monitoringconsultation240414final.pdf>

already have significant postcode information in their installation appointment booking databases, and the resultant management information should allow more effective handling of difficult installations.

There are additional reports that we would like to see incorporated to improve the management of risks.

Firstly we are concerned about the likelihood of consumers having appliances condemned during the fitting of smart meters and being left unable to meet their basic heating or cooking needs. Such scenarios may already arise in the market, without any reporting, but we think it worth capturing the number and location of such actions in order to understand the scale of the issue as it has such a significant impact on consumers' health and wellbeing; and we want to know that any related safety net, such as assisted referrals for the most vulnerable households, is actively applied.

Secondly, Citizens Advice is concerned about the lack of a cap on the costs of the smart meter rollout balanced against highly uncertain benefits.

We are particularly concerned about the costs arising from complex installations or missed appointments (whatever the reason), and it appears by no means certain that decisions are being made in favour of cost-effectiveness for consumers (eg the potential for multiple visits to multi-dwelling blocks). With the Government having determined that a supplier-led rollout is appropriate, we now expect Government and the regulator to report its effectiveness at delivering complex installations, and keeping down appointment costs.

Citizens Advice is also concerned by the policy assumption that information alone will drive changes in behaviour. Information is not enough; consumers need to be interested by the information and have the right tools to act on it, and some consumers, particularly those who are the most vulnerable, will need extra help in getting the most from the meters and the in-home display. At present 70 % of households do not have a full set of heating controls², posing a significant barrier to putting information into good use, and only 11% of small businesses with a smart meter use the resultant information to identify savings and take action³.

We would therefore like to see reports on:

1. Number and location of households and small business properties where appliances have been condemned. Monitor small suppliers alongside larger suppliers, and include reports on
 - a. appliance type
 - b. process applied to assist households repair or replace the appliance
 - c. instances where a property is left off-supply for 12 hours or more
2. Number of visits and total time per dwelling and per small business, and rationale where visits total more than 3 visits or three hours (whichever limit has been met first). Monitor small suppliers alongside larger suppliers.
3. Cost-effective approaches used by suppliers and network operators to reduce costs of installations in complex situations (a mix of quantitative and qualitative information) for example

² REFERENCE

³ <http://www.consumerfutures.org.uk/files/2013/08/A-smart-business.pdf>

- a. Difficult installs, including issues on the network side of the meter such as asbestos backboards
 - b. HAN installations in multi-dwelling blocks (REFERENCE)
- 4. Number of missed appointments, by postcode and rationale.
- 5. Number of households given additional help, reporting against standard types of assistance including assisted referrals to supplier-led or third party energy efficiency schemes. Monitor small suppliers alongside larger suppliers.
- 6. Number of homes unable to control their use of space heating
 - a. Due to lack of controls
 - b. Due to lack of knowledge or uncertainty of how to use them.
- 7. Number of households with a smart meter installed but still in receipt of estimated bills (ie not functioning as expected)
- 8. Proportion of non-domestic consumers who have been given a data display⁴. Monitor small suppliers alongside larger suppliers.

Finally, there needs to be consideration given to the categorisation and sharing of monitoring and complaints data between all parties likely to be handling related consumer complaints and enquiries. We are unclear whether this sits within the remit of this monitoring activity but suggest the two should be aligned to provide comparability and a reliable overview of the market.

Yours sincerely,

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⁴ We would welcome an understanding of use of third party energy management systems but recognise that is likely to be too burdensome when not a service provided by the suppliers.