

3rd Floor North 200 Aldersgate Street London EC1A 4HD

Tel: 03000 231 231

citizensadvice.org.uk

15 December 2015

Dear Tom,

Response to consultation on Ofgem's final proposals on reforming suppliers' meter inspection obligations

This submission was prepared by Citizens Advice. Citizens Advice has statutory responsibilities to represent the interests of energy consumers in Great Britain. This document is entirely non-confidential and may be published on your website. If you would like to discuss any matter raised in more detail please do not hesitate to get in contact.

As we set out in our <u>response to the initial proposals</u>, we agree that the rollout of smart meters provides a sensible opportunity to review the current meter inspection obligations. The technological developments and regulatory proposals associated with smart meters meant that these obligations should be removed for this type of meter. The savings from reduced meter inspections are a key benefit from the rollout of smart meters, and we expect these savings to be passed on to consumers through lower bills.

However, we remain concerned that consumers with traditional meters will be at higher risk from the changes. Billing accuracy could decrease as a result of these changes, and these consumers will not benefit from Ofgem's proposed regulatory limits to back billing for smart meters. We are also concerned that this increases the risk of 'shock bills' during the smart meter rollout, when a final reading is taken from the traditional meter after a period of estimated bills. In order to protect consumers with particular vulnerabilities we would urge Ofgem to bring forward their final proposals for the review of the Priority Services Register, including the requirement for suppliers to identify consumers who are are unable to read their meters themselves , and offer them a quarterly meter reading visit.

It is essential that suppliers comply with the requirement to take all reasonable steps to obtain a meter reading at least once a year (SLC 21B.4) in order to

prevent consumers from receiving estimated bills for extended periods of time. We welcome Ofgem's commitment to use settlement data to consider suppliers' compliance with this licence condition. We will continue to use the Citizens Advice Consumer Service, the Extra Help Unit, and local Citizens Advice to identify cases where meter safety issues have arisen, and also where consumers have experienced issues related to estimated billing. We will bring these to the attention of the responsible suppliers and, where necessary, the regulator.

In order to ensure that all consumers are protected we believe that meter inspections should not be an area of differentiation between suppliers. To this end, we are keen for industry to build on the work of the Meter Inspection Subgroup (MISG) by developing common risk indicators for metering safety. These should take account not just of the meter, but also of any consumer vulnerability which may place them at a higher risk. Given the different technical capabilities of smart and traditional meters, suppliers should also take account of the meter type in the risk assessment.

We also agree that suppliers should develop mechanisms for sharing data on the condition of metering equipment and and records of actions taken. Sharing this information could help to reduce the number of smart meter installations which are cancelled due to issues related to the existing meter location or components. As Ofgem proposes to remove the current meter inspection obligations from April 2016, suppliers will need to work urgently to develop the common risk factors and to ensure their frameworks for meter inspections meet their health and safety obligations.

Citizens Advice welcomes the Health and Safety Executive's offer to engage with energy stakeholders who are concerned about their compliance with health and safety legislation, and expect suppliers to make use of this engagement where appropriate as they prepare for the removal of the inspection obligation and transition to a risk-based approach to meter inspections.

Although Ofgem is not requiring suppliers to publish their risk assessments in detail, we would expect the common risk indicators underpinning these to be transparent, and adopted by all suppliers. Ofgem have committed to monitoring consumer outcomes related to meter inspections and meter safety. We are interested to know more about the regulators plans in this area. As with billing accuracy, we will use the data available to us to through our services to identify these issues, and bring any concerns to to Ofgem's attention as appropriate.

Yours sincerely,	
Dhara Vyas	
Head of Smart and Sustainable, Citizens Advice	