Consumer First Panel 2018

Half-hourly settlement

ofgem   REVEALING REALITY

Contents

REVEALING REALITY

1. Executive Summary

This report outlines the findings from Wave three of Ofgem's Consumer First Panel 2017/2018. The Consumer First Panel is a long-standing research programme that brings together everyday consumers from differing backgrounds to discuss key issues that impact their engagement and involvement in the energy market, and other energy related topics.

Wave three explored sixty-two everyday consumers' initial thoughts and preferences on accessing half-hourly electricity consumption data from smart meters for settlement purposes.

Consumers' opinions and preferences will help shape Ofgem's decision in regard to the best option for access to half-hourly electricity consumption data for settlement purposes. The research also asked consumers about their current thoughts on smart meters, sharing data more generally for other purposes and organisations they are more likely to trust. These additional topics enabled them to build understanding and provided more detailed insight into their thoughts on sharing their smart meter data for settlement.

The research consisted of four deliberative sessions, held across four locations in GB. These were Watford, Leeds, Merthyr Tydfil and Paisley. The Panel consists of consumers with a mix of gender, age, ethnicity and energy behaviours and attitudes. Some already had smart meters while others did not. When initially recruiting this Panel of consumers, Ofgem's consumer segmentation was used to capture a range of engagement, attitudes and behaviours in the energy market.

WHAT IS HALF-HOURLY SETTLEMENT?

Suppliers operating in Great Britain are required to take all reasonable steps to roll out smart meters to their domestic and small business customers by the end of 2020. Smart meters record electricity consumption on a half-hourly basis which suppliers can currently access with the customer's consent. Accessing half-hourly data from smart metered consumers is necessary to enable reconciliation of the difference between what energy suppliers have bought and the amount their customers have used. This process is known as settlement.

Ultimately, half-hourly settlement is expected to lead to benefits for consumers as bills should be lower than they would otherwise have been. However, to maximize the benefits of half-hourly settlement, half-hourly data from as many consumers as possible would need to be available for settlement purposes. Ofgem are therefore interested in how consumers feel about suppliers and other relevant parties accessing this data for settlement purposes and how that feeling varies for different data access purposes.

HEADLINE FINDINGS

Most consumers that we spoke to felt that there was always a level of uncertainty with data sharing. Many were unsure of who used their data, but felt there was no option but to share it.

- Sharing data was deemed 'okay' by consumers if there was some benefit to them in the long run e.g. specialised services and offers.
- Some consumers, who were more sceptical, were less keen to share data with any organisation, unless they had established a level of trust with them (potentially through a recommendation from a friend or family member.)

Most had an expectation that the rationale for getting a smart meter was to allow suppliers to access their data and didn't mind if half-hourly data was accessed.

- This was particularly relevant for those who already had smart meters and they were happy for suppliers to access their data - particularly considering the potential benefits discussed.
- Consumers also perceived that one of the primary reasons for having a smart meter was so energy suppliers had access to their data automatically and were confused when asked about different options for data sharing.

Most were happy to share their data for settlement purposes and saw this as beneficial for the supplier, wider society, and potentially for themselves.

- Some consumers were worried that sharing their data for settlement purposes could lead to a potential increase in their energy bill, due to on/off peak rates. It should be noted that using data for billing purposes[1] was a topic in each session, but was discussed after data sharing for settlement purposes.
- For most consumers, the potential long-term benefits outweighed this concern, with some consumers thinking that potential savings made by suppliers were to be felt positively by consumers.

Consumers felt that sharing their data for billing purposes could lead to a positive change in their energy behaviour, which some had begun to change upon having a smart meter.

- Consumers generally preferred to pay for what they use as opposed to when they use energy. However, consumers could recall times when they had changed their energy behaviour in the past. (e.g. the Economy 7 scheme). Furthermore, some consumers also recalled changing their behaviour in similar instances with other providers.
- Some consumers who already had a smart meter were already changing their consumption behaviour and didn't mind the notion of billing on half-hourly data, as they felt they could save money.

Many consumers were generally still interested in having a smart meter. They saw it as a positive tool in helping them manage their energy consumption and ultimately the price they pay for energy.

- Some were sceptical of having a smart meter as they felt it benefited the supplier more than themselves, most were still interested in the benefits a smart meter could offer them.

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[1] Access to data for billing purposes is only allowed with the consumer's consent. There are no plans to change this rule. By billing Ofgem meant using half-hourly data to draw conclusions about a particular consumer's cost to their supplier and using this information to make decisions about what tariff or price to offer a consumer.

2. Background

ABOUT THE CONSUMER FIRST PANEL

The Consumer First Panel, now in its ninth year, helps to inform Ofgem's decision making process, obtaining consumer views on a variety of topics to ensure the consumer voice is heard.

The overarching aims of the Consumer First Panel are to:
■   Allow Ofgem to consider the consumer voice when developing policies
■   Understand consumer views on key energy market issues
■   Analyse and compare consumer attitudes and behaviour
■   Find ways to help consumers engage with the energy market

WAVE 3 OBJECTIVES

Consumers were asked about their current attitudes and thoughts to sharing data in general, and sharing their half-hourly electricity consumption data for settlement, for forecasting and for billing purposes.

The core research objectives were to explore:
■   What are consumers' current attitudes to sharing their half-hourly energy consumption data for settlement purposes?
■   What bodies/organisations in the energy market (and beyond) would consumers trust with their personal data?
■   How would consumers feel about potential changes in data rules on access to half-hourly energy consumption data to facilitate half-hourly settlement?

METHODOLOGY AND SESSION APPROACH

The deliberative sessions were held in four locations with events in Watford, Leeds, Merthyr Tydfil and Paisley. All participants had been involved in previous waves of the Consumer First Panel and therefore were familiar with the session approach and with one another. Due to the exploration of two topics for these deliberative events, the session time of three hours was divided with consumers discussing half-hourly settlement for an hour of each session.

Given the unfamiliarity consumers had with the settlement process, time was required in the session for the moderator to explain key information, using visual stimuli, to ensure respondents were informed with the base amount of information required to confidently contribute to the discussion.

Consumers were divided into three tables (with four to seven consumers at each one) with a moderator at each table. This approach utilised in the previous waves of the panel ensured the moderator could build rapport with attendees and capture more detailed insight from a greater number of consumers. Where possible consumers were divided into three groups:
■   Those with smart meters
■   Those without smart meters
■   A mix of those with/without smart meters

This was done to capture any difference of opinion between those already sharing their data to those who do not have direct experience of using a smart meter. However, it is worth noting that this was not possible at every location and in this case the three tables were mixed. The Panel consists of a range of the Ofgem consumer segmentation groups, suppliers, energy behaviors and age, gender, ethnicity –details of which can be found in Annex 1.

3. General attitudes towards sharing data

ATTITUDES TOWARDS SHARING DATA

Consumers were initially asked their thoughts on general data sharing, other ways they currently share their data, and who with. Unsurprisingly, consumers were sharing their data in a variety of ways (e.g. through social media channels, price comparison websites and subscription services), though people were uncertain of how exactly their data was used more generally and who it may be potentially shared with.

"It's hard not to share data, people take it and you might not know"

Most consumers were vigilant in ensuring their data was not shared with third parties by ticking the correct box for data permissions when signing up to services. However, due to past experiences where they had been contacted by companies they had never heard of, most felt that it was inevitable that their data would somehow be shared further. These consumers were unsure as to how their details were acquired by other companies.

A concern for most was the security of their sensitive data, such as bank details and addresses. Consumers were more cautious when sharing this information. If consumers trusted a company/brand or had been recommended a service by a friend, they were more likely to share their data without considering where the data may go or who it may be shared with.

Many took a stance of automatic distrust of companies when sharing or handling their data, feeling it was safer to assume that it may be misused unless they had read details about the companies' use of their data in more depth. Some consumers made references to news stories they had read about of companies misusing data as a basis for this general mistrust

"You have to use them [companies/services] but you don't have to trust them. I accept it [sharing data] but I don't necessarily like it"

However, consumers were still accepting of their data being shared with third parties if the company or third party used their data in a positive way e.g. offering them services or good deals. Sharing data in the long-term was deemed okay by some consumers in this instance as there was a potential benefit to be gained.

Some preferred not to know how their data was shared. These Panellists felt that data shared with their energy supplier couldn't be compromising and saw no issues with sharing it.

SMART METER PERCEPTIONS AND DATA

Most consumers had positive perceptions of smart meters, particularly those who already had one in their home. These consumers found smart meters a useful way to track their short-term energy consumption as well as helping them to reduce their energy consumption in the long term.

"It's useful to find out when you're using the most energy and adjust"

Those consumers who did not currently have one were still generally positive, but were unsure about the benefits of them. There were also concerns with the perceived hassle it would take to have one installed and re-installed if they were to switch supplier.

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Many consumers felt that being more aware of how much energy everyday items use would help save them money in the long-term and be better for society and the environment.

SHARING SMART METER DATA

Most consumers were happy to share data from their smart meter, believing that the primary type of data that would be shared is their energy usage and a customer ID number. Suppliers monitoring energy usage was perceived to be the core reason for having a smart meter. People were unsure as to what granularity of data was collected by their supplier (answers varied from hourly to monthly) but initially they felt that it was inconsequential to them what granularity of data the suppliers collected.

Consumers were unsure of what other data is shared through their smart meter, with some concerned that the data could determine whether or not people are at home[2].

"I would be worried that with the unique customer number they would know when you're home"

Some believed that by sharing their data through smart meters, suppliers would be able to charge consumers more accurately for what they use. Some questioned whether this would be of greater benefit to the supplier rather than consumers.

"I'm not interested in one [a smart meter]. I don't trust it because they hassle me all the time to get one so there must be a catch"

"In the long run it may be cheaper if people realise they are using it [energy] at different times than they expected"

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[2] It is important to note that although data could potentially provide information about a household's general consumption patterns it would be historic rather than real time data.

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4. Use of data for settlement purposes

Consumers were given an explanation about the settlement process and asked how they felt about suppliers accessing their half-hourly electricity consumption data for settlement purposes only. Though consumers initially struggled to understand settlement and the process of accessing their electricity consumption data after more explanation and discussion, most consumers saw sharing data for settlement purposes as beneficial. Some key benefits were:

Future and further reductions in energy billing

- Consumers perceived that if suppliers had data for settlement purposes, the savings the suppliers would make would eventually be passed back to the consumers – with cheaper energy available.

"It [settlement] should eventually bring the cost down. If it's costing the supplier less they should pass it on"

Reduction of excess energy and wastage

- Consumers felt that anything that could help reduce the excess and waste of energy would make improvements to the energy system in the long-term. This was seen as a wider societal level benefit and having a positive effect on the environment.

Future investment in renewable and sustainable sources
- Consumers thought that potential savings made by energy suppliers could be invested in developing and maintaining renewable and sustainable energy sources for future consumers.

"In the long-term, society will benefit from this [settlement] but in the short-term it will be the suppliers"

Some consumers were more sceptical and distrusting of suppliers. These consumers were worried that by sharing their data for settlement, suppliers would then use this data to increase the amount they paid on their energy bill. These consumers understood that the data would just be taken for settlement purposes but didn't trust suppliers to use the data for that purpose and believed that sharing their data for settlement would be a "slippery slope". Generally, most sceptics had a fatalistic attitude towards their data being taken and used for purposes that were not agreed across a variety of sectors not just energy.

"It can't be that straight forward, they [suppliers] are out to make a profit they will use the data for their own advantage"

Most consumers emphasised the benefits over the potential drawbacks of sharing their data. However, they believed that the short-term benefit to an individual was small when compared to the potential larger benefit for the energy system, and consequently all consumers, in the long term.

Consumers who had smart meters weren't particularly concerned when their data was accessed. Those who did not have smart meters in their homes had no initial qualms with sharing their data for settlement purposes and were more focused on thinking about how the smart meter could benefit them as an individual.

"If it [sharing data for settlement] helps someone prioritise something and get the calculations correct, and maybe my bills cheaper, I don't mind [sharing data]"

TRUST & DATA HANDLING

Many consumers felt happy to trust their supplier with energy consumption data, on the assumption that the only data they were sharing was their energy usage and the bare minimum of additional personal identifiable information.

Panelists were more trusting of governmental bodies, regulators or parties without a vested interest in energy to handle their data. These parties were seen to uphold a certain standard and have an official interest in their data and therefore be less likely to misuse data compared to other organisations.

Some questioned what use their energy consumption data would be to a third party if it were to be shared. Consumers generally felt that the data they shared through their smart meter was harmless and wasn't of any significant value to them.

Consumers were generally happy for their supplier to be the sole party responsible for handling smart meter data. Having too many parties involved in the process raised concerns of data breaches and misuse. Some consumers questioned why any other party would have use for the data accessed through their smart meter, except for Ofgem as the regulator.

"[There is] no need for a third party or anyone else to handle this data. The less people touching and using this data the better"

CHANGES TO DATA RULES

Consumers were presented with three potential options for the access to half-hourly electricity consumption data for settlement purposes:

- **Opt-in (status-quo)**
- **Opt-out**
- **Mandatory access**

Consumers discussed the positives and negatives of each option, with most consumers preferring an opt-out system for the access to their data for half-hourly settlement purposes. Most expressed that current propositions for asking consumers to share data across a variety of sectors are generally perceived as negative. Due to this, many consumers felt that the language, framing and delivery channel for all options, needed to be considered when presenting an option to consumers to alleviate any negative connotations they may have.

OPT-IN

Consumers who already had a smart meter thought they had already opted-in to sharing their data with their supplier. This caused some confusion, with consumers questioning why there would need to be another opt-in stage for the data to be settled half-hourly. These consumers felt that by having to opt-in they had 'more work to do' and preferred a system that took their data if they agreed to installing a smart meter.

"Part of having a smart meter is to give your data – that's why you have it because you want to share your data"

It was also perceived that having an opt-in point would lead to more consumers deciding not to share their data. This was under the assumption that consumers would be 'scared' and decide against opting-in, which in turn would mean missing out on the potential longer-term benefits of half-hourly settlement.

"Opting-in introduces an element of worry that is not necessary"

Those less trusting of suppliers, favoured having an opt in point in order to receive information up front about how their half-hourly data would be used so they could make an informed and active decision. These consumers wanted more details about the potential positives and negatives of sharing their data at half-hourly intervals – requiring full transparency from their supplier as to how their data will be used and why it is required before making an 'active' choice to share it.

"It should be opt-in; the default option should be no don't take my data"

POSITIVES	NEGATIVES
■ Consumers would make more 'active' choice ■ Consumers data wouldn't be taken without action from them	■ Consumers could be put-off by simply being asked if they would like to share their data ■ There was a perceived hassle in having to opt-in to sharing data.

OPT-OUT

For most consumers, particularly those that had smart meters, opt-out was seen as the go to option. This was predominantly due to the minimal amount of work required by the consumer and there was an overwhelming agreement to share their energy consumption data with their supplier for settlement purposes.

"It's like organ donation. You have to opt-out which works better because people are lazy and won't opt-out or opt-in, so better to opt-out"

Some consumers, who were concerned about becoming "obsessed with energy" preferred opt-out for similar reasons. They wanted to take a more passive role in the collection of their data, feeling that data taken for settlement is inconsequential to them in the short term.

Some raised concerns that the option to opt-out would not be made clear enough, particularly for more vulnerable consumers. They were worried that if this were the option, data would be taken without the consumer being fully informed or aware of why their data was being taken. These consumers suggested various channels to communicate the option to opt-out, with email being the preferred method. Consumers felt that a letter or a phone call may be ignored and perceived as a scam - more so than an email. However, this did not alleviate the concern that consumers would still likely miss or ignore the message prior to data being taken.

"Opting-out needs to be clear and simple, asking people simply – 'do you want to opt-out'?"

The majority perceived opting-out to be the best option as consumers were thought to be unlikely to act on any message required to opt-in or out. If the default option was opt-out, suppliers and consumers were more likely to see the long-term benefits of half-hourly settlement come into effect.

"If it all changed and I had to physically opt in then that's something I have to do I would prefer something I don't have to do. People won't do it [share their data] if they have to physically opt in"

POSITIVES	NEGATIVES
▪ More likely to get more consumers' data ▪ Consumers don't have to take an action and give their data passively without doing any 'work.'	▪ Concerned about a lack of clarity in why the data is being used and what for. ▪ Potentially taking data without consumer understanding or awareness.

MANDATORY ACCESS

Some consumers felt this option was too invasive and stressed the importance for consumers to be given a choice as to whether their data was accessed. Most felt that by refusing to have a smart meter they were declining access to their data – and by agreeing to have a smart meter people felt it was an implicit agreement for data to be gathered and shared.

Some consumers who were more sceptial of suppliers believed that if suppliers had mandatory access to their data they may use the data outside of the agreed settlement purposes e.g. for billing. This minority of more sceptical consumers generally favoured the opt-in option as they felt this would provide assurances about how their data is used and give them an active choice thereafter.

"You expect a choice [about sharing data] as a consumer"

A handful felt this option (mandatory access) made the settlement process simpler. It was perceived that giving consumers options added an element of uncertainty and concern about sharing data. These consumers, who tended to be those who already had a smart meter, were familiar with what data was being shared with their supplier and felt that no harm could come from suppliers having this data.

"I don't see any cons for [mandatory] access. It's fairer and efficient"

Despite this, most consumers still felt it important to be given a choice to share their data. The opt-out option provided choice to consumers, with the benefit of being able to share data without making an active choice.

REVEALING REALITY

"The one that's fairest to everyone is opt-out, that's the fairest"

POSITIVES	NEGATIVES
■ Has the potential to make the process simpler and giving consumers options only added an element of uncertainty and concern about sharing data ■ Would lead to the least cost system and the most amount of data shared and therefore benefits accrued	■ Mandatory access was felt to be too invasive by some ■ Consumers no longer presented with a choice

# 5. Use of data for other purposes

USE OF DATA FOR BILLING PURPOSES

After discussing half-hourly data for settlement, consumers discussed their feelings about half-hourly data being used for billing purposes. If suppliers are charged based on when and how much their consumers are using energy, they may want to offer consumers tariffs with different in-day rates, alongside more flat-rate tariffs – however, suppliers would only be allowed to use consumption data to make decisions on how to charge consumers if they actively agreed to share their data for billing purposes.

Consumers were informed of the above and the following potential benefits that could arise if this data was shared and if consumers responded to incentives to shift some demand away from peak times:

- Fewer new power plants would be needed because better use can be made of existing electricity generation (power stations, wind turbines)
- Electricity networks would need less reinforcement (networks can only cope with a finite amount of demand at any one time)
- It would allow greener electricity generation overall (electricity is at its most polluting at peak because inefficient fossil fuel plants tend to be turned on)

Most consumers quickly grasped the concept of access to data for billing purposes and the comparison of flat tariffs and in-day rate tariffs to train tickets with off/on peak rates and season tickets. However, whilst consumers understood the process and potential benefits, if they were to shift their usage from peak times there were some who were still concerned about being charged for the time at which they use their energy.
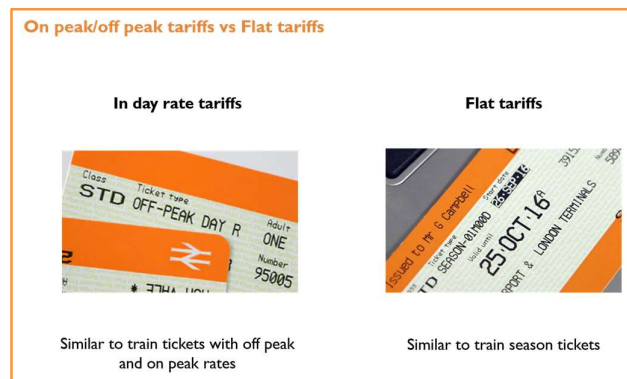
Consumers who were less trusting of suppliers were unhappy with the idea of being charged at peak/off peak rates for their energy and felt it would be unfair and potentially punish those who work regular full-time hours e.g. 9am-5pm. These consumers displayed loss aversion when discussing billing purposes – prioritising the money they could lose if their data was used for billing purposes as opposed to the gains they could make if they already used less than average electricity at peak or adjusted their energy behaviour to use less at peak times.

"I feel like it would punish the 9-5 worker, being charged at peak times"

Loss aversion

A behaviour bias that describes people's preference to prioritise avoiding losses to acquiring the equivalent gain e.g. better not to lose £100 than gain £100.

For some energy consumers this was evident in the fact that they prioritised the money they could lose from sharing their data for billing purposes as opposed to the money they could gain if they were to change their energy behaviour or if they used energy at off peak times.

The introduction of the discussion of billing led these less trusting consumers to feel uncomfortable sharing their data for settlement purposes. They didn't trust their supplier to use their data for settlement only and saw it as the beginning of a process that would lead to them paying more.

Some consumers were open to the idea of their data being used for billing, especially if consumers continued to have a choice (either opt-in or opt-out) about whether they shared it. These consumers felt that being billed for the time they use their energy, as well as the amount they use, could incentivise them to lower their energy consumption in the long-term which would not only benefit them but have a greater societal benefit as well.

"People have to take responsibility for their consumption – if you have to go to London in the morning and can't do otherwise you have to accept the peak tariff"

Those who had smart meters claimed they were already adjusting their energy usage behaviour based on their meter readings and felt that data being shared for billing would help encourage others to follow suit. Having already made changes to their consumption based on the smart meter display, making additional adjustments to their energy consumption based on avoiding peak times felt realistic when compared to some consumers without smart meters, who felt it could be difficult to change their current behaviour.

The suggestion of two different tariffs, in-day rate tariffs and flat tariffs, was viewed positively by consumers. Those who were confident in adjusting their energy behavior liked the option of being able to have a tariff that charged them an in-day rate – feeling as though they could save money and that these tariffs could incentivise them to adjust their energy behavior.

Consumers liked the idea of having a choice between in-day rate tariffs and flat tariffs (a tariff with a fixed rate) as this seemed to be fair to consumers who feel confident to change their usage patterns and to consumers who were unsure about sharing their data for billing and preferred to pay for their energy at a fixed rate.

"I would probably just adjust how much energy I use, if not a flat tariff sounds good - it gives you choice"

USE OF DATA FOR FORECASTING PURPOSES

Consumers were asked how they felt about sharing data so suppliers could predict how much electricity they need to buy (forecasting purposes). Initially consumers were happy for suppliers to use their data for this purpose, with some thinking that suppliers already did this. After explaining and discussing data for settlement in more depth, most consumers were still happy to share their data for forecasting purposes. They felt that if the suppliers were taking data for settlement purposes they might as well use the same data to predict how much electricity they would need to buy.

"[Forecasting] is fine, I thought that was what smart meters did"

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Consumers were particularly interested in the long-term environmental benefits of collecting data for forecasting, expecting suppliers to reduce the amount of wastage with this data and potentially pass savings back to consumers.

Some more sceptical panelists were unsure about sharing any data with their supplier (not just for forecasting) after discussing data for billing purposes. These consumers were distrusting of their suppliers to use the data for the agreed purpose.

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6. Conclusions

THOUGHTS ON SMART METERS IN THE FUTURE

After discussing the type of data shared through a smart meter and half-hourly data access through a smart meter the majority of consumers were still interested in having one. It was believed that the benefits of smart meters in the long-term outweighed any concerns they may have about how their data may be used by suppliers.

Consumers were in three general areas of thinking when discussing having a smart meter in the future:

SMART METER SCEPTIC

- A small minority of consumers in this group didn't currently have a smart meter and the benefits of having a smart meter were more intangible to them. These consumers were less trusting of suppliers and concerned they would use their data to charge them more on their energy bill.

- The most sceptical consumers were put-off having a smart meter following the discussions on access to electricity consumption data for half-hourly settlement. This small number of Panellists felt that any consumption data taken by their supplier would have a negative impact on their billing – regardless of what they 'say' the data will be used for. These consumers had little to no trust in suppliers to operate in the consumers' interest

"If they only used it [my smart meter data] for settlement purposes I still wouldn't trust them"

SMART METER INTERESTED

- The majority of consumers (with/without smart meters) were interested in the benefits a smart meter could offer them. These consumers felt they could use a smart meter to proactively change their consumption behaviour and energy costs. They were open to the idea of having a smart meter.

- There was some concern amongst consumers that having a smart meter may make it difficult to switch supplier, but once these concerns were alleviated through the explanation that from late 2018 new smart meters are expected to be connected to new national infrastructure[3] (allowing flexibility to switch suppliers without losing smart meter features), consumers were interested in the benefits that a smart meter could offer them.

"It makes you think 'do I need that light on?' Once I know how much [energy I use] it's my choice to reduce it. It will make people more aware"

SMART METER CONTENT

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[3] Existing smart meters will also start to be connected to the new national infrastructure from late 2018

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- Those consumers with smart meters (and a few without smart meters) remained happy to have one, were aware of how it worked and what data it collected. These people were the least concerned as to how their data would be used by their supplier. They were generally open to the idea of everyone having a smart meter.

"If someone is getting a smart meter and they say 'no, it's not okay to share the data', why do they want the smart meter, to see the lights flash on it? – its counter intuitive to get a smart meter and not want to share your data."

After discussing having a smart meter and the long term benefits they could have for suppliers, consumers and society, the interest in having a smart meter amongst most consumers only increased. However, many consumers liked that they still had a choice about their data and having the power to choose how it was used.

REFLECTIONS ON ACCESS TO DATA FOR SETTLEMENT

Most consumers were happy to share their data for settlement purposes but felt the language and framing of how they were approached to do so was essential to the successful uptake of this. Many acknowledged that the word data was off-putting and stressed the need to clearly frame, in a non-threatening transparent manner, why their data is being used.

"Data scares people, they think about things like bank details but if they know it's their gas and electric usage being shared they won't have a problem with that. When you say data it's scary isn't it."

Some felt that by simply asking the question about whether data can be used, consumers would immediately be deterred from sharing any data. They believed it better to acquire the data through mandatory access as they felt consumers wouldn't mind if their data was used by suppliers. However, most felt it was important that consumers still had a choice, preferring the opt-out option as they believed consumers would be likely to be okay with suppliers using their data and would not want to have an active choice to make.

These consumers also felt that by having a smart meter installed they were already opting-in to their data being shared so saw opting-out as a logical next step to acquiring data. They felt consumers had already made the choice to have their data taken and there was no problem in data being used for settlement purposes. Opting out was also viewed as the best way of obtaining the long-term benefits of settlement (e.g. increasing low carbon generation in the generation mix, savings passed on to customers, less wastage), as most felt, if given a choice to opt-in, consumers wouldn't share data due to the negative connotations around data sharing.

"The whole [energy] system will be more efficient [with data being used for settlement purposes]. This will trickle down to consumers and eventually effect on prices as well"

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Thank you

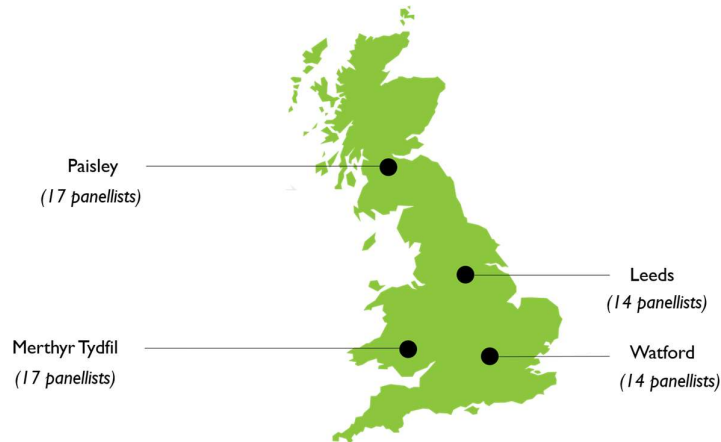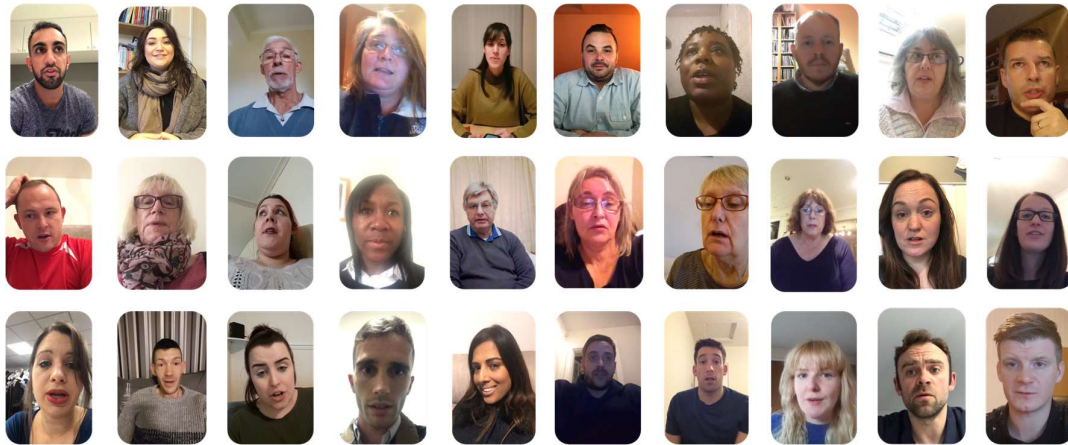# 7. Annex: Sample & approach

Paisley
(17 panellists)

Leeds
(14 panellists)

Merthyr Tydfil
(17 panellists)

Watford
(14 panellists)

For the third wave of research with the Consumer First Panel, we brought together sixty-two consumers across four locations: Watford, Leeds, Merthyr Tydfil and Paisley. The majority of the panel had been involved in the previous two waves of the research, with a smaller number recruited in Wave two or only having attended Wave one.

Due to attrition throughout the year the sixty-two consumers present represented those numbers that were able to attend from the original eighty respondents recruited.

When recruiting in Waves' one and two we ensured a broad range of experiences were captured, the research achieved a good demographic spread, including a balance between male and female respondents, and a wide range of ages, income levels, and ethnicities.

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AGE	GENDER	ETHNICITIES
■ 18 – 24: 6 x Consumers ■ 25 – 34: 14 x Consumers ■ 35 – 54: 25 x Consumers ■ 55 – 64: 11 x Consumers ■ 65+: 6 x Consumers	■ 34 x women ■ 28 x men	■ White ■ Asian/ Asian British ■ Black African/Caribbean British ■ Mixed

In terms of the Ofgem segmentation, we surveyed all consumers upon their recruitment to the panel either in wave one or two to capture a representative range of energy behaviours and attitudes. The consumers for Wave three consisted of a spread of the below segmentation across the groups:

Happy Shoppers 19 x Consumers   **Savvy Searchers 9 x Consumers**

Market Sceptics 16 x Consumers   **Hassle Haters 7 x Consumers**

Anxious Avoiders 7 x Consumers   **Contented Conformers 4 x Consumers**

DISCUSSION APPROACH

The deliberative sessions were three hours in length, with one hour dedicated to discussing half-hourly data for settlement purposes. The conversation followed the below flow:

- **Thoughts on sharing data and smart meters**
  - o Understanding current views on sharing data generally and current knowledge of smart meters
  - o Initial testing of consumer thoughts on sharing data for settlement, forecasting and billing purposes.
- **Explanation of forecasting and the current settlement process**
  - o Time taken to ensure understanding and answer any questions
- **Explanation of Smart meters and half-hourly settlement**
  - o In depth explanation of settlement purposes and initial questions answered
- **Thoughts on half-hourly data being used for settlement purposes**
  - o Initial thoughts on settlement process
  - o Understanding who benefits from settlement and who could be trusted with consumer data
  - o Re-testing of consumer thoughts on sharing data for settlement, forecasting and billing purposes following explanation
- **Thoughts on changes to data rules**
  - o Understanding the different pros and cons of the three options
- **Thoughts on data being used for billing purposes**
  - o Understanding pros and cons of sharing data for billing purposes
  - o Exploring thoughts on different tariffs (in day rates and flat)
- **Final thoughts and reflections**
  - o Understanding if a change in data rules affects attitudes to having a smart meter and any other concerns

REVEALING REALITY