



**Shell**  
**ENERGY**

Raymond Elliot  
Smart Metering  
Metering and Market Operations  
Ofgem

by email: [smartmetering@ofgem.gov.uk](mailto:smartmetering@ofgem.gov.uk)

30 August 2019

Dear Raymond,

**OFGEM'S REQUEST TO REVIEW SMICoP PURSUANT TO SLC 35 & 41 OF THE SUPPLY LICENCES**

I refer to the letter from Jacqui Russell, Head of Metering and Market Operations, dated 22 July 2019, inviting suppliers to comment on Ofgem's proposals to review SMICoP with a view to publishing the results of the SMICoP customer surveys.

We have set out below our response to each question individually. Overall, we are supportive of the proposals in principle, subject to the need for very careful presentation of the data to ensure that customers understand both the content and the context of the information before them, such that the data does not paint a misleading or incomplete picture of the supplier as against all other suppliers.

Ofgem believes that improved transparency on supplier performance will make suppliers more accountable for their actions and decisions, and that it will lead to an overall improvement in customer experience of the installation process. Also, that it will improve the quality of data submitted to Ofgem. We believe that there are potential benefits for the customer in making the survey results fully transparent. We envisage that a customer will be able to make more informed choices when switching supplier, for example.

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We also believe that putting names to results might help build consumer trust in what might otherwise be perceived as a very closed industry where individual suppliers are protected behind information that does not reveal their own individual performance. We agree that suppliers may, instead, be forced to develop, and make public, their proposals to address their performance.

That being said, we also see the potential for the Smart Meter installation programme to be negatively impacted in the shorter term. Such information might deter a customer from allowing their current supplier to install a Smart Meter. The same customer might well consider that the best option is simply to do nothing - remaining with a traditional meter rather than switching to a "better performing" supplier. In reality either supplier might easily have delivered a positive smart meter installation experience for that customer. Whilst full transparency is the gold standard in principle, we would ask Ofgem to consider the balance that may need to be struck (and the pay-off that might otherwise be created) alongside the wider supplier rollout obligations. To that extent, the current level of information might actually be preferable, all things considered.

We are less confident that these proposals will necessarily impact supplier accountability and overall improvement in customer experience. Customers may of course use information such as this to vote with their feet when choosing a supplier, but we would question whether publication alone will have a direct impact or incentivise suppliers to up their game in the first place. Supplier engagement with SMICoP has been relatively low. More direct intervention from Ofgem in cases where suppliers consistently fall below the required standard (and who then fail to make adequate plans to address it) will, in our view, achieve better results overall.

We will now address each of your questions individually:

**Question 1 - Do you agree that the Board be responsible for oversight and ownership of publication of the customer survey results?**

We agree that the Board should be responsible for oversight and ownership of publication of the customer survey results.

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**Question 2 - do you agree that the Administrator be responsible for delivering publication of the customer survey results?**

We agree that the Administrator be responsible for delivering publication of the customer survey results.

**Question 3 - should all suppliers' customer surveys results be published, including those who submit annually?**

If having balanced the potential outcomes, publication is to be required, we believe that all suppliers' customer survey results must be published - including those who submit annually. The latter group of suppliers, under the current Code, are those suppliers who plan between 5 and 20,000 installation visits in that year. We believe that if these proposals are implemented, then all suppliers must be treated equally. Customers of smaller suppliers might otherwise have no way of knowing how their own supplier had performed. It flies in the face of a belief in the efficacy of transparency on performance to exclude such suppliers' results. To exclude suppliers who plan fewer installations might ultimately lead to an imbalance in the quality of installations between small and larger suppliers.

SMICoP allows suppliers who submit their results yearly to submit all their results at once. This means that, when publishing results, there is potential for difficulty in comparing like for like. If the industry as a whole has encountered challenges in a particular Quarter, a supplier who submits annually may appear to have performed better if their yearly results are published alongside the Quarterly results of other suppliers. There would need to be a very clear explanation given to customers about the context of the results. Alternatively (which we would prefer) all results should cover the same period of time.

**Question 4 – Should all data within customer surveys be published?**

We are happy for all data to be published - again subject to adequate customer understanding not just in terms of the content of the question, but also the statistical significance of those results. For example we would challenge the usefulness of presenting question 6 of the survey in terms of identifying how successful suppliers are in taking account of a customer's vulnerability. The segmentation of this question creates an extremely small sample size that can create a very large variance in score from only a small difference in the number of customers responding in a particular way. Furthermore, not all of the questions are connected

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with the supplier's performance. For example, question 6 - "Do you, or anyone in your household who was present at the installation, have any long term illness, health problem or disability which limits your daily activities or the work you can do?". We see little value in including that question and we would not be in favour of including questions that are prone to statistical uncertainty.

We are particularly keen to see an adequate level of customer understanding in how the data is presented - not only to ensure that individual suppliers are not unfairly portrayed, but to preserve the integrity of the Smart Meter rollout generally. For example, a common challenge for the industry at present is the response to Question 4. The wording of the question invites a subjective response based on the customer's recollection. A low score across the industry does not necessarily mean that advice has not been offered, although of course we acknowledge that recollection can be influenced by the approach taken by a supplier. It is important that these nuances are understood by the customer, so that the import of the scores can be understood and suppliers fairly compared.

#### **Question 5 - how should questions where there is a low sample size be treated?**

Please see our response to Question 4. Adequate explanation and understanding is essential. This in itself creates challenges. Attempting to caveat data creates complexity and noise for the customer that can be counter-productive. This has been seen elsewhere in the industry. Take, for example, the information required to be included on a customer's bill. We would suggest that customers are less inclined to familiarise themselves with the context, go straight to the results, and potentially misinterpret the data. We would not favour the inclusion of questions where there is a low sample size, or else suggest that very careful thought needs to be given to how this is presented to the customer.

#### **Question 6 - should publishing commence with the Q4 2019 results in the first quarter of 2020?**

With some suppliers being allowed to submit annually, rather than quarterly, we would ask Ofgem to consider the requirements of those smaller suppliers in the first Quarter of 2020. We believe that they should also be required to publish their Q4 2019 results if available. If not, then consideration should be given to the possibility of them publishing their entire 2019 results. The alternative would be that their performance would remain silent for the first year -

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potentially creating an unfair advantage for those suppliers where Industry conditions are challenging.

As to timing of the Quarter 4 2019 results in Quarter 1 of 2020, we would ask Ofgem to consider whether publication in the first Quarter is realistic in view of the time needed for suppliers to compile their results, and for those results to then be processed through to publication. To avoid error, and to ensure the integrity of the results and their quality of presentation, we would suggest that allowing publication in Quarter 2 would bring greater overall benefit.

**Question 7 - should customer surveys be published every quarter from commencement?**

Please see our comments concerning the handling of yearly results for smaller suppliers alongside Quarterly results for larger suppliers. An option would be to publish results for *all* suppliers yearly.

**Question 8 - should a time series that covers the previous four quarters of data be published?**

We agree that a time series covering a suitable period should be included, potentially on a rolling 4 Quarter basis.

**Question 9 - should all results be published as raw data in spreadsheets, accompanied by a report that provides an accessible presentation of data on the performance questions?**

Please see our previous answers. We would urge Ofgem to consider carefully the customer engagement aspect. We agree that publishing raw data may be seen to be the most fully transparent option, but bearing in mind the likely audience, we would also consider it essential that the data is presented with sufficient context and explanation. This may very well mean re-structuring the data in a way that can be easily followed, or providing additional information or reporting. Again, we would recommend caution to avoid information overload for the customer.

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**Question 10 – should customer survey results be published on the SMICoP website?**

The SMICoP website is currently undergoing radical improvement, and would therefore be an ideal location from which to host the customer survey results. SMICoP would provide an impartial venue, with the additional benefit that customers will be better educated on wider smart meter developments. That being said, it is highly unlikely that consumers will be aware of the website, and will locate them directly. More likely that Citizens Advice and other consumer groups will provide links from their own websites. Possibly also that suppliers might direct customers to those results from their own sites.

We hope that the above information will be helpful, and look forward to hearing from you with the outcome of your review.

Yours sincerely,

Richard Shotton-Oza  
Compliance Manager  
**Metering Services**

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