

**Unite The Union Response To The Office Of Gas And Electricity
Markets Consultation On Extending protections for non-E7
restricted meter customers (SLC 22G)**



1. Introduction

- 1.1. This submission is made by Unite, the UK's largest trade union with over one million members across all sectors of the economy, including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not for profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.
- 1.2. Of particular relevance to this submission, Unite represents over 35,000 energy and utility workers including members fitting and maintaining gas and electricity meters.

2. The issue

- 2.1. Whilst unite applaud the efforts of Ofgem to encourage customers to become more aware of the amount of energy they consume. By installing smart meters, Unite hopes that these devices will reduce energy demand, reduce the volume of fossil fuels needed and therefore reduce the impact on climate change. This has to be done correctly, however, with customers able to switch suppliers without any technical issues which is currently not the case. Unite is very concerned over the plight of those members of the public on protected tariffs.
- 2.2. Unite realises that the major stumbling block to the provider switching market has been the single supplier functionality of the new smart meters. As each provider was allowed to install their own device using a communication methodology which is unique to them, it meant that at the end of the tariff contract period the customer was either tied to that supplier or had to have their new smart meter removed and replaced with a new one if they wanted to continue to monitor their energy consumption.
- 2.3. Unite has become aware that the changes that are proposed by Ofgem, has given rise to a practice where customers are forced from protected non-economy 7 tariffs by companies telling them that they need to change to a new tariff and smart meter or change providers. What is more if there are technical difficulties with the installation, due to the lack of a signal for example, they do not propose to reinstall the old equipment. Unite believes that such a practice is appalling and undermines the basis of these historic protections.
- 2.4. Unite estimates that there are around half a million customers on these historical tariffs across the UK. This means that customers in fuel poverty will be forced to relinquish their protected low rate tariffs putting them in a far greater risk of hyperthermia in the winter through fear of the brown envelope falling through the door. Their protection which allows them to heat their homes and eat will be gone. What is more due to their

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poor financial position they may face difficulties in finding another provider who can help them with their difficulties.

- 2.5. All that is necessary is the requirement for all suppliers to fit a more expensive two element smart meter that is already being provided by some suppliers. If the suppliers are allowed to install cheaper single element meters this is an unfair advantage to them and the principle of fair competition that Ofgem and the current government holds so dear.
- 2.6. Unite has not named any suppliers through fear that the resulting customer fallout and possible multi-million pound fine for miss-selling may jeopardise Unite member jobs.
- 2.7. Smart meters rely on the ability to report back meter readings to the suppliers at a high frequency, and as such these devices require a good communication network to be in place. Sadly this is not the case for all locations in the UK.
- 2.8. The ultimate goal of the smart meter roll out programme has been to give the control to the customer so that they maximise their energy efficiency and choose to use high energy use equipment when there is the least amount of demand and therefore reduce the strain on the grid. None the less Unite has been made aware that the DNO has allegedly advised at least one supplier not to introduce a new smart tariff as it will “place undue strain on the network”. Unite was lead to believe that this would be contray to the aims of the smart metering programme and hence either the DNO’s concerns were unfounded or the tariff does the opposite of what it is supposed to. If the later is the case it is very concerning that suppliers maybe introducing this tariff elsewhere in the UK

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3. Conclusion

- 3.1. Under the circumstances Unite believes that the protections for those who are vulnerable will be taken away by u companies whose only interest is their bottom line.
- 3.2. Unite calls on Ofgem to investigate these claims, close this potential loophole and make it very clear to the suppliers of energy that the provision of a smart meter should not be an excuse to remove these vulnerable customers from their protected and historical tariffs if they wish to remain on them. Unite would therefore ask Ofgem to ensure that if companies are using this practice that they should be requested to cease and offer the effected customers the possibility of returning to their original protected tariff.

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