



Making a positive difference
for energy consumers

All domestic gas and electricity suppliers, including the SMICoP Governance Board who represent SMICoP members

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Date: 24 September 2019

Dear Sir/Madam,

CONSULTATION ON DRAFT DIRECTION TO MODIFY THE SMART METER INSTALLATION CODE OF PRACTICE

We¹, on behalf of the Gas and Electricity Markets Authority ('the Authority'), propose to direct a modification to the Smart Meter Installation Code of Practice² (SMICoP) pursuant to standard licence condition (SLC) 35 of the gas and SLC 41 of the electricity supply licences. Relevant extracts from SLC 35 and 41 are set out in Annex 1.

The effect of the draft modification would be to place a requirement on the SMICoP Governance Board and Administrator to publish Domestic customer survey reports on the SMICoP website. We are proposing this modification because we expect that improved transparency on supplier performance, through the publication of customer survey results, will make suppliers more accountable for their actions and decisions, and lead to an overall improved consumer experience during the smart meter installation process. We also expect to see improvements in the quality of data through the introduction of additional scrutiny.

The draft modification reflects policy decisions that were informed by responses to our Request to review the features of the Domestic Installation Code³, also known as SMICoP, that was issued on 22 July 2019 to all domestic gas and electricity suppliers with a deadline to respond by 30 August 2019. A summary of the responses to the Review and our minded-to positions are set out in Annex 2.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² <https://www.smicop.co.uk/code-of-practice/>

³ <https://www.ofgem.gov.uk/publications-and-updates/request-review-smicop-under-slc-35-41-supply-licence-publication-smicop-customer-surveys>

We are inviting views on the drafting of the draft modification to SMICoP which is set out in Annex 3. Responses will inform the final drafting of the modification and Direction.

Any responses to the proposal should be provided by **8 October 2019** to the following email address smartmetering@ofgem.gov.uk

Any queries should be directed to raymond.elliott@ofgem.gov.uk

Yours faithfully,

Jacqui Russell
Head of Metering and Market Operations
September 2019

Annex 1

Relevant extracts from SLC 41.14(c) and 35.14(c) of the electricity and gas supply licence⁴

Content of the Domestic Installation Code

(c) the Authority:

(i) at any time to require the licensee, together with all other licensed electricity and gas suppliers of Domestic Premises, to review such features of the Domestic Installation Code as it may specify ('the specified features');

(ii) following such a review, to issue a direction requiring the licensee and all other licensed electricity and gas suppliers of Domestic Premises to make such modifications to any of the specified features as it may direct.

⁴ The wording of both SLC is the same.

Annex 2

The following table sets out a summary of the responses to the Request to review the 'specified features' of SMICoP, in this case relating to the publication of customer surveys, and how we took these into account in making our minded-to position decisions.

In total, 11 responses were received, from: nine domestic suppliers, Citizens Advice and the SMICoP Governance Board who represent SMICoP members. All non-confidential responses have been published on our website.

SMICoP Review reference	Summary of Review Response	Our minded-to position
Question 1 - Do you agree that the Board be responsible for oversight and ownership of publication of the customer survey results?	There was wide agreement that the Board be responsible for oversight and ownership of publication. Some highlighted that they considered this role should include sign-off of each report before publication.	After considering the responses, we are minded-to direct that the SMICoP Governance Board will become responsible for oversight and ownership of publication of the customer survey results. We think it is unnecessary for us to specify sign-off arrangements, but are minded to encourage the Board and Administrator to agree a process between themselves.
Question 2 - do you agree that the Administrator be responsible for delivering publication the customer survey results?	There was wide agreement that the Administrator be responsible for delivering publication of the customer survey results.	We took into account responses received and are minded-to direct that the Administrator becomes responsible for delivering publication of the customer survey results.
Question 3 - should all suppliers' customer surveys results be published, including those who	There was wide support from respondents for the publication of all suppliers' results, regardless of whether they are required to submit data	On the basis of the responses received, we are minded to direct that all suppliers' customer survey results should be published, including for those who

SMICoP Review reference	Summary of Review Response	Our minded-to position
<p>submit annually. Do you agree with this proposal? If you do not agree, what disadvantages are you able to identify in publishing all eligible suppliers' results? Do you have a preference on which suppliers' results are published?</p>	<p>quarterly or annually (which depends on smart meter installation volumes). This was subject to clarity being provided in the report on the structure of the reporting requirements.</p>	<p>submit quarterly and those who submit annually. It will be for the Board to ensure that appropriate explanatory narrative is provided.</p> <p>We note the Board's intention to consider standardising the timetable for annual submissions.</p>
<p>Question 4 – Should all data within customer surveys be published? Do you agree with publishing all data? If you do not agree, what benefits are there in publishing only partial data? If only partial data is published, what criteria do you use to determine what data is selected?</p>	<p>Most respondents supported publication of questions 1, 2, 3, 4, 4a, 4b, 5 and 5a (see Annex 4) only of the customer's survey.</p> <p>Respondents put forward a range of arguments for not publishing other questions, including that: question 6, which addresses vulnerability issues, should be excluded variously because of low sample sizes and a belief that customers misinterpret the question; demographic data (e.g. tenure, payment type) should be excluded it does not relate to supplier performance; free text responses should be excluded as experience shows that customers can</p>	<p>We considered stakeholders' responses and are minded to direct that questions 1, 2, 3, 4, 4a, 4b, 5, 5a, 6a and 6b (see Annex 4) of the customer survey results should be published. We consider that it should be the responsibility of the Board to ensure that the report provides sufficient background and context to enable interpretation of the data.</p> <p>Questions 6a and 6b monitor whether installers are meeting obligations to meet the needs of vulnerable customers and are therefore important. If suppliers believe that customers may be misinterpreting the questions, we would expect them to adapt the wording through the normal</p>

SMICoP Review reference	Summary of Review Response	Our minded-to position
	misinterpret the questions and the responses may distract from the wider data picture.	<p>SMICoP change process. We consider the question of sample size below, and recognise that in practice data for 6a and 6b may rarely be published because of low sample sizes.</p> <p>We are minded to accept respondents' arguments for excluding questions providing demographic data or free text responses.</p>
<p>Question 5 - how should questions where there is a low sample size be treated? Do you agree with this proposal, and if so would you prefer such results not published or to be caveated? What would you consider the appropriate minimum sample size to be for results to be published or caveated?</p>	<p>Some respondents expressed some concern over including questions with low sample size because they may not be representative of supplier performance. Some thought however that there was value in including all data, so long it was marked up with an explanation to enable an understanding.</p>	<p>After considering the arguments, we are minded-to direct that, where 30 or fewer responses are received to a question, those results should not be published.</p> <p>We have made this determination because we agree that low sample sizes need to be treated with some caution to ensure statistical integrity, and because Ofgem itself commonly applies a threshold of 30 responses in similar circumstances.</p>
<p>Question 6 - should publishing commence with the Q4 2019 results in the first</p>	<p>Most respondents agreed in principle to the timetable of publishing commencing with the Q4 2019 results, but</p>	<p>On the basis of the responses received we are minded-to direct that publication should begin with the Q4 2019 data. The first report</p>

SMICoP Review reference	Summary of Review Response	Our minded-to position
quarter of 2020? Do you agree and, if not, when do you think publication should commence and why?	expressed some concerns about whether that could be achieved in the first quarter of 2020. This was on the basis of how practical it was to achieve this given current submission timescales.	should be published within four months of the end of the quarter i.e. by end April 2020. Thereafter, data should be published within three months of the end of the quarter, and we would expect the Board to amend existing processes to enable this to be achieved.
Question 7 - should customer surveys be published every quarter from commencement? Do you agree with quarterly publication, and if not what publishing frequency would you opt for instead, and why would you choose that over quarterly?	All respondents agreed that quarterly publication of results was appropriate as this aligned with current reporting. Several respondents noted the need to consider how survey data from those reporting on an annual rather than quarterly cycle should be represented.	After taking into account representations received we are minded-to direct that customer survey data should be published quarterly. It should be for the Board to determine the format of the report, including considering how to represent data from those reporting on different cycles.
Question 8 - should a time series that covers the previous four quarters of data be published? Do you agree that a time series will be helpful for comparative purposes? If you disagree, what factors should we consider in coming to	There was mostly support for having a time series, but a mixed response on the period the time series should cover; whether it should commence from Q4 2019, or should include quarters of data that relates to the periods prior to the commencement of publication.	After having considered responses we are minded-to direct that the time series should commence from Q4 2019. We accept that suppliers will not have expected data to be published that relates to the period before Q4 2019, and that they should be given every opportunity to improve such performance data prior to

SMICoP Review reference	Summary of Review Response	Our minded-to position
a decision? Do you have a preference on how long the time series should be?		publication. We are also expecting the SMICoP Governing Body to address data quality issues ahead of Q4 2019.
<p>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? Do you agree that both raw data and a report should be published? If you do not agree, in what format should the data be presented? What should the accompanying narrative to the data cover?</p>	<p>Most respondents focussed on the need to ensure that data was easy to interpret, and supported by an appropriate explanatory narrative.</p> <p>Some argued that raw data was unlikely to add value and risked being misinterpreted by consumers.</p>	<p>We took respondents views into account and are minded not to require raw data to be published.</p> <p>Although we consider that publishing raw data would contribute to the objective of increasing transparency, we agree with respondents on there being limited additional value to justify the additional effort in publishing raw data and are of the view that, on these grounds only, it should not be published. We disagree with some respondents' views that raw data will inevitably be misinterpreted by consumers.</p>
<p>Question 10 – should customer survey results be published on the SMICoP website? Do you agree that the SMICoP website is the most suitable location for customer</p>	<p>There was wide agreement that the SMICoP website was the most appropriate location for surveys to be published.</p>	<p>On the basis of responses received, we are minded-to direct that suppliers' customer surveys results should be published on the SMICoP website as this is the most suitable location.</p>

SMICoP Review reference	Summary of Review Response	Our minded-to position
surveys results to be published? If you do not agree, why not and where do you think customer surveys should be published instead?		

Annex 3

The following draft Direction contains the suggested SMICoP modification which reflects our minded-to position. The proposed modifications are shown in red. The draft modifications are intended to underpin the policy decisions set out in Annex 2. We would welcome comments on the drafting.

Draft Modification to SMICoP

DEFINITIONS

Glossary of Terms

“Domestic customer survey reports” means the published reports as detailed in section 3.5.3.

Section B (Code Governance)

ROLES AND RESPONSIBILITIES

1.3. SMICoP Governance Board

1.3.1. The SMICoP Governance Board will:

1.3.1.1. Be responsible for the efficient operation and governance of processes within the Code;

1.3.1.2. Be custodians of the live version of the Code;

1.3.1.3. Make decisions on Change Requests for submission to the Authority;

1.3.1.4. Own and manage the reporting and monitoring process, including publication of the Domestic customer survey reports;

1.3.1.5. Provide overall assurance of robustness of Code; and

1.3.1.6. Prioritise and consider issues for resolution.

1.5. Code Administrator

1.5.1. Must be a suitably experienced and qualified body;

1.5.2. Responsible for discharging activities within this Code for change management and monitoring;

1.5.3. Secretariat for the SMICoP Governance Board and any sub-groups;

1.5.4. Responsible for maintaining documentation and baseline products, including the Code itself;

1.5.5. Responsible for publishing outputs from the change management and reporting processes; and

1.5.6. Responsible for publishing the Domestic customer survey reports; and

1.5.7. Responsible for procurement and contract management of any contracted parties.

3. MONITORING AND COMPLIANCE

3.1. Monitoring and Compliance Techniques

3.1.1. The following techniques will be used for monitoring and compliance:

3.1.1.1. Self-certification of compliance;

3.1.1.2. Independent audit of compliance; and

3.1.1.3. Customer surveys.

3.1.1.4 Publishing monitoring and compliance data

3.5 Publication of Domestic Customer Survey Reports

3.5.1 The Domestic customer survey reports will be published on the SMICoP website.

The first report, setting out survey results from Q4 2019, will be published by end April 2020.

3.5.2 Thereafter, reports will be published within 3 months of the end of the quarter to which it relates.

3.5.3 The Domestic customer survey reports will:

3.5.3.1 contain the results reported by Domestic suppliers against survey questions 1, 2, 3, 4, 4a, 4b, 5, 5a, 6a and 6b (see para. 3 of Section C (Monitoring and Compliance Customer Survey Specification) Customer Survey Specification

Overview, Survey questions) except where the sample size for an individual question is 30 or fewer responses

3.5.3.2 exclude free text comments from customers and demographic data.

3.5.3.3 provide a descriptive explanatory narrative.

3.5.3.4 for suppliers reporting on a quarterly cycle, contain a time series of data reported in the current and previous three quarters, commencing from Q4 2019.

3.5.3.5 for suppliers reporting on an annual cycle, contain the most recent data reported, commencing from Q4 2019.

3.5.4 The design of the report is for the SMICoP Governance Board to determine, in line with the above requirements.

Section C (Monitoring and Compliance Customer Survey Specification) Customer Survey Specification Overview

1. Purpose

1.5 the Domestic customer survey reports will be published on the SMICoP website.

5. Reporting

5.7 No Supplier will be able to see other Suppliers' results and the SMICoP Code Administrator shall keep them confidential and not disclose a Supplier's report to any other Supplier- until such time as the Domestic customer survey report is published.

Appendix C: Code Administrator Responsibilities

Code Administrator responsibilities

The Code Administrator will:

Publish the Domestic customer survey reports in accordance with 3.5.4 in the format and location as specified by the SMICoP Governance Board.

Annex 4

The following are the survey questions for Domestic customers listed in under para 3. of Section C (Monitoring and Compliance Customer Survey Specification) Customer Survey Specification Overview.

3. Survey Questions

Question 1 Before someone came to change your meter, were you told that you were getting a smart meter?

Question 2 Were you offered an [Insert your own Supplier terminology (in home display)]

Question 3 Did the [installer/technician] provide a demonstration of the equipment installed?

Question 4 Did the [installer/technician] offer advice or information on how to use less [Insert your own Supplier terminology for energy i.e. electricity and gas consumption] during the visit [Insert your own Supplier terminology on how this advice may have been imparted, or the specific terminology or language used, if appropriate]?

If yes:

a) If the [installer/technician] did offer advice or information, did you take up the offer?

If yes:

b) Did the advice or information given take into account your home and/or how you use [insert your own Supplier terminology for energy i.e. electricity and gas consumption]?

Question 5 Were you asked to pay for any goods and services before, during or after the installation visit?

If yes:

a) Had the [Supplier] asked for your permission to discuss goods and services before the visit?

b) What goods and services were you asked to pay for?

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?

If yes:

a) Did this person have any additional needs or specific requirements that the installer/technician needed to take into account during the installation?

If yes:

b) Did the installer/technician take into account these additional needs or specific requirements during the installation?

If no:

c) You said that the installer/technician did not take into account the additional needs or specific requirements during the installation. Why do you say this?