

Citizens Advice Response to BEIS' Consultation on a Smart Meter Policy Framework post-2020



Introduction

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. Since 1 April 2014, the Citizens Advice service took on the powers of Consumer Futures to become the statutory representative for energy consumers across Great Britain.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 270 independent advice centres that provide free, impartial advice from more than 2,550 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates' courts, and mobile services both in rural areas and to serve particularly dispersed groups.

We give advice to people through our network of local Citizens Advice and through our national consumer service helpline. Between these 2 services, last year we advised over 130,000 people, solving 100,000 problems. Over 25,000 people saved money because of our advice. We also offer specialist support to the people who need our help most through the Extra Help Unit, where last year we helped over 9,000 people.

Since April 2012 we have also operated the Citizens Advice Consumer Service, formerly run as Consumer Direct by the Office for Fair Trading (OFT). This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

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.

Response

Citizens Advice welcomes the opportunity to respond to this consultation.

As the statutory consumer advocate for energy and a charity with local offices across Great Britain, Citizens Advice is uniquely positioned as a trusted intermediary to help consumers understand their smart meters. We use our data and insight to identify the issues they face and offer advice on how best to use them to support their engagement with their energy choices.

It is crucial that the government recognises all consumers will not be offered (or indeed be able to have) a smart meter by 2020. This consultation is a step in the right direction. We welcome measures that will hold suppliers to account publicly on their progress and will drive installations. Smart meters are a fundamental part of a smart and flexible future energy system. They can support better integration of renewable energy by using near real-time data to efficiently manage supply and demand. This is crucial if we are to achieve the target of net zero emissions by 2050.

Citizens Advice has been an active participant in the Smart Meter Implementation Programme (SMIP) since its inception.

- We are active participants in a number of boards and groups:
 - Smart Meter Steering Group (Ministerial level)
 - Smart Meter Delivery Group (SMDG)
 - Smart Energy Code Board (SEC)
 - SEC Change Board
 - Cost Control and Benefits Realisation Group
 - Prepayment Forum (Smart and legacy)
 - Smart Meter Installation Code of Practice (SMICoP)
 - Smart Meter Operational Delivery Group (SMOG)
 - The Energy Supply licence requires that we have two seats on the Smart Energy GB Board
 - Consumer Reference Group
 - Alternate HAN working group
 - Privacy and Consumer Advisory Group (PCAG)
- We monitor the market and consumer complaints to the Citizens Advice Consumer Service and local offices, identifying and addressing concerns with suppliers about practice, consumer experience and company behaviour. This evidence together with Extra Help Unit (EHU) data is shared monthly with BEIS,

Scottish Government, Ofgem and, in an anonymised form is shared with Energy UK, Trading Standards, Networks and HM Treasury. Another anonymised report is shared with SMDG, which includes a range of suppliers.

- We actively engage with suppliers bilaterally, and also regularly assess supplier policy and process, publishing analysis of information requests to share best practice.

All consumers are ultimately paying for the smart meter rollout - government, industry and other parties must be mindful of this as plans are made for the next phase of the programme. To realise the benefits and keep costs down, the aim must be for all consumers to have a positive installation experience within a realistic timeframe. The importance of smart meters (both as a device in the home and as a vital component of our energy infrastructure) should be communicated clearly to consumers. Not getting a smart meter during the next phase of the rollout could mean some consumers face a significant risk of increased energy costs, inconvenience and potentially missing out on the benefits of energy efficiency measures, electric vehicle charging and renewable generation.

The current smart meter landscape and smart meter 'offer' for consumers is unclear, which makes it difficult for consumers to understand and navigate their options. Smart meters are not mandatory but they will soon, inevitably, be the only option (there will be fewer analogue meters available and suppliers will strive to meet their rollout targets, together with the effects of the 'new and replacement obligation' (NRO)). It is important that the government publicly acknowledge this, and make it clear that consumers should expect to have smart meters installed between now and 2024. In doing so, it will be vital to acknowledge consumer concerns about smart meters whilst also tackling some of the myths and addressing consumer apathy around smart meters. The potential for the rollout to continue after 2024 will inevitably have an impact on cost and also on consumers response during this phase of the rollout. It is essential that both the government and the regulator work to ensure this risk is managed.

Citizens Advice has raised concerns with BEIS and Ofgem about the lack of clarity for consumers on what the 'offer' of a smart meter currently means. The customer experience of the installation process is central to realising a number of the benefits on which the programme is predicated. Guidance from the government and the regulator impacts on how suppliers approach consumers and how consumers, in turn, perceive whether they can refuse to have a smart meter installed. The current approach has at times encouraged some suppliers to push the limits of what constitutes 'all reasonable steps' and has left some consumers feeling pressured to get smart meters¹. It is essential that there is a change of approach to support the next phase of the smart meter rollout. The introduction of a new framework gives the government, the regulator and industry a chance to review the steps suppliers are expected to take once consumers have expressed their communication preference about smart meter

¹ In contacts to Citizens Advice consumers refer to being "hassled", "harassed", "pressured" and "blackmailed" by suppliers.

installation. Without greater regulatory guidance there is a significant risk that the stricter supplier targets could lead to greater distress amongst consumers.

It is essential that this guidance considers how suppliers can offer greater levels of consumer support for people with a smart meter, as well as clear choice, incentives and guidance for those yet to get a smart meter. This would complement existing requirements under the domestic supplier customer communication principles².

Citizens Advice expects there to be greater levels of community outreach through local channels to ensure the rollout reaches consumers who are difficult to engage, but who may in fact stand to benefit the most from smart meters.

The consultation recognises the importance of smart metering to the clean growth agenda. It is essential to build-in consumer protections to support consumers and give them the confidence to engage with new business models and innovative products and services, enabled by the deployment of smart meters, smart appliances and digitalisation. In order to achieve net zero, government has committed to produce a 'heat road map' which will detail the plans to decarbonise the way we heat our homes. Options for the future of heat must both to appeal to, protect and support consumers. It is a potentially disruptive, expensive and intrusive programme that will impact on all households. The plans for this aspect of clean growth must learn from the experience of the smart meter roll out.

1. Do you agree that there is a need for an overarching obligation for energy suppliers to continue the rollout of smart meters, in addition to the New and Replacement Obligation (NRO)? Please give reasons for your answer.

Yes. The NRO does not encourage or incentivise industry to continue to install smart meters in consumers homes at the speed and scale required. Without an additional overarching obligation many consumers will not all be able to benefit from the rollout. Most at risk are those who find it difficult to engage with their supplier.

Citizens Advice expect that without a further obligation on suppliers the pace of the rollout could significantly hinder the government's ability to deliver a range of policies to meet net zero that are reliant on smart meters.

The installation of smart meters is of vital strategic importance to the development of Great Britain's energy system and decarbonisation targets. They will support the development of smarter more efficient energy networks, enable greater generation from renewable sources and could support secure interoperable electric vehicle smart charging. Accurate smart meter consumption data may also have a key role in the uptake of low carbon heating and ensuring better insulated properties. However, more

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https://www.ofgem.gov.uk/system/files/docs/2018/12/final_decision_-_customer_communications_rule_changes.pdf

broadly, the extend of this delay could damage consumer trust in high profile market interventions that use new technology and behaviour change to tackle climate change.

Some groups of consumers will require targeted help and support to get smart meters installed, which will not be provided through the NRO. Some of these consumers, including people in vulnerable circumstances, on prepayment meters or those who are fuel poor, could potentially benefit the most from greater control over their energy bills through smart meters. Relying solely on the NRO would not give these consumers the support they need.

2. Do you agree with our conclusion that extending the existing “ARS” obligation would not deliver market-wide rollout in a timely manner consistent with wider Government objectives, in particular the long-term ambition of net zero greenhouse gas emissions by 2050? Please give reasons for your answer.

Citizens Advice agrees that extending the All Reasonable Steps (ARS) obligation would not be a suitable mechanism to deliver the Government’s smart meter targets or wider objectives. Whilst we welcome the move to annual milestones for suppliers, we do not agree that they constitute a suitable replacement for the ARS. The ARS was the supplier obligation, alongside a government promise to consumers that they would be offered a smart meter by, at first the end of 2019 and then later, the end of 2020. As it is set out, there is less clarity about if and when in that four year period a consumer will be offered a smart meter. We recommend government consider how to articulate what consumers can and should expect from their supplier between 2021-24, and what will happen if they don’t or can’t have a smart meter by then.

Binding and transparent targets for suppliers will likely provide some clarity for industry, however, suppliers have an ongoing dependence on centralised delivery of technology solutions including dual band communications hubs, Alternative Home Area Network (Alt HAN) solutions and SMETS2 prepay solutions that have been significantly delayed.

Citizens Advice expect that setting binding targets based on installations before these solutions are available could lead to further delay and confusion for consumers. The deliverability of supplier targets will be of great importance to building consumer trust in the milestones and timetable provided.

The government should make clear that smart meters are required to meet our net-zero target and provide clear information about supplier obligations to facilitate consumer trust and engagement.

In November 2019 the government announced a Net Zero Review³ to consider how to take action to tackle the climate crisis in an equitable way. There are big and challenging policy questions about how obligations are put on consumers to help reach net zero. This may include new insulation, replacement heating systems and new transport options that are likely to require consumers to trust and engage with a government led

³ <https://www.gov.uk/government/publications/net-zero-review-terms-of-reference>

process of decarbonisation. Smart meters are a first step in this process and Citizens Advice encourages both government and industry to use it as an opportunity to be open and build consumer trust.

The original ARS phase was predicated on all consumers being 'offered' a smart meter by 2020. Its essential this new framework is supported by policy measures, regulation and industry incentives. Our response to questions 15 and 17 of this consultation expand on this.

3. The obligation proposes a monitoring framework with binding pre-set annual milestones for four years (from 2021 to 2024). Do you agree with this time period? If not, we would welcome your views on alternative time periods. Please provide evidence to support your answer.

In 2018 Citizens Advice urged the government to extend the rollout to 2023 to ensure there was time for all consumers to be given a credible offer of a smart meter. We recognised the inability of suppliers to reach the installation targets set by government and wanted to see the *quality* of the consumer installation given greater priority.

Given the delays the programme has experienced, Citizens Advice considers it prudent that government is proposing a four year period with annual milestones.

This monitoring framework should be responsive to the changes of suppliers particular circumstances and seek to complete the rollout. Doing so should help improve clarity for consumers and industry about what they can expect and when they can expect it. Notwithstanding the technical issues that the programme has experienced, it continues to be a supplier led rollout and it is important that there is a framework in place that clearly sets out a tangible expectation from industry. We welcome the proposals to publish performance against the milestones.

4. Do you agree with our assessment that an 85% minimum coverage at the end of the framework period is achievable? Please provide evidence to support your answer

Citizens Advice agrees that milestones for delivery should be feasible once the technology, policies and support are in place to almost universally offer consumers smart meters. However, we encourage the government to have greater ambition to ensure the delivery of smart meter benefits, particularly if it can deliver supporting policy measures that facilitate more effective engagement and completion of installations.

5. Do you agree with the application of permitted tolerance in stages, growing in a straight line to the final year of the monitoring framework? We would welcome your views on alternative methods to apply tolerance around the annual milestones. Please support your answer with relevant information.

Plans for the future of the smart meter rollout should be based on experience. It has proven difficult to accurately predict the level of installations to date and we understand that suppliers have had engagement challenges that has incurred costs for additional

marketing and communications activity in addition to the funding Smart Energy GB (SEGB). SEGB has worked very closely with suppliers via its PMF forum to undertake econometric analysis as well as understand the barriers to successful engagement during the rollout.

The latest Smart Energy Outlook found 16%⁴ of consumers are concerned about technical or logistical issues with a smart meter and consumers also have a range of other concerns. In 2018, SEGB saw a fall in consumer satisfaction amongst consumers with smart meters whose meters had lost their smart functionality. There is no doubt that the SMETS1 experience and technical delays have contributed to the difficulty in understanding, predicting and planning the trajectory of the rollout. Citizens Advice trusts that government has taken account of this experience and considered it when putting forward for the tolerances included in the framework for the rollout to 2024.

6. Do you agree that pre-defined annual milestones will facilitate the progress towards rollout completion? Please give reasons for your answer.

Predefined annual milestones will be vital to ensure suppliers install smart meters to as many consumers as possible. However, Citizens Advice would welcome further clarification of how the government will define how the rollout will be completed. Currently the annual milestones will not lead to the completion of the rollout in a way consistent with the initial offer of a smart meter to all consumers.

7. Do you agree with the proposal that “customer churn” – arising from consumers switching energy suppliers- should be accounted in energy suppliers’ pre-set annual milestones? Please give reasons for your answer.

Citizens Advice agrees that resetting milestones each year should enable energy suppliers to take credit for each smart meter installation they deliver within a given year regardless of whether the consumer remains with the energy supplier.

8. Do you agree with the proposal that any post 2020 obligation should be applied to all energy suppliers regardless of size and date of entry into the market? Please give reasons for your answer.

Yes. In the current energy market, a consumer can reasonably expect that any supplier will be obligated to meet the same standards as their competitors. As a result, there needs to be a strong argument and evidence to risk potential consumer detriment in not meeting that standard.

9. Do you agree with the proposal of a mid-point review to revisit tolerance levels within the monitoring framework period in line with market conditions? a. If the answer is yes, when do you think will be the best time for this review? If the answer is no, please explain why not.

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<https://www.smartenergygb.org/en/-/media/SmartEnergy/essential-documents/press-resources/Documents/Smart-energy-outlook-March-2019.ashx>

Yes. The experience of the smart meter rollout to date has proven that it is essential to build in some flexibility to the future monitoring framework. Once Dual Band Communication Hubs and Alt HAN solutions are ready and enrolment and adoption is largely complete (with significant tolerance for delay in all cases) it is our view that there could be a strong case to introduce an obligation on consumers to have a smart meter installed. It will be essential to begin thinking about and planning for this as early as possible. This will have to be clearly communicated to consumers, with appropriate support for consumers in vulnerable circumstances.

10. Do you agree that the legal drafting in Annex 1 implements the policy intention proposed in this consultation? Please give reasons for your answer.

No response

11. Do you agree with the legal drafting in Annex 2 in relation to the post 2020 reporting requirements on rollout information to be provided to the Secretary of State? Please give reasons for your answer.

No response

12. Do you agree with the legal drafting in Annex 6 setting out proposed consequential changes to existing licence conditions as a result of the previous amendments? Please give reasons for your answer.

No response

13. Do you agree with the proposed changes to DCC charging arrangements in the period after end-2020? Please give reasons for your answer.

No response

14. Do you agree that the legal drafting in Annex 3 implements the policy intention? Please give reasons for your answer.

No response

15. What types of coordinated consumer engagement activities are necessary in the period after 2020 to support delivery of a market-wide rollout? Please provide your rationale to support your suggestions

The smart meter rollout will require coordinated consumer engagement and support activity. This should be closely aligned with the operational delivery from suppliers. This function should prioritise not only smart meter acceptance but also the installation experience and the ongoing use of smart meters and smart meter data for consumers who need it. We want to see an engagement and support function for the rollout that more closely meets the needs of consumers engaging with and using their smart meter data.

Smart Energy Outlook⁵ shows over time, smart meter owners are likely to recommend them to others and encourage others to use less energy. Ensuring that these consumers have understood the installation process; have had a good installation experience; and have their issues with smart meters serviced in appropriate fashion will be vital to wider consumer acceptance.

Industry groups led by BEIS including the Consumer Reference Group (CRG) and the Smart Meter Operations Group (SMOG) currently try to ensure best practice is shared to benefit consumer engagement and improve the installation experience. Citizens Advice, as the statutory consumer advocate for energy, and the Ombudsman Services: Energy, as the alternative dispute resolution provider, work with industry through SMICOP and through our networks and services to monitor the install experience. Any future central coordination function should utilise the insight of delivery challenges from a range of experts, suppliers and their delivery partners as well as government to support a good consumer experience with smart meters.

It is our view that SEGB could work with a diverse range of local partners to achieve this. With proven experience of successful media relationship management, government and industry engagement, partnership building and delivering targeted consumer awareness, SEGB is well positioned as an independent, fixed life organisation. It should be cost effectively utilised.

Due to the changing nature of the rollout and the high awareness achieved already amongst consumers, Citizens Advice would expect a significant change of emphasis from SEGB to support the consumer experience, with a particular duty of care to support consumers in vulnerable circumstances, fuel poor, or those that face additional barriers when they engage with their supplier. It will also be essential to ensure that there is appropriate support in place for prepayment meter customers as they often stand to gain the most from smart meters.

Currently, Citizens Advice is responsible for nominating two non executive directors to the board of SEGB. As the rollout progresses to a new consumer focused phase it will be appropriate for the governance to also be re-evaluated. It is our view that any coordinated communications and support function post 2020 should have a Board that balances consumer expertise, consumer redress and energy efficiency expertise alongside industry representatives in order to more effectively support the rollout.

Through SMOG, Citizens Advice is aware that the installation failure rate remains consistently high through a range of consumer, supplier and technology factors. Ultimately, this is a poor experience for consumers who are not getting smart meters installed, causing inconvenience and adding to the cost of the rollout as well as excluding them from making the most of their smart meter data to save on their bills. Citizens Advice also recommends the creation of an operational issues group within

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<https://www.smartenergygb.org/en/-/media/SmartEnergy/essential-documents/press-resources/Documents/Smart-energy-outlook-March-2019.ashx>

SEGB that aims to deliver industry alignment and coordinated responses and produce clear, consumer guidance and advice where appropriate.

There will continue to be a need for central coordination of engagement to more effectively increase the rate of installations. The ARS has accompanied a period of continued delay to the centralised technical solutions necessary for the provision of smart meter services to consumers. This has meant that mass marketing campaign has driven consumer requests that suppliers haven't been able to fulfill. This means consumer demand has not resulted in installations for certain types of home or in certain geographical areas due to factors outside of suppliers control. At the same time, there will be many factors within a suppliers control that have contributed to the inability to meet install demand. The 'maturity model' referenced in the consultation provides areas that can help make the consumer experience more reliable.

The rollout is expected to fundamentally change as Dual Band Communication Hubs and an Alt-HAN solution are available towards the end of 2020. Citizens Advice understands that this will mean installations are possible in well over 90% of premises. At this point, it should be possible to successfully coordinate more concentrated installations in localities. Citizens Advice understands BEIS and SEGB are working with suppliers on a trial of a localised engagement and installation process. Based on the results of this and further trials, we hope to see better coordination of activity to provide more reliable installation experiences for consumers.

A coordinated engagement and support function for the rollout will potentially be highly beneficial. It will need to be highly attuned to the new consumer challenges that are faced by a new model of delivery. For example, avoiding pressurised marketing at local level and protecting the safety of consumers during periods of intensive installation. Taking this model further, if suppliers were to cooperate to combine single fuel installs in a property or pool their resources to deliver installations, a centralised communications body would be well positioned to monitor the consumer response. It would also be able to engage and inform the public on behalf of all suppliers. In addition, we would encourage working closely with local voluntary and community organisations, as they are trusted and can support communities with smart meter installation and use.

Citizens Advice has seen this approach work across a number of projects. Each local area is different in its requirements, and tailoring this to these respective communities requires a localised approach if it's going to be successful. That said, central coordination is still essential to ensure that a number of things are uniformly in place, for example the level of quality. It also ensures that the successful elements of varying approaches can be shared across the country, and that all projects consistently develop and progress as a whole.

To support this method of delivery, government or industry could consider how best to incentivise consumers to accept a smart meter during a period of high localised activity, as it might encourage people to make themselves available at a particular time. These models of installation should be much more efficient, and we hope an incentive could

be cost neutral given the reduced operational and communication activity required from suppliers.

Citizens Advice has shared case examples with BEIS and others that demonstrate the current mistrust of 'smart meter only' deals and certain types of supplier communication. Whilst we understand that the ARS obligation was in place to encourage supplier innovation, the post 2020 framework must give industry more clarity about how to communicate and encourage smart meter take up.

16. What policy amendments or new initiatives you consider will be required to ensure that the consumer benefits of smart metering are sustained? Please provide evidence to support your views.

Citizens Advice is very concerned that without further policy intervention, smart prepayment services for consumers will continue to fall behind the service offered to credit consumers.

The high cost and poor consumer experience of legacy prepayment meters should require the replacement of these meter types as soon as the technology and a positive consumer experience is possible.

Currently, many SMETS1 prepayment consumers are effectively unable to switch their electricity or gas supplier if they want to retain their smart functionality. This would be the case if prospective new suppliers cannot maintain the smart functionality or are not willing to replace their meter. We firmly believe this is a poor consumer experience and the delay of SMETS2 prepay means that more prepayment consumers remain on SMETS1 or legacy metering. Given that the additional benefits of smart meters for these consumers, smart prepayment services should be a priority for all involved in the smart rollout.

Currently, if a SMETS2 consumer wants to vend where there is intermittent WAN, they must input a 20 digit Unique Transaction Reference Number (UTRN) code manually to a PPMID. This is not an accessible solution for all consumers and we question whether it will enable suppliers to meet their requirements under the 2012 Equalities Act. There is also no way to input meter commands into a smart meter to execute critical functions as there are with SMETS1 meters. We understand that this means consumers with poor network coverage can expect a poor level of meter reliability. Citizens Advice also understands there is no technical solution for prepayment meters in no-WAN areas. This restricts the option for prepay for consumers when legacy prepayment meters reach the end of their life.

It is vital that the government, the DCC and industry work closely together in a timely fashion to develop more consumer-friendly inputs to PPMIDs and solutions for prepayment in areas of no-WAN.

It is vital that the Programme makes a commitment to the provision of automated meter reads and a connection to an IHD. Without smart functionality consumers and energy networks do not receive the benefits of smart meters. Accessing data from the

meter is crucial. Smart Energy Outlook shows that already 5% of consumers report not have access to an app or IHD. Consumer churn with SMETS1 meters has left many consumers without this access. Citizens Advice think it is vital for trust in the programme that these consumers regain full smart functionality including a functioning IHD.

In the future nearly all consumers should be able receive automated readings from smart meters. However, some consumers will need to manually read their meters. Currently, when a consumer switches supplier and they lose smart functionality they may require assistance in providing a meter reading. Smart meters are not designed to be consumer friendly, as the IHD fulfils this role. There is widespread industry awareness that this is a problem and that suppliers picking up a consumer without the ability to provide smart functionality are badly positioned to support their consumers in taking manual readings. Many of the code governance groups, SEC, PPMF, SMOG all recognise this issue but that has been little progress so far.

There is also a related issue about suppliers having a better understanding of the firmware situation on a meter that they have acquired through churn. We do not want to see this contribute to a lack of smart functionality provision by a supplier.

As a minimum, a repository of meter manuals for suppliers to help inform consumers could be made available for suppliers to use to support consumers. It would also be helpful if there was a centralised and consumer friendly tool available to help consumers understand how to read their smart meter manually. Using information from the DCC on a consumer's meter type through a trusted intermediary, such as Citizens Advice, could avoid every supplier duplicating this sort of function.

The interoperability checker that Citizens Advice is developing with the DCC will provide one important piece of information about a consumers SMETS1 enrolment and adoption. However, as energy choices become more varied with a range of technology types it could be helpful for consumers to have enduring access to their meter information. More meter variants with different functionality options are developing with the rollout of electric vehicles and other innovative integrated energy generation solutions. Information about how to read the meter, the meters capabilities and the energy supplier(s) for a property could prove useful in the future energy market.

Consumers are more likely to benefit from smart meters if they can control how their data is shared and who can access it. The intention of GDPR, was to provide control for consumers over their data - including principles of data portability and the right to be forgotten. Citizens Advice is keen to see consumers access their information and to be offered control to change these permissions as required. With no forthcoming strategy for Midata, a dashboard⁶ for consumers might be simpler option to support consumers control of their data.

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<https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Smart%20Metering%20Data%20Dashboard%20.pdf>

17. What other policy measures should the Government consider in order to complement the proposed market-wide rollout obligation? Please give a rationale and evidence to support your suggestions.

The replacement to the offer of a smart meter to every consumer by 2020 must include the following measures:

- Clarity that all new meters will be smart meters
- Provide protections to ensure consumers are not disadvantaged if they cannot have a smart meter
- Clarity on what the period until 2024 will mean for consumers
- An option for consumers who do not want a smart meter
- Clear minimum standards for common 'difficult' installation issues

Clarity that all new meters will be smart meters

There is currently limited understanding amongst consumers about what choice they have about having a smart meter installed. The ARS model and the way it has been applied has arguably led to undue pressure on consumers to accept smart meters. This is supported by evidence from the Citizens Advice and guidance from the ICO on the type of communications that may be appropriate⁷.

The introduction of the NRO and the maturity of SMETS2 technology has exacerbated this issue because suppliers are less likely to stock old meter types and their targets mean they are incentivised not to offer them to consumers. Citizens Advice support the delivery of SMETS2 technology and the provision of the most advanced meter possible through the NRO. However, the 'ARS' model is now significantly at odds with what consumers expect from the offer of a smart meter.

The proposed strategy of 'normalising' smart meters runs the risk of increasing mistrust and costs for suppliers seeking to engage with consumers.

The replacement of the "ARS" is an opportunity to reset consumer expectations around the installation of a smart meter. There needs to be clarity that conventional type meters will not be available except in edge cases.

Provide protections to ensure consumers are not disadvantaged if they cannot have a smart meter

Having a smart meter or being willing to accept one is now a prerequisite for many of the cheapest fixed rate deals. If a consumer is willing to have a smart meter but cannot due to technical reasons beyond their control (i.e. they live in a non-WAN area or need the Alt-HAN solution) it is our view that they should be given the smart meter tariff

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<https://ico.org.uk/media/about-the-ico/consultation-responses/2019/2614964/ofgem-call-for-evidence-on-consumer-impact.pdf>

regardless. It will be incumbent upon the supplier to ensure they fit a smart meter as soon as the technical issue has been resolved.

Citizens Advice note that there are also certain circumstances where an installation is not possible because of physical/restricted access eg. a concealed or obstructed meter. Within this group are meters that are unsafely positioned for emergency access and consumers need to be informed about their responsibility to provide access as soon as possible so as to understand the risks of the situation and the cost of replacement. It will be important that there is clarity for consumers on their liability in these cases.

Clarity on what the period till 2024 will mean for consumers

It will be important to provide some clarity about what the proposition for a smart meter installation is for consumers. As discussed, the offer of a smart meter to all consumers through the ARS has already significantly changed. As smart meters are now the only option for some consumers due to the NRO there needs to be greater clarity for consumers about what steps the government and regulator will use to ensure market-wide installation of smart meters.

Without clarity about when the offer of first-time smart meter installation (with the provision of energy efficiency advice at no additional cost to the consumer) may expire consumers may face the reality that they will miss out on these benefits without due warning. As the rollout continues it will also be increasingly unfair on consumers that have adopted smart meters that they foot the bill for those that don't get a smart meter installed. At that point we expect government to consider how to ensure a 'just transition' for all consumers.

An option for consumers who do not want a smart meter

It is our understanding that SMETS1 meters could have their ability to promote automated readings remotely disabled. We understand this is not an option for SMETS2 meters. Whilst the rollout remains optional it is already at a stage where for some suppliers a smart meter is the only meter type on offer. Citizens Advice recommends the government work with industry and DCC to consider if it is viable to offer these consumers a smart meter that, at least for a period of time, will operate like a traditional meter.

This would provide a means to encourage consumers to have the labour and cost intensive smart meter installation (for the supplier) without a perceived risk to a change in the way their data is used or to their privacy. This option is not an ideal solution because it means that the full benefits of the rollout are not experienced immediately. However, if there is greater onus on consumers to have smart meters installed (and no/fewer non-smart meters available) it is sensible to provide people with a choice, with the option of receiving additional benefits and functionality when the consumer wants. There could also be a point where smart functionality will be enabled for nearly all meters once consumers have greater confidence in the technology.

There are likely to be people who might not ever want smart meters, even with clear options and incentives. However, we believe the steps outlined above will help to mitigate this risk. Any obligations on consumers regarding smart functionality and data sharing should be clearly communicated and understood.

Clear minimum standards for common 'difficult' installation issues.

In a small number of homes, the smart meter installation could highlight safety concerns, including the identification of appliances that need to be condemned. Suppliers currently all have different approaches to how they support consumers in vulnerable circumstances. Whilst we appreciate that a tailored approach is necessary and beneficial for consumers, as an advice provider we would value some certainty about what we can tell people who contact us if they have an appliance condemned during a smart meter installation.