

Summary report on energy suppliers' communication with consumers regarding smart meter data

The logo for Citizens Advice, featuring a dark blue speech bubble with a white tail pointing downwards and to the left. Inside the bubble, the words "citizens" and "advice" are written in white, lowercase, sans-serif font, stacked vertically.

**citizens
advice**

Introduction

Citizens Advice is the statutory energy watchdog and is the sole the consumer advocate representing consumers across the smart meter programme. We have taken an active role in various smart-related issues including the development of consumer communication materials, installation processes, technical specifications and broader areas of consumer interest such as future services and wider consumer attitudes.

In 2014, our predecessor body Consumer Futures collaborated with Energy UK (the industry trade body) and the Department for Energy and Climate Change (DECC) on a research project (*Smart and Clear*¹) to evaluate supplier communication materials about the data choices that consumers are faced with when they agree to have a smart meter installed. The research aimed to understand and establish what consumers want, need and expect from communications about their smart meter data, and to generate an initial 'stencil' of what such communications should look like for energy suppliers to make use of. It also sought to address government's call for what was then termed a 'data charter' for consumers; and identify any opportunities to build upon and improve draft supplier communications materials about the choices consumers can make about their smart meter data.

A key outcome of this work was a one-page 'Data Guide', *Smart meter data - A guide to your rights and choices*. This template (attached at Annex 1) detailed basic information that consumers should be told, and was adopted by energy suppliers via the trade association for the UK energy industry, Energy UK.²

The *Smart and Clear* research identified key principles which should apply to all communications on smart meter data and potentially beyond as smart homes and services become the norm. In addition to the stencil document our research also identified the following:

- The context of the smart meter rollout needs to be explained in order for consumers to understand information on smart meter data.
- Consumers want initial information provided on a single, one-page document but also need the ability to dig deeper into the information should they wish to in the future - a layered approach was regarded as optimal.
- Both initial and layered information for consumers should be concise, easy to read and understand.

¹<http://webarchive.nationalarchives.gov.uk/20140728011208/http://www.consumerfutures.org.uk/reports/smart-and-clear-customer-attitudes-to-communicating-rights-and-choices-on-energy-data-privacy-and-access>

²http://www.energy-uk.org.uk/files/docs/Policies/Smart%20Meter%20policies%20%20consultation%20responses/2013/smart_meter_data_guide_version_1-june-13.pdf

- The information should be provided prior to installation, when consumers are likely to be most engaged.
- Consumers neither trust nor read lengthy ‘terms and conditions’, viewing them as incomprehensible by design and regarding them as removing rather than bolstering any protections. A lengthy terms and conditions document was at times seen as undermining previously ‘user-friendly’ communications materials.

In Spring 2015 Citizens Advice issued an information request to energy suppliers about their existing smart meter data communication. We were interested to see how suppliers are discharging their duties in this area, and the extent to which they have implemented the principles established in *Smart and Clear*. This report is an analysis of that information request.³ We recognise that we are early in the rollout process and that suppliers are still developing their materials. It is our hope that this report will help in this process by identifying best practice and areas concern.

The request was sent to the six largest energy suppliers, and four smaller suppliers who were installing smart meters at the time, or were actively planning to in the near future.⁴ Eight suppliers provided us with communications materials, but two were unable to share these as they were still in development.

Much of the key information to be communicated to consumers about their smart energy data is founded upon the data access and privacy rules in the Supply Licence Conditions (SLCs). These require suppliers to allow consumers to choose how regularly their meter is read, and also to obtain explicit consent before their smart meter data can be used for marketing. Suppliers should also inform consumers about which other organisations they may share smart meter data with, and ask permission before sharing this data more widely.

These protections were extended to include all domestic Remote Access Meter (RAMs) in August 2015.⁵ The information request to suppliers asked them to make clear any adjustments to their communications that they planned to make after this date. Although this report will refer throughout to smart meters, this should be taken to include RAMs, unless otherwise stated.

³ In this report we identify some suppliers by name when discussing materials which are in the public domain, but where this is not the case the suppliers are discussed anonymously. All web-based materials are accurate as at 14th December 2015. All other materials were provided at the time of the information request.

⁴ The information request and a list of the suppliers it was sent to are contained in Annex 2

⁵<https://www.ofgem.gov.uk/publications-and-updates/extending-smart-meter-framework-data-access-and-privacy-remote-access-meters>

Key findings

Quality of information

The quality and quantity of information provided to consumers regarding smart meter data varies between suppliers and aspects of smart meter data. In the best cases suppliers communicate clearly with consumers about their data choices and display this information prominently in communications materials. In the worst cases suppliers offer limited or no information, or relegate the information they provide to the small print.

Meeting the basic standards

While the information request revealed many examples of best practice, there are cases where we are concerned that some suppliers are not currently meeting what we would consider to be the basic standards on smart meter data communications, including suppliers limiting the data choices consumers can make and not having clear plans to provide updates to consumers on their data choices.

Using the Data Guide

The Data Guide was created in collaboration with industry and provides the basic information that consumers told us they needed to understand their smart meter data rights and choices. Our information request revealed that those suppliers with the least comprehensive information on smart meters also do not currently use the Data Guide. As such their customers are at greatest risk of not understanding the data implications of smart metering.

Recommendations:

1. All suppliers should send a copy of the Data Guide to their customers.
2. Suppliers should feature the meter reading frequency options prominently and clearly in their communication materials.
3. Suppliers should make clear that they will not use smart meter data for marketing without opt-in consent.
4. Suppliers should ensure that clear information on how data is shared with third parties is included in their communication materials.
5. Consumers should be sent information about data choices in advance of being asked to make these. They should be offered all three meter reading frequency options on an equal basis when making their data choices.
6. Suppliers should ensure that they provide information about data choices at appropriate intervals to ensure that consumers are regularly updated.

7. Suppliers should be clear about what benefits consumers receive if they allow more frequent meter readings, and whether they are immediately realisable or are potential future benefits.

Analysis

Current use of the Data Guide

The *Smart and Clear* research identified the smart meter information consumers consider to be most important: this was distilled into the one page Data Guide. It was designed to be used as a generic stencil by suppliers and other service providers, though a clear need was identified for more detailed, layered documents (that apply the same principles of clarity and conciseness) for consumers who want to know more.

Our research also showed that consumers wanted to receive a standardised document to provide assurance that all energy suppliers are adhering to the same standards. Consumers also expressed a clear preference to be given a physical, paper-based document, in addition to any information being provided via other media.

“It needs to be clear that it’s the official document and not messed around with in any way”

Consumer, 40s, Socioeconomic Group (SEG) C (Smart and Clear, page 30)

The information request found that five suppliers are currently using either the standard Data Guide, or an adapted form of this. Only one of these provided evidence that a paper copy is sent to all consumers, although a further four suppliers host the document on their website, and three provide a weblink in their communication materials for consumers. Four suppliers do not provide the document, and there was no evidence to show that they host it online.

Consumers who are not provided with the Data Guide are more reliant on their supplier providing adequate information on their smart meter data rights and choices in their communications materials. Unfortunately, our information request found that those suppliers that did not provide the Data Guide or host it on their website had materials on smart meter data which were generally less comprehensive and less clear than those of suppliers who did provide or host the Data Guide.

The Data Guide was designed to give consumers the basic information that they need to know about smart meters and data. It was created in collaboration with EnergyUK and is hosted on their website. Providing the guide for consumers is good practice by suppliers, as it ensures that all consumers receive this information. This does not preclude suppliers from providing additional information on smart meter data, or taking innovative communications approaches which they consider are suitable for their customers.

Recommendation: All suppliers should send a copy of the Data Guide to their customers.

Smart meter data options

While the Data Guide informs consumers what their rights and choices are, suppliers need to use other communication materials to let their customers know in detail about these choices, and how to exercise them. In relation to their smart meter data consumers have choices over:

1. the frequency of the meter readings collected by the supplier
2. whether this data is used for marketing
3. who this data can be shared with

Consumers in our *Smart and Clear* research expressed a preference for these choices to be displayed prominently, and felt that companies place information in small print or terms and conditions to intentionally make things difficult for them to understand.

“I’ve had banking Terms and Conditions that have been about 10 pages long of that fine print. I know it’s my fault for not reading it, but I’m never going to read something that long and they know that”

Consumer, 20s, SEG D (Smart and Clear report, page 21)

Frequency of meter readings

The Supply Licence Conditions give consumers control over the frequency of meter readings their supplier can collect from their smart meter.⁶ Suppliers are allowed to collect daily readings⁷ from customers unless the customer objects, in which case the supplier provide the option for consumers to opt-out to less regular reading intervals (down to a minimum of monthly readings). If the supplier wishes to take

⁶ See [Electricity Supply SLC](#) 47.3 - 47.9, [Gas Supply SLC](#) 41.3 - 41.9

⁷ These readings can only be used for pre-defined regulatory purposes or for the purposes set out in a Notice to the customer (although this cannot include marketing).

more regular readings (ie half-hourly readings) consumers must opt-in to this collection. These choices were extended to consumers with RAMs in August 2015.

Our information request found that suppliers generally featured this option most prominently in their communications materials, and in their written responses to our information request. Six suppliers provide information about this choice to consumers in pre-installation letters and leaflets. In the best cases, suppliers set out all three meter reading frequency options clearly (for example, in a clear table), explaining what each option means and any potential benefits for the consumer (see figure 1). Some suppliers set out these options less clearly; for example, in body text, or with little/no explanation of what the different options actually mean.

Option	What we'll collect	How this helps you
<p>Minimum</p>	<p>A meter reading once a month, with daily readings when necessary</p>	<ul style="list-style-type: none"> Your account can be managed effectively.
<p>Standard (Your meter will be set at this option unless you tell us otherwise).</p>	<p>Monthly and daily readings</p>	<ul style="list-style-type: none"> You pay for what you actually use. We give you relevant energy-saving advice. We can develop products and services to suit you.
<p>Optimum</p>	<p>Monthly and daily readings Half-hourly information</p>	<ul style="list-style-type: none"> You pay for what you actually use. We give you even more energy-saving advice. We can develop products and services that are even more suitable for you.

▲ Figure 1: Extract from nPower 'Your Smart Meter Information'⁸

In the least satisfactory materials consumers are not clearly informed about all three options, and the information is complicated. For example, Utilita only includes information on meter reading frequency in their terms and conditions, and do not clearly set out the three data options (see figure 2).

⁸ Available at <https://www.npower.com/home/help-and-support/types-of-meter/smart-meters/data-policy/>

(c) Meter Readings

Meter readings are then taken and stored together with your contact details. Meter readings are taken at various times and frequencies, most frequently on a half hour basis. Data readings can be taken at any of the following times:-

- (i) When you telephone us with the information.
- (ii) When a representative attends your premises and reads the meter.
- (iii) When you make a pre-payment to us (known as, "vending or vend").
- (iv) For customers who have a Smart Meter installed, the Smart Meter itself automatically gathers and transmits to us full meter readings on a half hourly basis, in addition to other updates and alerts.

- This information is retained within the meter itself.
- The meter may be dialled remotely by us at least once per month (and can be done more often).

- At that time, the half hourly information is processed by us.
- In addition, each time you vend the Smart Meter passes to us data to confirm the accuracy of the meter reading.

(v) You reserve the right to opt out of daily or more frequent meter readings. Please call our Customer Services Team on 03452 072000

▲ Figure 2: Extract from Utilita's Terms and Conditions (page 11).⁹

One supplier, First Utility, currently requires all smart meter consumers to accept half hourly readings. If consumers are not willing to provide information on this basis, they either have to accept a traditional meter or have the meter's smart functionality disabled. First Utility told us that this is a technological requirement of the supplier's meters, which are not currently compliant with the Smart Metering Equipment Technical Specifications (SMETS). It is our view that this approach fails to comply with the spirit of the smart meter data licence conditions, which from August 2015 have applied to RAMs. Following discussions with First Utility about these concerns First Utility have now committed to resolve this issue and have arrangements in place to enable smart meter customers to exercise choice as to how much smart meter data they share by June 2016 at the latest.

Some suppliers go further than they are obligated, by informing consumers about the circumstances in which they may take meter readings outside of the regular meter reading cycle (see figure 3). Providing consumers with this information may offer more assurance about the limits of a supplier's ability to access their data. This approach represents current best practice by allowing consumers a fuller understanding of when meter readings may be taken.

⁹ Available at http://www.utilita.co.uk/downloads/5493US_T&Cs_7s.pdf

Minimum option – monthly meter readings

Taking monthly meter reads is the minimum we need and are allowed to take in order to bill you and meet relevant laws and regulations. We can also take readings at other times:

- to answer any questions you have;
- so we can send you a bill based on an actual reading if there's a change to your account; and
- if we think your Smart meter has been damaged or interfered with in any way, to help us to understand what's happening and sort out the problem.

Whichever option you choose, we will not use your information to send you marketing information unless you have given us permission to do so.

▲ Figure 3: Extract from nPower 'Your Smart Meter Information'¹⁰

Consumers should be informed of all their data options, and be given information by their supplier about what these options mean, both in terms of the data that is shared and the impact on the services the consumer will receive. Suppliers that limit choices for their consumers are at risk of failing to comply with their licence conditions, and failing to provide clear information could be undermining consumer confidence in the smart meter rollout as a whole.

Recommendation: Suppliers should feature the meter reading frequency options prominently and clearly in their communication materials.

Using data for marketing and sales

Suppliers are not permitted to use smart meter data to market services or products to consumers, unless the consumer has explicitly opted in.¹¹ Our information request found that five suppliers clearly inform customers that they can make a choice about whether their smart meter data is used for marketing in their communications materials. It is not clear from four of these responses whether the suppliers routinely ask for this permission, and, if so, how this is obtained. This may be because suppliers do not currently use smart meter data for marketing purposes. We would expect them to obtain explicit, opt-in consent from consumers as required by the licence conditions if they begin to do so in future.

Only one supplier, SSE, provided materials which demonstrate that they routinely ask consumers about their marketing preferences. SSE also go further than the

¹⁰ Available at

<https://www.npower.com/home/help-and-support/types-of-meter/smart-meters/data-policy/>

¹¹ [Electricity Supply SLC](#) 47.12 (b), [Gas Supply SLC](#) 41.12 (b)

basic standard set out in licence conditions by offering consumers separate options for the marketing of products and services (see figure 4). This represents current best practice, by giving a more detailed choice as to which marketing they will or won't receive.

This table explains the information we would like to collect, use and provide as part of our service to you

Information category	Type of information	Consent required?	Action anticipated	Your consent to allowing us access to this information means we will be able to...
Automatic meter readings sent by your smart meter	Monthly meter read	No	One meter read per calendar month	Provide accurate bills Fulfill our legal and regulatory obligations to you
	Daily meter read	Yes	Meter readings will start when you give consent and your meter has been installed	Provide all the monthly meter read benefits, plus we can: Give you useful energy saving advice Give you useful energy efficiency advice Provide you with access to SSE Southern Electric smart graphs online Allow better balancing of supply and demand to our energy customers Allow you to monitor your energy use
	Half hourly meter read	Yes	Meter readings will start when you give consent and your meter has been installed	Provide all the monthly and daily meter read benefits, plus we can: Give you greater visibility of your energy usage at specific times of day to help you manage your energy better
Marketing	Marketing information about products (example: shield maintenance, retail appliances, heating solutions)	Yes*	Marketing will commence when you give consent and will include general product marketing which may make use of your smart meter readings	Contact you in writing, by phone and (where you have agreed) via digital media with information on products and/or services that we and other companies within the SSE Group offer including, but not limited to, any of our loyalty programmes, promotions and competitions. This may occasionally include details of offers available from our carefully selected partners. This may include (but is not limited to) information on energy products, gas and electric installations, shield boiler maintenance and electrical wiring insurance, telephone and broadband products, micro renewable products, electric heating solutions, retail appliance sales and Green Deal and ECO offers.
	Marketing information about services (example: additional energy efficiency advice, tariffs, web services)	Yes*	Marketing will commence when you give consent and will include general product marketing which may make use of your smart meter readings	

▲ Figure 4: Taken from SSE's installation confirmation letter

Two suppliers, Utilita and Ovo, provided materials which suggested that their customers had to opt out to prevent their smart meter data being used for marketing purposes (see figures 5 and 6). Following clarification, Utilita told us that they do not currently use smart meter data for marketing purposes. Ovo told us that they ask for opt-in consent to allow general marketing during their initial sign up process for all consumers, but do not currently ask for explicit consent in relation to marketing based on smart meter data. We are concerned that consumers may not consider their smart meter data when asked for this consent, especially in cases where they have not yet had a smart meter installed, and as such, they may not have intended to allow their smart meter data to be used for these purposes. Both suppliers should ensure that they are satisfied that they have this consent from consumers before using smart meter data for marketing purposes in future, and we would consider it good practice for their materials to make clear to consumers that this consent is required.

16. DISCLOSURE OF INFORMATION

16.1. Information you provide or we hold (whether or not under the agreement), including meter readings and other data relating to the status of a meter, may be used by us, our employees and/or agents or given to and used by other companies in our group to:

16.1.1. identify you when you make enquiries;

16.1.2. help administer any accounts, Services and products provided by our group now or in the future;

16.1.3. help us detect fraud, crime or loss and to make credit checks;

16.1.4. help us optimise the provision of the Services to you;

16.1.5. keep you informed about other services and products offered by our group and selected third parties (to whom no data will be disclosed). If you prefer not to receive such information please tell us when you make your Application or write to us stating that you do not wish to receive such information.

▲ Figure 5: Extract from Utilita's Terms and Conditions- see clause 16.1.5 ¹²

What are my rights?

We won't use information from Smart meters, or give it to third parties, to market products or services to you if you've asked us not to. You can ask us not to send you any marketing messages through your IHD, too.

▲ Figure 6: Extract from Ovo's 'Little Book on Smart Meter Data'¹³

Communication materials from First Utility, EDF Energy and E.ON do not mention the use of smart meter data for marketing, although the latter two do host the Data Guide, which contains this information, on their websites. This may be because these suppliers do not currently use smart meter data for marketing purposes. However, we feel that it is still best practice to inform consumers about their rights regarding marketing, in order to provide assurance about how their data will be used, both now and in the future.

Recommendation: Suppliers should make clear that they will not use smart meter data for marketing without opt-in consent. Consumers should be informed if suppliers do not intend to use smart meter data for marketing purposes.

Sharing data with other organisations

Consumers should also be informed about how their smart meter data will be shared with other organisations by their supplier. Some sharing of data is necessary for suppliers to provide their services and carry out their duties; for example, it is common for suppliers to share information with other organisations operating on their behalf, energy networks and law enforcement agencies.

¹² Available at http://www.utilita.co.uk/downloads/5493US_T&Cs_7s.pdf

¹³ Available at <https://www.ovoenergy.com/WorkArea/DownloadAsset.aspx?id=6442452497>

Smart and Clear identified data sharing as an area of particular concern for consumers, who were more likely to be more worried about their data being shared with third parties in a ‘smart’ world, due to the increased amount of data that suppliers will hold, and due to negative previous experiences of their data being shared by other companies.

“Every company or service does this now and I don’t get it. I get bombarded by emails or phone calls, because somehow my details have been given to all these other companies and I don’t understand how”

Consumer, 30s, SEG E (Smart and Clear, page 19)

Our information request found that two suppliers (British Gas and Ovo) set out clearly, and relatively prominently, the circumstances in which they share smart meter data, and why (see figure 7). They also inform their customers that they will ask their permission before sharing their data with anyone else. Another supplier informs consumers that sharing may take place, and directs them to where more information may be found. Utilita also gives consumers information about who their data may be shared with, although this information is contained in their terms and conditions and as such may not be noticed by all of their customers.

- We promise to take care of your personal data. Your information will be kept secure to protect it from misuse and will only be shared:
- Where we’re required by law to give data to a particular third party or Government department
- With other parties such as networks, who are involved in the delivery of energy to your home
- With other organisations who help us by delivering services on our behalf – but we’ll always let you know who they are
- If we need to provide data to the police, or other law enforcement agencies, to prevent fraud or as part of criminal investigations
- If you leave British Gas we’ll make sure we don’t have access to data from your smart meters after you leave us

Who else can see this information?

If we need to, we might share your Smart meter information with:

- organisations and agents who help us provide your products and services
- other energy industry organisations, like network companies, who help manage energy supplies, distribution or central energy systems
- the police or other organisations, including industry bodies who help spot and stop theft or fraud (under data protection laws).

We won’t sell your Smart meter information to third parties unless you say we can. And if we need to give your info to anyone else, we’ll tell you first whenever possible.

▲ Figure 7: Extract from British Gas’s ‘smart metering customer guide’ (left)¹⁴ and Ovo’s ‘Your little book on smart meter data’ (right)¹⁵

Despite the importance of this information to consumers, many suppliers did not clearly set out how smart meter data will be shared. One supplier informs

¹⁴Available at <https://www.britishgas.co.uk/aem6/content/dam/britishgas/downloads/smart-meters/smart-metering-customer-guide.pdf>

¹⁵Available at <https://www.ovoenergy.com/WorkArea/DownloadAsset.aspx?id=6442452497>

consumers that they will not share their data without permission, but they do not include information on the circumstances in which they do so as a matter of course (for example, if it required by regulation/law enforcement). Another supplier does not mention data sharing in the materials they send out to consumers, but this information is available on their website. First Utility and E.ON do not include any information about data sharing in the materials they send to consumers.

The information request did not find any suppliers currently seeking permission from consumers to share smart meter data more widely (eg with companies in other sectors).

Given the level of consumer concern about data sharing, and the concomitant risks to confidence in smart metering, it is best practice for suppliers to clearly communicate to consumers about why their data may be shared and with whom, and inform them that wider sharing will not take place without their consent.

Recommendation: Suppliers should ensure that clear information on how data is shared with third parties is included in their communication materials.

Making data choices

When and how consumers make their data choices are important considerations for suppliers. *Smart and Clear* found that most consumers felt that they should receive information on data choices up to two months prior to their smart meter installation, so that it was relevant and useful to them. It should give them time to consider their choices, and look up more information if they want to.

Our information request found that most suppliers make consumers aware of their data options in letters and other materials ahead of their installation, and ask them to make these choices during the installation appointment booking process. However, two suppliers inform consumers about their smart meter options for the first time during the booking call itself.

In addition to consumer-facing materials, our information request also asked suppliers for call centre scripts and training documents. Where these were provided, they showed that suppliers take different approaches to how they present the meter reading frequency options to consumer during the booking call.

Some suppliers list all three meter reading frequency options in a straightforward manner and ask the consumer to make a choice. However, in contrast, one supplier presents these choices incrementally, first asking whether the consumer will accept half hourly readings, and only offering daily or monthly options if they say no. Similarly, one supplier has an online booking process which displays an options box which initially only shows the half hourly option, with daily and monthly options

only shown if the user clicks a button to expand the options box. Another supplier asks consumers whether they consent to provide readings 'daily or more often', which does not distinguish clearly between the daily and half hourly options. These approaches could obfuscate the full range options available to consumers, and limit the ability of consumers to make informed choices.

Most suppliers follow up with consumers by sending a letter to confirm their data choices, and let them know how they can change these in future. This gives consumers another opportunity to consider their data options, which is particularly important for consumers who were not aware of the data options prior to their installation booking.

Recommendation: Consumers should be sent information about data choices in advance of being asked to make these. They should be provided with all three meter reading frequency options on an equal basis when making their data choices.

Reminding consumers of data choices

Suppliers should not limit their customers' engagement with data choices to a single decision point when the meter is first installed, but should enable them to periodically re-evaluate their data and how it is used. To this end, suppliers are required to inform their customers of:

- the purposes for which their smart meter data is used
- how often their meter readings are currently collected
- their right to withdraw their permission for daily or half hourly readings.¹⁶

This reminder should be sent at "appropriate intervals", as determined by the supplier, "for the purposes of ensuring that the Domestic Customer is regularly updated".¹⁷

Our information request asked suppliers how they meet this requirement.¹⁸ In response, five suppliers told us that they use an annual statement to inform their customers that they can change their data choices, and how to do this. However, only three of these include information on the customer's current frequency choice as required by the licence conditions.

Two suppliers go beyond the standard set out in the rules by sending their customers information on all the reading frequency options as part of the annual statement. This enables the consumer to consider these alongside their current

¹⁶ [Electricity SLC](#) 47.14, [Gas SLC](#) 41.14

¹⁷ Quotes taken from [Electricity SLC](#) 47.15, [Gas SLC](#) 41.15

¹⁸ See question 10 of the information request (annex 2).

choice and better decide whether to change this option, and represents best practice amongst suppliers.

Three suppliers do not yet have any process in place to update their customers as to their data choices. This is compounded by the fact that these suppliers also did not provide the Data Guide, and so their customers are less likely to be aware of their data choices in the first place. One of these suppliers told us that they rely on consumers checking their online accounts to review their data options. This is problematic as consumers are unlikely to check these choices regularly, or even know how to do so. It also does not seem likely to ensure that the consumer is “regularly” updated.

Citizens Advice is concerned that only three suppliers provided evidence to show they have plans in place to inform consumers of all the information required by the licence conditions. While suppliers can determine the “appropriate intervals” for reminding consumers about their data choices, we consider that those suppliers who currently have no plans are at risk of failing to ensure their consumers are ‘regularly updated’. This will reduce their customers ability to engage with their smart meter data options after the initial setup of the meter.

Recommendation: Suppliers should ensure that they provide information about data choices at appropriate intervals to ensure that consumers are regularly updated.

Choices and consumer benefits

The choices that consumers make about their data - in particular the meter reading frequency - may affect the smart services that they are able to receive. This could include how they access their smart meter data, or extra services, such as tailored energy saving advice, their supplier can provide. Some suppliers only offer services if more granular data is shared; often at least daily readings are required for extra services such as tailored energy reports. The consumer data choices should drive suppliers to develop such services for consumers, in return for sharing more of their data. However, suppliers should ensure that the minimum data granularity they require from consumers is related to the data requirements of the service they are offering in return.

“I need a choice in how data is used and I want to know what’s in it for me. I’m not clear about what the benefits of my energy data will be”

Consumer, 42, SEG C2 (Smart and Clear, page 45)

Most supplier communications actively encourage customers to choose half hourly readings, and this option is often labelled as ‘optimum’ (see figure 1) or ‘recommended for you’. The latter phrasing is particularly problematic, as it implies some degree of customisation has been undertaken to assess a specific consumer’s needs, when it is actually a generic communication sent to all consumers. Despite this, many suppliers appear to offer the same benefits regardless of whether half hourly or daily data is provided (choosing monthly readings normally means that extra services are limited). A number of suppliers told us they are currently trialling services, across different media, which will make more use of half hourly data. Where this is the case, some suppliers are explicit in their communications that consumers who share data on a half-hourly basis can expect better services in future, but other suppliers are not clear that these services are not immediately available, even if a consumer agrees to share half-hourly data.

In one case a supplier’s call centre script includes a section suggesting that half hourly readings reduce a consumer’s prices by allowing them to improve the accuracy with which they buy energy. It should be made clear to consumers whether any cost savings will accrue only to those customers who have selected half hourly data, or be shared across all customers. Extra care should be taken when describing financial benefits like these to ensure that consumers are not confused.

One supplier offers an app-based prepayment tariff which has non-financial consumer benefits, such as online and text top-ups, but also has technical requirements that prevent a monthly meter readings option. If customers do not wish to have daily or half hourly reads, the supplier informs them that they cannot use the app-based tariff, and they are moved on to a standard prepayment tariff (both tariffs use smart meters and are currently sold at the same price).

Some of the impacts of a consumer’s data choices are not always easy to understand, especially when some benefits may not be immediately available. This is likely to make it hard for consumers to decide whether sharing more granular data is genuinely worthwhile.

Recommendation: Suppliers should be clear about what benefits consumers receive from allowing more frequent meter readings, and whether they will be realised immediately or are potential future benefits.

Vulnerable consumers

We asked suppliers if they give any extra advice, guidance and services regarding smart meter data for vulnerable consumers. The *Smart and Clear* research included in-depth interviews with vulnerable and disadvantaged consumers, and our

research on a 'smart meter extra help scheme'¹⁹ for vulnerable consumers also goes into detail on the importance of communication in ensuring that all consumers can benefit from the smart meter rollout.

In July 2015 we published analysis of supplier plans in our report 'Vulnerable consumers and the smart meter rollout'.²⁰ It found that there was a significant variance in suppliers' plans to meet the additional needs of vulnerable consumers.

Most suppliers identify vulnerability as part of the installation booking process, and some have arrangements in place which may help consumers understand their data options; for example, a dedicated customer service agent who can answer queries, including those on data.

The Smart Metering Installation Code of Practice (SMICoP) requires suppliers to ensure that their communications materials are available in a variety of media and tailored for vulnerable consumers and groups with specific needs (including visually and hearing impaired, and those with poor literacy).²¹ No supplier provided evidence that they specifically differentiate their communications regarding smart meter data to these customers, although most told us that they designed their materials to be suitable for all consumers, and that they would offer extra support in line with their normal processes for supporting vulnerable consumers. Two suppliers told us that they are not currently installing smart meters for known vulnerable consumers. The latter approach is not appropriate as vulnerability is not necessarily a static state, and all consumers could find themselves in vulnerable circumstances at different points in their lives. There are numerous licence obligations that require energy suppliers to identify and support consumers in vulnerable circumstances and we would expect suppliers to adhere to these.

Suppliers should ensure that smart meter communication materials are designed to enable all consumers to make informed decisions about their smart meter data. We would be interested in understanding whether suppliers have tested materials with vulnerable consumers, and we would expect those suppliers who are currently rolling out smart meters to this group of consumers to monitor their suitability.

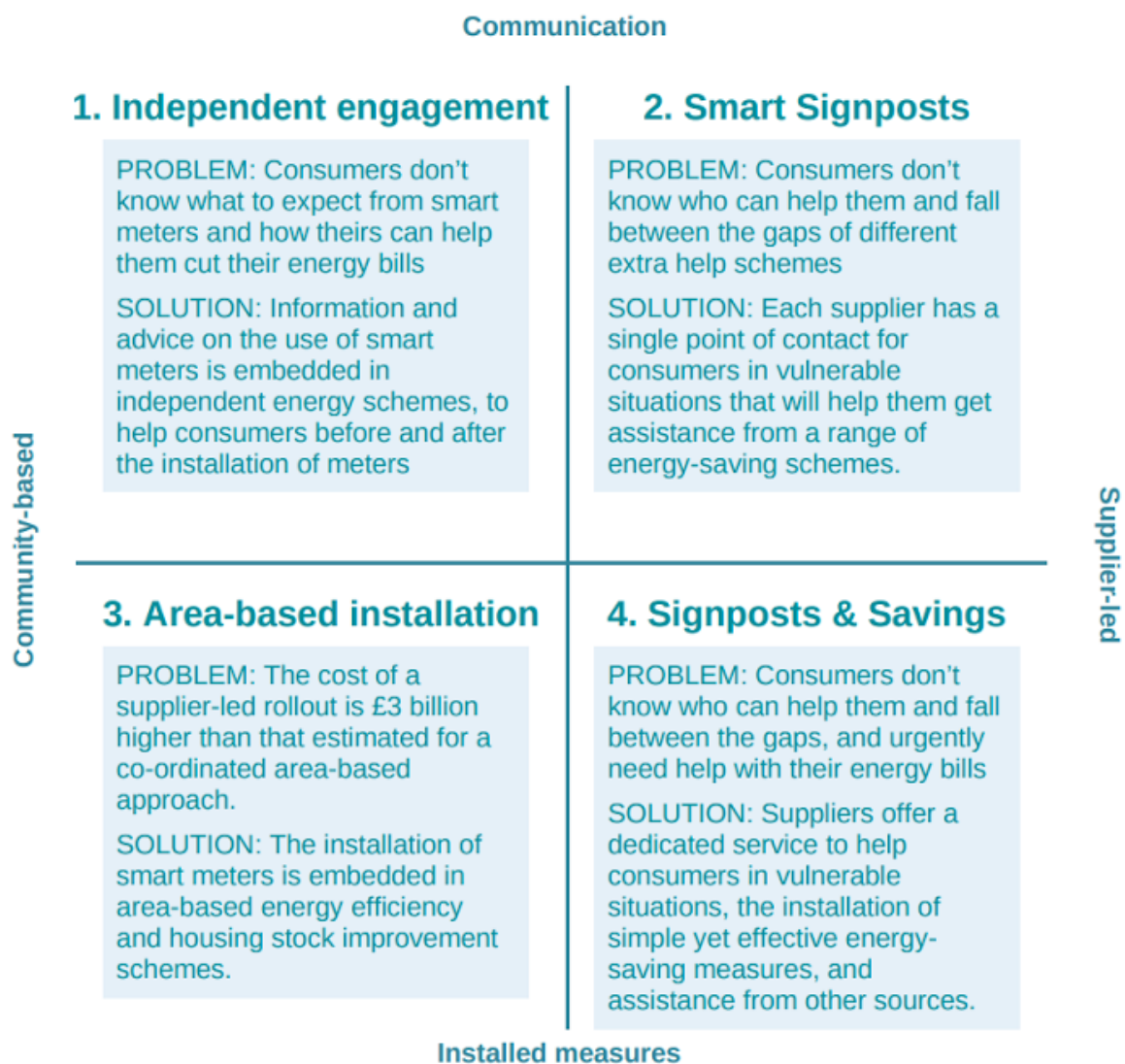
This information request asked suppliers about what extra advice, guidance or other services regarding smart meter data and consumer choices they provide to consumers identified as being vulnerable. Based on responses to the information request, Citizens Advice does not consider any supplier to be demonstrating particularly good practice in specific communications about data with vulnerable

¹⁹ Citizens Advice September 2014, available at https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/smart-meter-extra-help-scheme-position-paper-final.pdf

²⁰ Citizens Advice, July 2015, available at <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/vulnerable-consumers-and-the-smart-meter-rollout/>

²¹ SMICoP para 2.4.3.1, available at <http://www.energy-uk.org.uk/policy/smart-meters/smart-metering-installation-code-of-practice.html>

consumers. We are keen to better understand how the industry is planning to develop its information and training for staff on explaining data choices and options to consumers in vulnerable circumstances. We recommend all suppliers consider this in relation to our pilot extra help scheme proposals on communication (see figure 8), which identified four potential approaches to providing extra help to vulnerable household (these approaches are not necessarily mutually exclusive).



▲ Figure 8: Citizens Advice pilot proposals for a smart extra help scheme ¹⁶

Future issues

We also asked suppliers about Consumer Access Devices (CADs). These are devices which interact with the smart meter via the Home Area Network (HAN), and can access granular consumption data. While technically any device that pairs to the HAN (such as an IHD) can be considered a CAD, we were particularly interested in CADs which have the potential to allow a consumer, or indeed a supplier, full access to their detailed, near-real-time energy usage data.

At the time of the information request some suppliers told us that they were in the process of trialling CADs, or in the early stages of offering these to consumers, but no communication materials for consumers were yet available. We would expect suppliers (and third party CAD designers) to clearly communicate to consumers what data a consumer will be sharing via their CAD, beyond the data they share through their smart meter via the Wide Area Network (WAN). These materials should be designed to make clear the differences between the data being transmitted from the CAD and from the smart meter itself, why the supplier needs it, and what they will (and won't) use it for. Communications should also be clear on the distinction between data that remains in consumers' 'Home Area Network' (HAN) and that which leaves their home via the WAN and will be communicated to their energy supplier or another party. We will monitor how these materials develop as CADs are offered to consumers more widely.

Conclusion

This information request identified some examples of best practice in communicating to consumers about their smart meter data rights and choices, which align with the findings of our *Smart and Clear* research. These best practice approaches came from a range of suppliers, on various aspects of smart meter data choices.

We also identified areas across all suppliers in which information was either unclear, incomplete, or not given sufficient prominence. We expect that suppliers will act now to adopt the recommendations and best practice identified in this report and in doing so improve the quality and clarity of their communications with consumers. This should ensure that their materials and processes deliver better, clearer information on smart meter data choices for consumers before the mass smart meter rollout.

Unfortunately we have also found a number of instances where suppliers failed to meet the basic standards we would expect of suppliers. These included some particularly concerning cases, which we have taken up with suppliers directly. We are heartened that suppliers have already begun to take some steps to remedy these some of these issues.

We also looked at the consumer impact of sharing more or less granular data with their supplier. Where consumers are offered services in return for more granular smart data, suppliers were not always clear about which services or benefits are immediately available, and which are still in development.

We are concerned that those suppliers with the least comprehensive communications materials about smart meter data were also less likely to provide the Data Guide. This information request has reaffirmed our view that that all suppliers should provide the Data Guide, to ensure all consumers are given a basic level of information about their smart meter data in a standard format.

It should be emphasised though that the Data Guide represents a minimum of information, and that our *Smart and Clear* report clearly identified the need for further 'layers' of information beyond this one page summary. As such providing the Data Guide should not preclude suppliers from providing additional, layered information in innovative ways that they consider are suitable for their customers. This report has found examples of good practice in this area, though all suppliers have some scope to improve.

Many of the benefits of smart metering will not be achieved if consumers do not feel comfortable sharing their data. In order to trust suppliers, they need to be

informed about their data rights upfront, and in a clear, straightforward way. It is our hope that this report will help suppliers achieve this goal.

Annex

Annex 1: Smart meter Data Guide

Smart meter data - A guide to your rights and choices

The key facts

- Smart meters are being installed in every home in Great Britain between now and 2020. Your energy supplier will tell you when they plan to install your smart meter between now and then
- The Government is overseeing the rollout of smart meters and has set out the rules for the management and use of data collected from your smart meters
- Your Energy Supplier will continue to hold your personal details on your account

What's new?

- Smart meters record more information than current gas and electricity meters. They will store the amount of energy you have used in each 30 minute period
- Your energy supplier will collect meter readings remotely
- You can choose how much of this information you share with your energy supplier
- If you do nothing your supplier can collect a daily meter read

The choices you can make

- How much data your energy supplier collects from your smart meter, e.g. monthly, daily or half-hourly meter reads
- Whether your supplier shares details about your energy consumption with other organisations;
- Whether your supplier can use your meter reads for sales and marketing purposes;
- How you can access information about your energy use and get the most benefit from it
- Once you have made your choice on any of these, you can change your mind at any time

For more details about:

- The smart meter roll-out

- Making use of your smart meter data
- How your data will be used and who it will be shared with
- Making any of the choices above
- Any other questions about your data you might have

Please contact your energy supplier

For independent advice about your rights and choices relating to your personal information contact The Information Commissioner's Office at www.ico.org.uk or via the ICO Helpline on 0303 123 1113

Annex 2: Information request

This information request was sent to the following suppliers:

- British Gas
- EDF Energy
- E.On
- First Utility
- nPower
- Ovo
- Scottish Power
- Spark Energy
- SSE
- Utilita

Information sought by Citizens Advice:

We are seeking information about how energy suppliers are communicating with their customers about smart metering data.

Please answer the questions below in light of Ofgem's requirement that all domestic consumers with 'Remote Access Meters' (i.e. pre-SMETS 'Advanced' meters which were often described to consumers as smart meters) be afforded the same control and choices regarding their smart energy data, as those mandated under the smart metering implementation programme. This requirement will take effect from August 2015.

As such where necessary in responding to these questions, please also provide a brief outline of the changes that may be necessary to comply with these obligations after August 2015. Please also provide any links to or digital copies of the customer information materials for each relevant question:

1. How do you communicate to customers, who have or will have a smart meter, regarding their choices and options on how their smart metering data is used and shared? Please provide examples of this (e.g. letters, contracts etc.)
2. What information or materials do you provide to consumers, so that they are aware of their right to either opt-out of meter reads more frequent than monthly, or opt-in to data sharing more frequent than daily reads? Please provide examples of these materials.
3. When do you provide the information and materials described in Questions 1 and 2? (e.g. before, during or after installation) Please provide a timeline of when this information is provided.
4. Please provide details of any relevant scripts or training materials provided to smart meter installers and/or your staff about consumer's data choices and how they can be made.
5. Please supply figures for your company's current rates of domestic customer opt-in to more detailed data sharing (i.e. half-hourly data) including separate total for opt-ins via a Consumer Access Device (CAD) if applicable.
6. What additional products and services do you offer to smart meter customers who opt-in to provide half hourly data, and what take-up of these products has there been? Please provide your answer in terms of a percentage of smart meter customers.
7. What (if any) extra advice, guidance or other services regarding smart meter data and consumer choices do you provide to consumers identified as being vulnerable?
8. What communications materials do you provide to consumers where opt-in is sought for access to data via their CAD?
9. How do you ensure and document that a consumer made an informed choice regarding her/his data sharing? Please provide details.
10. How often and by what means will/do you provide the required updates to consumers of their current data choices and how they can amend them? Please provide details and any example consumer-facing materials.

Brief explanation of why information is being requested:

Following up on our work to develop a consumer 'data document' we are eager to see what developments suppliers have made in communicating clearly with their customers about their data and choices relating to it and how suppliers are adhering to Licence Condition 47 of the standard conditions of electricity supply licence and Licence Condition 41 of the standard conditions of gas supply licence. We are also keen to understand the kinds of communications customers will receive about their data and how they will be asked to make choices about how much data they agree to share.

Brief explanation of what Citizens Advice intends to use information for:

Citizens Advice intends to use the information for three purposes.

1. To improve internal understanding of supplier processes in order to provide better advice to consumers.
2. To allow us to compare the information received to the principles and approach agreed upon in the data document and establish how well suppliers are, or will be, adhering to this. This will also allow us to identify best practice approaches.
3. To better understand the current consumer experience of smart metering.