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Department for Business, Energy & Industrial Strategy
1 Victoria Street
London SW1H 0ET

Dear Duncan,

Thank you for the opportunity to respond to the consultation on changes to the smart energy code and DCC Licence.

Citizens Advice provides free, independent and impartial advice to anyone who needs it. We are the statutory advocate for energy and post consumers and run the national consumer helpline. Last year we helped 2.7 million people with 6.3 million problems.

Energy remains an essential for life service. As the statutory consumer advocate, Citizens Advice is committed to ensuring all consumers, are at the heart of a rapidly changing energy market. Increased choice and opportunities to participate in the energy market should encourage better consumer engagement with their energy choices.

Please find our responses to the consultation questions below. We welcome the proposals outlined on the interoperability tracker and see this as a positive move for consumers and look forward to working with BEIS, DCC and suppliers to develop this tool.

Please do get in contact if you have any queries about our response.

Kind regards

Ed

Ed Rees
Senior Policy Researcher
Citizens Advice

1. Do you agree with the proposal that requires DCC to make certain information available to consumers on request through an interoperability checker?

We agree with the proposal. Our reporting of consumer contacts to Citizens Advice relating to smart meters shows that the lack of SMETS1 interoperability is an area of significant detriment to consumers¹. It is then often compounded by poor communication from suppliers about how the consumer is being billed and how they should read their meter and supply meter readings².

Citizens Advice does not view the provision of this tool as a substitute for informative communications from suppliers to their customers about enrolment and adoption. We anticipate the Consumer Reference Group will work with suppliers to develop guidelines and share best practice in this area: this should help industry to understand its obligations, compete to deliver the best service and provide a positive consumer experience.

During the smart meter enrolment and adoption period we see value in ensuring that consumers who have moved into a property with a smart meter or are interested in whether their meter is once again operating as a smart meter (for example if they are considering switching) have access to the necessary information about whether they can confidently access the benefits of smart interoperability.

This self-service interoperability checker should be made available until the completion of enrolment and adoption, and should be provided by an independent and trusted source, free from any marketing. It is Citizens Advice view that the host organisation needs to work with industry and government to provide the necessary functionality. As the proposed host organisation, Citizens Advice is willing and well positioned to take on this role, given our historic and ongoing role in smart meter governance. However, the terms of agreement with the DCC and the form of delivery, within the scope of the parameters outlined in the proposed amendments to the SEC should be at the hosts discretion, particularly explaining what the outcomes mean. This is to ensure an optimal consumer experience.

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<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/smart-meters/>

² *ibid*

For this service to be of value to consumers we expect the information provided by suppliers through the DCC to be accurate. Citizens Advice welcomes the requirement for accuracy of supplier information on their ability to operate a meter in smart mode in this consultation – which will be vital for consumers trust in the service. However, we are disappointed that BEIS is not proposing to require suppliers to provide up to date information on the meters they can operate in ‘smart mode’ because it would help provide a complete picture for consumers. We hope that it will be in suppliers’ interest to provide potential customers with information about whether they can operate their meter in ‘smart mode’. A lack of data will significantly impact on the value of this tool, and we urge BEIS to consider if the data is not forthcoming how it might be able to oblige suppliers to provide this data.

We have some concerns about the definition of ‘smart mode’ which should be improved to meet a consumer’s expectation of the service function a supplier will be able to provide with an enrolled SMETS1 meter. These are outlined in question 4.

Citizens Advice is pleased that BEIS is giving further consideration to an enduring solution where consumers can access information on their meter capability. There is a strong and pressing case for this as metering variants, and their functionality options, are developing with the rollout of electric vehicles and other innovative integrated energy generation solutions.

2. Do you agree that the provision of the information should be through Citizen’s Advice acting as the host organisation for the interoperability checker?

As the statutory consumer advocate for energy, Citizens Advice will prioritise the consumer experience, which should be a necessary condition for a tool unique in the industry. We are also keen to see that an interoperability checker for a consumer to access personal data should be available to a consumer without marketing.

Citizens Advice is well positioned to understand the implications of decisions in the delivery of the tool. We will seek to understand the perspectives of a range of stakeholders in the development of the tool if the proposed amendments to the SEC are made.

3. Do you agree that the identity of the current energy supplier should be included within the information provided?

Although this may not be a necessary feature relating directly to whether the meter is interoperable, this information is valuable to consumers.

Consumers regularly contact Citizens Advice unsure about who their supplier is, and this is particularly common if a consumer has recently moved into a property. The high number of consumers contacting Citizens Advice unsure of who their supplier is suggests that more can be done to increase effective utilisation of this information.

Given that there are large numbers of consumers not actively engaging with the energy market³, it would seem that if a consumer, or a consumer with the support of a charity such as Citizens Advice, accesses the tool it would be helpful to have this information available. Having to get this data elsewhere will create an awkward consumer experience and present another step that might curtail a consumer's engagement with energy switching.

4. Do you agree with the proposed amendments to SEC under Section A & H, and the proposed amendments to conditions 1 and 17 of the DCC licence?

Citizens Advice is concerned that the definition of 'smart mode' will not mean what a consumer might reasonably expect. It is vital that there is an agreed definition, and that it is one that consumers might reasonably expect. It is our view that smart mode should mean a supplier that can enable a consumer's meter to be billed using data received from the smart meter, with no reliance on estimates or meter reads provided by the consumer.

In our monthly reports detailing contacts from consumers with smart meters⁴ we receive contacts where suppliers have access to smart meter data but have not used it for billing. By definition we do not think this reasonably qualifies as a meter operating in smart mode. For the purposes of the interoperability checker, the proposed definition recognises that there are issues that mean a supplier is unable to use readings from a smart metering system. This is an important and current issue because we understand that enrolled SMETS1 smart meters may not be able to enable a consumer to have automated billing if the supplier is unable to take daily readings for billing purposes. We understand that some suppliers were not expecting this requirement and will not currently be able to use DCC communications for billing purposes.

³ 2018 Ofgem State of the Market report: 60% of customers reported changing supplier only once or that they have never switched.

⁴ Shared with SMIP

The definition of smart mode is also unnecessarily prescriptive for the purpose of the tool. Smart functionality on switching also exists between some SMETS1 devices which are outside of the DCC. For the majority of consumers over the next 12 months (at least) they will not have any record on the DCC. If a consumer was to use the checker they would return no information from the DCC. For these consumers, Citizens Advice wants to provide a good experience. This would be aided if suppliers provide for the tool information on which non-enrolled SMETS1 meters can retain smart functionality on switching. Citizens Advice could provide this information if a consumer provided details about their supplier.

Additional prescriptiveness that 'smart mode' will mean a suppliers capability to utilise smart metering system readings for billing, without the assumption that this is through the DCC are important steps that we think need to be made. The provision of information on non-enrolled SMETS1 meter types that a supplier can operate in smart mode could be optional – but this data should be able to be combined or alongside DCC data set out in the consultation.

We also anticipate that consumers might expect enrolment and adoption to mean their In Home Display (IHD) will regain or maintain functionality. It would be helpful for consumers to have access to this information through this tool if possible. We are keen to explore whether suppliers will be able to provide this information directly to us, as it will provide a better consumer experience if we are able to build it into the tool.