

**Citizens Advice Response
to BEIS' Consultation on
proposals to improve
non-domestic
consumers' smart
metering
awareness and data
access**

The logo for Citizens Advice, featuring a dark blue speech bubble shape with the words "citizens" and "advice" stacked vertically in white lowercase text.

**citizens
advice**

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 300 independent advice centres that provide free, impartial advice from more than 2,900 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.

In 2017, Citizens Advice Service helped fix 163,000 energy problems through our local network and 61,000 through our Consumer Service Helpline. Our Extra Help Unit specialist case handling unit resolved 8,367 cases on behalf of consumers in vulnerable circumstances, and their Ask the Adviser telephone service handled 2,593 calls from other advice providers in need of specialist energy advice.

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.

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Response

Q1: What do you think should be done about the low levels of microbusiness awareness of smart metering?

We believe that option 2, the introduction of new obligations for Smart Energy GB to target microbusinesses is the best and most pragmatic approach to address this issue. Smart Energy GB already has expertise in this area, having undertaken some initial work examining the non-domestic sector and its attitudes to smart metering. As such it seems best placed to provide this service. Inevitably any additional costs placed on energy suppliers to provide this will be passed on to consumers through their bills: it will be crucial to ensure that value for money is achieved when introducing these obligations. We would expect that Smart Energy GB will take a rigorous approach to target setting, possibly via the existing PMF mechanism.

Q2: Do you agree that targeting microbusinesses (as opposed to a wider range of nondomestic consumers) is the appropriate approach?

Citizens Advice agrees that this is the appropriate approach. As has been found both in our own Smart Choices¹ research as well as work by Ofgem and the CMA², microbusinesses are frequently less engaged in energy use than larger non-domestic consumers. Microbusinesses also tend to share more traits with domestic consumers with regard to decision making and as such are more likely to benefit from related but tailored messaging of the type that could be provided by Smart Energy GB

¹

<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/smart-choices-investigating-microbusinesses-interest-in-and-understanding-of-smart-meters1/>

²

<https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-market-investigation.pdf>

Careful consumer segmentation in the non domestic space will be necessary to ensure that the characteristics are not only targeted but also supported through the smart meter installation process.³

Q3: Do you agree with the proposal to introduce licence conditions on collaborative working between Smart Energy GB and BEIS?

We agree that this would be a sensible approach to help ensure that the work already undertaken by BEIS in this area is able to inform the work of SEGB.

Q4: Do you think that one of the non-domestic representatives on Smart Energy GB's Board should be a non-domestic-only supplier?

We agree that SEGB would benefit from expertise of an individual focused solely on non-domestic customers.

There are a diverse range of energy suppliers serving non-domestic consumers. It would be a benefit to take every step to ensure that the SEGB board can draw on expertise from a broad range of these energy suppliers. However, it is not clear whether a single representative for non-domestic only would deliver this perspective. Of particular relevance is the distinct business models that focus entirely on small businesses and those who target a mixed non domestic portfolio. Indeed, the interests of non-domestic only energy suppliers may be directly opposed within this segment. The appointment of a representative would have to reflect this challenge.

SEGB should also seek to engage with any relevant smart meter working groups focussed on the challenges and opportunities for the non-domestic sector.

³ Our recent research with ofgem - micro and small business engagement in the energy market considered how these consumers engage with switching, and segmented these consumers to better understand attitudes:
<https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Micro%20and%20Small%20Business%20Engagement%20in%20the%20Energy%20Market%202nd%20version.pdf>

Q5: i) Do you agree with BEIS's proposals on how to allocate Smart Energy GB's non-domestic costs, and the proposed allocation? If not, which option would you prefer and why?

Of the options presented we believe that BEIS' proposal provides the best balance between practicality and fairness.

ii) Do you agree with BEIS's proposal on defining a 'large' non-domestic supplier as one with more than 100,000 gas or electricity meters? If not, what definition would you prefer and why?

In recognition of the urgency of the implementation programme Citizens Advice agrees that this definition would be the most straightforward to implement. We note that it would include the majority of the non-domestic energy market.

B: Q1) Do you agree that providing non-domestic consumers with free access to their energy consumption data would improve non-domestic consumers' engagement with their energy use?

Yes. There has been a great deal of confusion and frustration for small non-domestic consumers caused by the inconsistency of approach to energy consumption data provision. Supplier policies vary wildly but due to the extensive marketing targeted at the domestic sector of smart meters as providing free access to usage data, via an In-Home Display (IHD) or other means many small business owners assume that they would receive the same benefits as they've seen advertised. We continue to receive contacts to the Citizens Advice Consumer Service from businesses who have been told they will have to pay to access their own usage data.

Beyond issues of confusion and frustration a consistent policy of allowing non-domestic consumers access to their usage data through whichever means work best for them, be this an IHD, regular reports, a web portal or other means would be far more consistent with the broader data access principle that consumers should have access to and be able to benefit from the data that they generate. The majority of the consumer benefit of smart metering is predicated on behaviour change and access to usage data will be a key element of achieving

this. Non-domestic customers should be provided with free access to their usage data and this should be consistent across energy suppliers.

B: Q2: What views do you have on the supplier-to-consumer energy consumption data offer? Do you see the need to set a common standard for the provision of information to encourage non-domestic consumers to engage in energy management, and if so, what data should it include, and what format should it be delivered in?

It is our view that there should be common standards set for data provision and that these should be both 'readily understandable' and machine-readable to ensure consistency, interoperability and to aid in data portability for consumers. This would also be in line with the data portability principles of the GDPR. Allowing a range of different formats and standards to proliferate risks confusion, inefficiency and a less easy to enter and therefore less competitive market for additional services, particularly if suppliers were to use proprietary standards of their own design.

If smart meters are to enable to kinds of innovative new services that we hope they will, consumers will need to be able to access and share their data easily. Third parties offering services such as tariff comparison, tailored energy efficiency advice or other products that make use of smart meter data would struggle to work with a diverse range of inconsistent data standards or fields and it would risk locking them out of the market in favour of established parties. It will be crucial to avoid a state of affairs where only an existing supplier - or their approved partners - are able to offer services to a consumer founded upon the consumer's data.

We would also encourage BEIS to examine the discussions currently underway regarding MiData where similar issues are being raised.

B: Q3: If changes are made to data offer, which consumers should this apply to?

- a. Microbusinesses only, either with smart or advanced meters.**
- b. All those covered by the smart metering mandate, with smart meters.**
- c. All those covered by the smart metering mandate, with either smart or advanced meters.**
- d. Another group (please specify).**

Citizens Advice supports option C. We agree with the views expressed in the consultation document that larger businesses like schools may well benefit from access to such data and that as such this requirement should be broader than just microbusinesses. We are also aware that most consumers (including non-domestic consumers) are not often aware of the differences between smart and advanced meters, nor will they in fact know which they have. As such this should be required of all meters that generate and can offer this level of usage data rather than being limited solely to those that meet SMETS to avoid confusion and frustration for consumers.

B.4 Do you agree with the proposal to amend licence conditions to allow energy suppliers to access daily consumption data in circumstances where the supplier suspects theft, and for accurate billing purposes, including addressing consumer queries?

We agree that it is appropriate to bring microbusiness licence conditions regarding data access and use in line with domestic licence conditions.