



**Consumer  
Focus**  
Campaigning for a fair deal

# **Consumer Focus comments on v.0.27 of the Smart Metering Installation Code of Practice (SMICoP)**

**November 2011**

# About Consumer Focus

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Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland.

We operate across the whole of the economy, persuading businesses, public services and policy makers to put consumers at the heart of what they do.

Consumer Focus tackles the issues that matter to consumers, and aims to give people a stronger voice. We don't just draw attention to problems – we work with consumers and with a range of organisations to champion creative solutions that make a difference to consumers' lives.

# Consumer Focus comments

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Consumer Focus supports the introduction of a mandatory Smart Metering Installation Code of Practice (SMICoP) underpinned by a licence condition. The aim of the Code should be, as stated by Government, to protect consumers during the installation visit and to help to deliver the benefits of smart metering<sup>1</sup>. This is not reflected in the Scope outlined below. We support a similar approach for micro-business customers as we do for domestic consumers given the comparable challenges they often face when engaging with the energy market and trying to save money on their fuel bills.

We welcome industry leading on the development of a *voluntary* Energy Retail Association (ERA) version of the Code, as a way to help safeguard customers and deliver smart benefits, in the interim period before regulation is introduced. However, we do not believe that energy suppliers alone are best placed to progress the development of the mandatory Code and have concerns that, what we see as an inadequate document, will be adopted without appropriate modification and independent consultation by Ofgem.

While we support the efforts made by the ERA, we are currently working on version 28 and the process has been resource intensive and laborious. As any changes have to be agreed by all suppliers there is inevitably a tendency for it to default to the lowest common denominator rather than strive to achieve or spread existing good practice.

While the ERA has 'consulted and considered representations' made by consumer groups they are not obliged to take on board our views. Key areas of difference still remain between consumer groups and the energy companies. Though we support the changes made since the last consultation, we have particular concerns that there is little or no transparency around the reasons for or against modifications. We believe the current process has led to practical proposals which are in line with DECC's overall programme aims and Code objectives, and which would deliver benefit for consumers being ignored. While the Code has improved since its first iteration, it is still far from the standard needed for such an important government programme and does not represent our views adequately.

Consumer Focus believes that voluntary discussions have progressed as far as they can. We are now at the stage where there are number of areas in the Code where a decision is needed by either DECC or Ofgem because there are simply fundamental disagreements between stakeholders as to what should be included. We hope therefore going forward that Ofgem and DECC will take more of a lead role and that the newly convened SMICoP Interim Steering Group will be the vehicle to allow this.

It is important Government or the Authority (Ofgem) independently consults not only on the Licence Conditions around the Code but also the content of the Code itself to ensure consumer views and those of wider stakeholders are properly represented. Outlined below are our comments on version 27 of the SMICoP. The comments shaded in green are additional views since our last response.

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<sup>1</sup> Smart Metering Response to Prospectus Consultation – Rollout Strategy (March 2011) <http://bit.ly/oz8Uy0> p.42. Para 4.90

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
<i>The scope</i>			
	States that the aim of the Code 'is to ensure the customer experience is positive and that the customer is given appropriate assurances over what will take place during the installation.'	The aim of the Code should be to help <i>protect</i> consumers and ensure customers can access the benefits of smart metering.	In its decision document the Government stated that the Code 'would help to protect consumers during the installation process and to facilitate longer term behaviour change necessary to deliver the benefits.' <sup>2</sup> The vast majority of consumer benefits identified in the Impact Assessment (£4.60 billion) are expected to come from customers being able to use up to date information on their gas and electricity consumption to reduce their energy use and save money on their energy bills. If this does not happen then the business case for rollout is considerably weakened. The Code should ensure that all customers get consistently high-quality service regardless of when they get their display, their supplier or circumstances
	The Code 'covers the installation of compliant and non compliant Smart Metering Systems'	We fully support the Code applying to both compliant and non compliant Smart Metering Systems. This should include advanced meters, or installation of any part of the smart metering system.	We welcome the Code covering non-compliant smart metering systems or any part of that system which is installed. We understand that many smart meters being installed now do not meet what are likely to be the minimum requirements. Customers that get their smart or advanced meters during this early phase also deserve a high-quality service. The experience of early users will also be important in influencing the overall success the smart meter rollout.

<sup>2</sup> Smart Metering Response to Prospectus Consultation – Rollout Strategy (March 2011) <http://bit.ly/oz8Uy0> p.42. Para 4.90

	<p>The Code is applicable to all suppliers.</p>	<p>We support the Code applying to all suppliers not just the ‘big six’ energy companies.</p> <p>Given that competition in metering theoretically allows for non-energy suppliers (eg networks, retailers, telecoms companies) to install smart meters – we query what standards will cover installations by other parties. This is particularly the case as we understand that consideration has been given as to whether the network should provide some kind of back stop service for installation.</p>	<p>We recognise the financial and administrative burden that compliance with the Code could place on small suppliers but believe that it is important that all customers get the appropriate level of service regardless of their supplier. Poor quality installation from any energy company could undermine consumers’ confidence in the Programme and result in detriment to customers.</p>
	<p>The Code ‘describes specific smart metering activities in the period running up to installation, the installation itself and the period after installation up to the customer receiving their first bill using smart meter data.’</p>	<p>It should be clear that this is not an exhaustive list of activities, and that suppliers should take necessary steps to comply with the overarching aims of the Code.</p>	

	<p>States that the Code is not a technical document as the technical elements of installation are covered under the existing Codes. 'Members won't be penalised under the Installation Code of Practice clauses that are governed by pre-existing Codes or legislation.'</p>	<p>We support the Code not covering technical aspects related to the smart meter installation <i>where</i> these are covered elsewhere. However we seek assurances and timescales for when Ofgem and DECC will review and update the existing Codes to ensure that they are smart-ready. Also that there are no conflicts in terms of standards set that might undermine the quality of service that customers should expect to receive under the Code. We seek clarity as to whether the Code will have precedence over existing legislation where there are conflicts.</p> <p>We will also seek assurances that in implementing the third EU energy package, DECC has ensured that the customer protections are tailored to the capability of the new technology.</p>	<p>For example, Meter Asset Manager's Code of Practice (MAMCOP) only applies to the gas meter installation's life – does this Code need to be updated to reflect the challenges of installing not just a gas meter but a smart metering system? Will guidance, for example around suitability of housing and lists of unsuitable locations need updating?</p> <p>We are particularly concerned that before the installer leaves the customer's property that they carry out checks to ensure that the smart metering system does not interfere with the customers' existing electrical appliances. International experience<sup>3</sup> has highlighted for example that some kinds of communications systems can interfere with touch dimmer lamps, baby monitors, existing wireless networks, home security systems, digital clocks, central heating timers, microwaves and computers. Some kind of 'co-existence check' must be carried out with established standards. This is particularly the case for vulnerable consumers who may rely on electrical appliances such as alarm systems to give them peace of mind and remain safe. We recommend that this is included in the Code.</p>
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<sup>3</sup> IDC Energy Insights. Experiences of European Companies with PLC for Advanced Metering. April 2010. There are also a number of press reports from the US.

<p>Also 2.1</p>	<p>The Code does not seek to replicate existing codes of practice, licence conditions and legislation but references them as appropriate.</p>	<p>Wherever possible customers rights should be clearly explained in plain English within the Code not just references made to the relevant legislation. Where references are made – these documents must be easily available on supplier’s websites and available in hardcopy on request from suppliers. It should be clear in the Code where customers can go to obtain a copy of <i>all</i> relevant legislation.</p>	<p>Many of the documents referenced are hard to locate and challenging to understand. Some are not readily available on websites and it is unclear where customers can obtain a copy. Availability of hard copies is particularly important as according to the latest figures from the Office of National Statistics there are 8.43 million adults in the UK who have never used the internet<sup>4</sup> and as many as a third of customers do not use or have access to the internet.</p> <p>The Code is expected to be made available to consumers. The proposed DECC Licence Conditions around SMICoP state that it should be ‘made readily accessible, including by being published on and made readily accessible from its Website [licensee] (if it has one)...’ and ‘given free of charge to any person who requests it’.<sup>5</sup> It is therefore important that the Code contains all the information the consumer might want or need and that they don’t have to hunt down the appropriate documents and trawl through legalese.</p>
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<sup>4</sup> Internet users and non-users in the UK, for 2011 Q3 (16 November 2011). By the third quarter of 2011, 8.43 million adults in the UK had never used the internet.

<http://bit.ly/vEJr6s>

<sup>5</sup> <http://bit.ly/uMQWA8>

	<p>The draft states that the Code of Practice 'would not cover issues around change of tenancy'</p>	<p>The Code of Practice should include a section on issues around change of tenancy. Customers who move into a home with a smart meter, and have not had one installed before, should not miss out on getting an IHD, or the help and support they need to use their smart meter to better manage their energy use and to reduce their bills.</p>	<p>We appreciate that change of tenancy issues do not relate to a specific installation visit, but it is important that the needs of these consumers are addressed if the benefits identified in the impact assessment are to be realised. The National Census 2001 estimated that one in eight people (6.3 million householders) move home every year<sup>6</sup> and that our population is becoming increasingly mobile. There could be significant numbers of customers moving into properties with smart meters who have not had one before. Customers should not lose out, if the meter was not installed when they were not living in the property. It is important that new customers moving into a property are:</p> <ul style="list-style-type: none"> <li>• made aware of the fact that they have a smart metering system</li> <li>• offered an IHD when they move in at no upfront cost (the previous tenant may have taken it with them or not had one)</li> <li>• asked if they have had a smart meter before and are taken through how to use it, with potential supplier differences are explained</li> <li>• given a follow-up call to check they have got the IHD up and running</li> <li>• given free access to the support they need to set up and use the display. A home visit should be offered and available where it is clear that the customer has not managed or is not able to set up the display themselves</li> <li>• given free levels of support which are at least as good as those received during the installation visit – including around energy efficiency advice and information on using the meter in prepay mode</li> </ul>
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<sup>6</sup> Reported in the Evening Standard. <http://bit.ly/pEvpXX>

	<p>Draft Code states 'smart meters installed in an emergency situation are out of scope eg damaged meters, unsafe meters, faulty or failed meters.'</p>	<p>All smart meter installations should be in scope – with appropriate exceptions made around notification and appointment times.</p>	<p>We query why customers who receive a meter in an 'emergency situation' should not be offered the same quality of service. We recognise that it may not be appropriate to provide this level service at the same time as an emergency install, but some follow-up programme should be available to the customer. This is particularly the case when the customer will still be paying for the smart meter and the replacement is likely to be needed through no fault of their own. Ideally all installers should be trained to meet the standards required by the Code. Suppliers should structure their operations so that the equivalent level of support is available to customers who receive them in emergency situations. If a meter goes in very late at night for example, it may not be possible for the Installer to meet the requirements of the Code at that time. In that instance the member should ensure that the customer is offered a follow-up visit where they are shown how to use the smart metering system and can realise the benefits.</p>
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<p><i>Low income and vulnerable consumers</i></p>		<p>There should be a dedicated section in the Code on the needs of low income and vulnerable consumers. In addition suppliers should be appropriately trained to deal with vulnerability and proactively seek to identify vulnerable consumers and those eligible for existing social assistance and energy efficiency schemes during the installation visit.</p> <p>DECC's prospectus document 'recognised the importance of addressing the needs of vulnerable consumers resulting from the rollout of smart metering' and 'proposed to consider the case for establishing a dedicated help scheme for vulnerable customers.'</p>	<p>We recommend there be a dedicated section of the Code that covers the experience of low income and vulnerable consumers, pre, during and post installation of the smart meter. This should include reference to and a commitment from members to set up an Extra Help Scheme for these groups. The scheme should aim to:</p> <ul style="list-style-type: none"> <li>• Ensure low income and vulnerable consumers can access benefits of smart metering eg by ensuring advice and information is clear and accessible; by allowing additional time for installations in vulnerable households; by checks to ensure all members of the household can easily use the equipment provided and can access follow-up support free of charge</li> <li>• Help to protect vulnerable consumers eg from bogus callers and unnecessary anxiety</li> <li>• Help maximise opportunities to benefit low income and vulnerable consumers eg by assessment of eligibility to programmes and referrals to existing schemes such as Carbon Emissions Reduction Target/Energy Company Obligation and other local and national programmes</li> </ul> <p>The smart meter installation visit provides a unique opportunity to help target support and advice at hard to reach groups. There are also potentially opportunities to deliver existing social assistance and energy efficiency programmes more cost efficiently. Suppliers estimate it costs as much as £120 to find each priority services customer for CERT, with home visits costing around £30-50. This kind of approach has the added benefit of providing a more holistic service for customers, with potentially the advantageous knock-on impact in terms of increased customer engagement.</p>
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		<p>ERA should consider including a dedicated section on prepayment meter customers. eg tailored information and advice for PPM customers on how to use the smart metering system including topping-up, re-enabling supply and accessing information on debt repayments; proactively check that the meter is still in a safe and reasonably practicable location for the customer to use.</p>	<p>This is a widely relied upon payment method; there are more than six and a half million prepayment meter (PPM) customers in Great Britain, of which around 3.9 million use electricity and 2.7 million gas PPMs.<sup>7</sup> Consumer Focus estimates that this equates to around 8.8 million people living in homes who rely on prepaid energy. These customers will need to be provided with appropriate advice on how to use and fully benefit from their smart metering system.</p> <p>It is particularly important that prepayment meter customers derive maximum benefit from the installation visit, as the DECC Impact Assessment suggests that gas PPM users in particular may not see the same cost savings as other types of consumers. Lack of information was a noticeable gap in PPM customer service identified in our research below which could be addressed during the installation visit eg some PPM customers believed that they had never received communications of any kind from their supplier. The installation visit provides an opportunity for suppliers to improve the customer service they provide to PPM customers.</p> <p>Consumer Focus's research into self-disconnection among PPM users (July 2010) found that there are an estimated 16 per cent of consumers with PPMs self-disconnecting, some of whom include more vulnerable households for whom, PPMs, are not really safe and practicable.<sup>8</sup> This is because the customer's circumstances changed or they moved into a home with a pre-existing meter. Ofgem's proposed new licence condition will require suppliers, where they know or have reason to believe that prepayment is no longer safe and reasonably practicable for a customer, to offer an alternative payment method or some other form of option. It would be good practice, to carry out this important basic check.</p>
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<sup>7</sup> Source: Ofgem Social Obligations Monitoring Statistics Q3 2010 statistics

<sup>8</sup> *Cutting back, cutting down, cutting off – Self-disconnection among prepayment meter users*. Consumer Focus, July 2010, <http://consumerfocus.org.uk/g/4lx>

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Definitions, introductions and overview			
1.1.11	States 'Marketing' means activity by supplier designed to lead to sale of goods or services	Amend 'Marketing means <i>verbal</i> interaction with the customer/s during the installation visit and activities relating to the installation which are designed to lead to the sale of goods or services; generate leads for the sale of goods or services; and/or includes information about specific products and services available to the customer which would involve a purchase.	

<p>1.1.22</p>	<p>'sales means a purchase or a commitment to purchase (eg by contract) a good or service</p>	<p>We support sales being defined along the lines of 'a purchase or commitment to purchase (eg by contract) a good or service'. It may be valuable to clarify that 'this does not include the provision of free products and services that are available to certain groups of customers who are vulnerable or on low incomes at no additional cost to them'.</p> <p>Goods and services should be defined as per the European Consumer Rights Directive not the energy supply licence conditions.</p>	<p>This amendment is to ensure that suppliers can refer fuel poor and vulnerable consumers to social assistance and energy assistance schemes which could benefit them.</p> <p>A common definition with the European Consumer Rights Directive (CRD) would ensure consistency and future-proof the wording. The Government is expected to introduce the Consumer Rights Act in the next parliamentary session to implement this Directive and further simplify consumer protections.</p> <p>The energy supply licence condition definition of goods and services is inappropriate as it only applies to the supply of gas and electricity not energy efficiency products or other services eg displays or boilers, which is what suppliers will be seeking to market before and after the installation of a smart meter. Consumer Focus is seeing increasing complaints around 'green claims' and problems resulting from this. At present, Trading Standards and the Office of Fair Trading (OFT) can take enforcement action for mis-selling of hardware under the Consumer Protection from Unfair Trading Regulations (CPUTRs) and Unfair Terms in Consumer Contracts Regulations (UTCCRs) and consumers can seek advice from Consumer Direct but it is often unclear where the customer should go and what their rights are. Again we would welcome a consistent approach to ensure customers' ability to access redress is made easier should problems arise.</p>
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<p>1.1.25</p>	<p>Vulnerable Customer – draft states means ‘a domestic customer who is classed as vulnerable if, for reasons of age, health, disability or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household’</p>	<p>A workable consistent minimum definition for vulnerability should be adopted across all suppliers for the purpose of this Code. It is our view that, as an absolute minimum, it should include all families on means-tested or disability benefits with children under 16 years old (plus all families with children under 12). Consumer Focus continues to advocate for all children to be protected, not least to meet the requirements of international legal standards regarding the welfare of children.</p>	<p>In order to enforce the Code it will need a workable definition of a ‘vulnerable customer’. There are significant differences between how suppliers interpret this. Most notably, disparity in the way that energy suppliers define ‘child’ in a vulnerable household. This currently ranges from one supplier defining a ‘child’ as under five years old and in a financially insecure household as vulnerable, to another supplier defining a child as under 18 years old, with or without financial insecurity as a contributing factor. While we are aware of the difficulties that the energy industry faces in agreeing a minimum definition, this disparity will erode the protections that the Code seeks to guarantee for those households who are most in need.</p> <p>Given that children are not afforded specific protection under the electricity or gas supply licences (the exception is children living in a household with no working age adults), we believe it is essential that this Code offers further protection.</p>
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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Pre-installation			
2.1 Relevant legislation	It is not clear from the Code where the customer can access the 'relevant legislation' both online and hard copy	Wherever possible customers rights should be clearly explained in plain English within the Code not just references made to the relevant legislation. Where references are made – these documents must be easily available on supplier's websites and available in hardcopy on request from suppliers. It should be clear in the Code where customers can go to obtain a copy of <i>all</i> relevant legislation.	<p>As noted - Many of the documents referenced are hard to locate and challenging to understand. Some are not readily available on websites and it is unclear where customers can obtain a copy. Availability of hard copies is particularly important as according to the latest figures from the Office of National Statistics there are 8.43 million adults in the UK who have never used the internet<sup>9</sup> and as many as a third of customers do not use or have access to the internet.</p> <p>The Code is expected to be made available to consumers. The proposed DECC Licence Conditions around SMICoP state that it should be 'made readily accessible, including by being published on and made readily accessible from its Website [licensee] (if it has one) ...' and 'given free of charge to any person who requests it'.<sup>10</sup> It is therefore important that the Code contains all the information the consumer might want or need and that they don't have to hunt down the appropriate documents and trawl through legalese.</p>

<sup>9</sup> Internet users and non-users in the UK, for 2011 Q3 (16 November 2011). By the third quarter of 2011, 8.43 million adults in the UK had never used the Internet.

<http://bit.ly/vEJr6s>

<sup>10</sup> <http://bit.ly/uMQWA8>

2.2 Relevant Accreditation	It is not clear from the Code where customers can get more information about the 'relevant accreditation'		As above.
2.4 Customer awareness & engagement	Draft Code states that 'the customer awareness materials complement any centrally co-ordinated or national awareness campaign'	We welcome this co-ordination. However, there should be a separate obligation on suppliers around the Programme's customer engagement and communication strategy.	Ensuring customer engagement and delivering the behaviour change needed to deliver the consumer benefits in the impact assessment will require a lot more than complementary materials and the approach outlined in this section. These gestures, while welcome as a first step, are woefully inadequate.
Add in		<p>Insert:</p> <p>Materials and communications should signpost customers to free independent sources of advice and information on approved energy efficiency products and services and the Green Deal.</p>	<p>It critical that suppliers signpost customers to free independent sources of advice about energy efficiency and related products and services. This is important to help maximise customer energy savings. Our online survey of 2,000 customers (March 2010) reported that only 23 per cent of gas customers and 26 per cent of electricity customers trust their supplier to give them help and advice on cutting their energy bills and going green.<sup>11</sup></p> <p>Rolling out smart meters also gives suppliers a significant competitive advantage in the emerging energy services market. Signposting consumers to independent advice should encourage customers to shop around to find the best deal as well as help to promote competition.</p>

<sup>11</sup> This was an online survey of 2,048 consumers aged over 18 years conducted by ICM on behalf of Consumer Focus. Full findings will be available in November 2010.

<p>Add in</p> <p>Customer awareness and engagement</p>		<p>Customer communications should not advertise products and services that not are linked to the overarching aims of the Code eg it would not be appropriate for information on boiler insurance to be included in communications’</p>	<p>It is inappropriate for the smart meter installation materials and communications to be used to promote services such as boiler insurance, broadband, home security systems and wider products and services. This risks consumer cynicism and dilutes the energy efficiency messages around rollout. The Programme should consider a list of approved products to be included in materials. This could potentially also include fire alarms or carbon monoxide detectors where there is a cost efficient social benefit.</p>
<p>2.4.4</p>	<p>Code states ‘Customers are provided with a copy of the Members’ privacy Charter or made aware of the Members’ Privacy Charter commitments prior to the smart metering installation</p>	<p>We welcome the inclusion of this commitment. A further amendment is needed to ensure transparency, insert – ‘Customers are made aware of any changes to the amount of data that will be collected or monitored from their energy meters as a result of a smart metering system being installed. The implications of this will be clearly explained. They shall be provided with...’</p>	<p>Suppliers have a poor track record on data privacy. Consumer Focus’s investigation (November 2010) found, based on the information provided to us by suppliers, that none of the energy companies who had installed smart meters were fully compliant with the Data Protection Act at that time. The notable areas of weakness included: notice and scope of processing; transparency and consent mechanisms; customer access to data and data retention policies. It is important that the customer is provided on key information and choices around their own data.</p>

<p>Add in</p>		<p>Insert:</p> <p>‘Their customer awareness materials and verbal advice alert customers to their right to switch; any disadvantages that might constitute barriers to switching including any loss of service if they wish to switch supplier or move home. This includes the compatibility of any IHDs, in-home communications or any appliances linked to the smart metering system. This should be communicated to the customer prior to installation’</p>	<p>Ofgem’s Smart Metering Consumer Protections Statutory Consultation letter of 30 June 2011 stated that due to the challenges around interoperability ‘suppliers should explain that [having a smart meter] does not affect their [the customer’s] right to switch supplier and make clear any issues the customer may face in attempting to switch’.<sup>12</sup> This should take place prior to the installation pre-DCC becoming operational to ensure that the customer is making an informed decision in taking a smart meter during this foundation phase.</p> <p>It is important that suppliers are transparent about issues such as the potential loss of smart meter functionality and the impact on other appliances attached to the smart system. It would be unacceptable for example for a customer to purchase an enhanced IHD only to find out that this display did not work if they moved house. This should be communicated to the customer prior to installation so the customer has the opportunity to request a standard meter installation or reject an enhanced display. Given the importance of this it should be included in the Code.</p>
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<sup>12</sup> <http://bit.ly/okjqQf> p.3

<p>2.4.7</p> <p>Customer awareness and engagement</p>	<p>Draft states 'Where significant localised smart meter installation activity is planned members should have procedures to notify relevant local authorities and network operators'</p>	<p>Insert instead:</p> <p>'It is the member's responsibility to ensure that they have notified the appropriate local bodies in any areas where they are installing smart meters and have engagement strategies in place to maximise the benefits to customers.'</p>	<p>Suppliers should have engagement strategies in place in any area where they are installing smart meters, not just where there is 'significant localised' activity. This should include working with local police, Trading Standards, Neighbourhood Watch, local authorities, health workers and advice agencies ahead of installation in a certain area. This is basic stakeholder engagement and is necessary to ensure that frontline services which may be contacted by consumers are well informed of ongoing activities and can give reassurance as appropriate. An added benefit is the opportunity for action to prevent distraction burglaries and bogus callers. Local engagement can also help mobilise community groups and key individuals who can assist vulnerable consumers. Informal networks are particularly useful in helping to reach hard to contact groups or provide additional help and support for vulnerable customers. This was a key lesson learnt from the Digital Switchover campaign.</p>
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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Customer communications			
		There should be a separate obligation on suppliers around the Programme's customer engagement and communication strategy which goes far beyond the obligations outlined here. However, we welcome the following voluntary approach.	
2.4.8/2.4.3	Communication materials are clear, easily understandable and concise	All communications should be customer-tested and crystal marked or equivalent for clarity and usability. Ensuring customers can understand them is arguably more important than them being concise.	
2.4.8		<p>Insert:</p> <p>'communication materials regarding smart meter installations and energy efficiency products and services are made available to customers in a variety of media. They should be appropriate or tailored for vulnerable customers and groups with special needs at no additional cost to the customer.</p> <p>'Communications will be regularly updated in a timely way.'</p>	We welcome the inclusion of this point but it is important to ensure that any costs associated with making information accessible are not borne by the individual consumer. The draft also states that suppliers will 'use reasonable endeavours' for those for whom English is not their first language. We seek further information about what this means in practice, and what trials have been carried out in this area. It may be possible for industry to pool resources in this area to cover the costs of translating basic information into a series of key languages.

		<p>Insert:</p> <p>‘It is the member’s responsibility to ensure that pre, during and post smart metering Installation that customers have access to:</p> <p>‘a free dedicated phone line – calls should be free from mobiles as well as landlines. This should be available at least four hours after the completion of the last scheduled smart meter Installation.</p> <p>‘a dedicated email contact and postal address for queries’.</p>	<p>Suppliers should have a dedicated hotline for enquiries. This should be a free-phone number including free from mobiles or offering well publicised free call-backs alongside a commitment to minimum waiting times before speaking to an advisor. This is important as 14 per cent of households only have a mobile phone. These mobile-only customers tend to be disproportionately on low incomes.<sup>13</sup></p> <p>Calls to customer service help-lines are likely to increase, at least in the short-term. Suppliers should put in place dedicated complaint handling and redress systems with well trained staff ahead of rollout. Inadequate complaint handling and customer service was identified by the Californian regulator as a key contributory factor to the public backlash against PG&amp;E smart meters in this US state.<sup>14</sup></p>
		<p>Insert:</p> <p>Pre installation communications with the consumer should highlight the option of password schemes and other assistance offered by the member eg social tariffs, the supplier obligation.</p>	<p>The password enables the customer to validate the identity of the installer. Vulnerable customers should be allowed to use their existing passwords if they are on the Priority Services Register. This will provide reassurance and help to prevent bogus callers and distraction burglaries.</p>

<sup>13</sup> <http://bit.ly/aE2W5v>, page 338

<sup>14</sup> [PG&E Advanced Metering Assessment Report](http://bit.ly/bRghiH) commissioned by the California Public Utilities Commission. Prepared by Structure. September 2010.  
<http://bit.ly/bRghiH>

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Recruitment			
2.5	Security	<p>It is the member's responsibility to ensure that:</p> <p>Installers are registered and that any issues arising which suggest that they are not suitable to be engaged as installers are reported and recorded so that other companies do not recruit them.</p> <p>Any installers visiting homes with members who are known to be vulnerable should meet the necessary requirements around CRB or equivalent.</p>	<p>Installers will have access to people's homes. They will be carrying out their work as part of a Government mandated programme. It is important that they are trustworthy, suitable individuals and that standards are high despite the potential challenges of recruiting, otherwise this could undermine public confidence in the overall scheme. Many suppliers already CRB check their installers.</p>
	Incentives	<p>It is the member's responsibility to ensure that personnel involved in the Installation visit are remunerated in a way that focuses on the quality of the Installation and the customer experience, not lead generation or sales.</p>	

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Training and accreditation			
2.6.1	States 'The NSAP standard or equivalent accreditation for smart metering Installers is adopted'	We welcome this but there should be a single over-arching customer facing accreditation eg Smart Homes or National Standard for Green Deal	The variety of qualifications available can cause customer confusion and undermine confidence in the ability of installers and advisers. A number of training courses are expected to be accredited as meeting the national standard for the Green Deal qualification. This could allow different training organisations to be branded as 'Green Deal qualified'. A similar approach should be adopted with smart. This could then be promoted to encourage customer confidence.
2.6.9	Installers are able to offer guidance that is responsive to the needs of Vulnerable Customers (eg Priority Services Register)	All installers are trained in identifying vulnerability and able to offer guidance that is responsive to the needs of Vulnerable Customers (eg Priority Services Register, referrals to social assistance and energy efficiency schemes). Suppliers should have regard to best practice on vulnerability checklists.	Suppliers should proactively seek to ensure that all eligible customers are offered the opportunity to be registered on the Priority Services Register and are made available of other schemes from which they could benefit. Consumer Focus and Ofgem's 2009/10 joint fast-track review of vulnerable disconnections found that suppliers' information about vulnerability was often out of date <sup>15</sup> – customers' circumstances changed and people moved homes. It should also be noted that this is not comprehensive and does not include children so suppliers should capture this information in other ways.

<sup>15</sup> <http://bit.ly/g51ka1>

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Scheduling visits			
2.7	Customers receive advanced notification (by whatever method the member deems most appropriate) that their meter is due to be replaced with a Smart Metering System, and when this will happen	<p>Amend:</p> <p>'It is the Member's responsibility to ensure that:</p> <p>'Customers receive advanced notification... that their meter is due to be replaced with a Smart Metering System.</p> <p>Customers should be invited to agree a suitable date and timeslot for the installation, and thereafter should receive a confirmation notice, prior to the visit. Out of hours appointments and at weekends should be made available on request at no additional cost.'</p>	<p>We do not consider it acceptable for the supplier to notify the customer that they will be in the area installing smart meters in some unspecified time in the coming few weeks or months and then effectively cold call them when it is convenient for them.</p> <p>This opens up unnecessary risks to the customer in terms of bogus callers, and could result in customers being unduly inconvenienced and annoyed if the installer calls at an inopportune time. It also makes it less likely that they will set aside appropriate time to be taken through the demonstration of how to use the display and smart metering equipment along with other preparation that may be necessary. It also means they have less flexibility in terms of arranging for people to be with them during the visit.</p> <p>We strongly believe that this section needs to be amended so that the customer is always offered a precise appointment slot.</p>
Add-in	Previous draft stated that 'customers are given adequate notice of planned appointments and any preparations they need to make'	We query why this has been removed and seek. The definition of 'adequate' needs further clarification once final decisions around sales, marketing and data access and use have been decided.	Existing standards, such as Guaranteed Standards 4 (EGS4 – Regulation 12) require only two days notice before a home visit. This may be insufficient dependent on other obligations placed on the supplier and the customer's circumstances. For example, if they need to have time to seek independent advice on energy efficiency products and services, read the Privacy Charter etc.

<p>2.7.6</p>	<p>Members will inform Customers about their rights in relation to meter appointments (such as Guaranteed Standards)</p>	<p>We welcome this new addition.</p>	<p>Consumer Focus has a responsibility for reporting on company performance against the Standards of Performance. Our experience is that customer awareness of their rights is low; call centre staff are often unaware of the Standards and how payments are made and that the quality of industry's data is so variable that meaningful reporting can be challenging. Steps can be taken to remedy this by requiring greater transparency here, automatic payments, and improvements in staff training.</p> <p>According to the UK Cost of Waiting Survey, waiting in for the meter man results in loss of earnings, disproportionately impacting those on low incomes who are paid by the hour; results in days taken off sick – a cost to the economy, and inconvenience and annoyance for customers.<sup>16</sup> We recognise that the time an installation takes may vary quite considerably from dwelling to dwelling which makes estimating the precise arrival time more challenging than in other industries, such as home deliveries. However, this seems like a poor excuse given the scheduling systems currently available and the cost to the customer. The Standards should be outlined in layman's terms as customer awareness of their rights is poor, and it will help clarify ambiguities in rules.</p>
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<sup>16</sup> The UK Cost of Waiting Survey 2010. <http://bit.ly/aUcU3O>

		<p>Insert:</p> <p>‘Installers will offer customers a courtesy call ahead of their arrival on the day of the installation to say precisely when they should arrive.’</p>	<p>Customers should be provided with a courtesy alert when the supplier is close to arriving – text, phone call. This will mean that the customer is not required to wait in at home, improving the customer experience and potentially also installation rates.</p>
2.7.8	<p>Customers are alerted to Members password schemes</p>	<p>Insert:</p> <p>‘All customers should be offered a security password’.</p>	<p>Not all suppliers have password schemes in operation for all customers. As we understand it, in most cases they are only available to vulnerable consumers. All customers should be offered a security password to give them peace of mind.</p>
2.7.9	<p>Any Customer request to cancel or reschedule an appointment is accommodate as far as possible (in line with existing policies)</p>	<p>We seek further clarity as to what this means in practice. Customers should not be penalised for cancelling or rescheduling appointments as unexpected work or personal commitments are sometimes unavoidable.</p>	
2.7.10	<p>Communications regarding the installation visit should clearly explain to customers...</p>	<p>Customers should be made aware of any barriers to switching including any loss of service if they wish to switch supplier or move home. This includes the compatibility of any IHDs, in-home communications or any appliances linked to the smart metering system. Also any changes to data collection and use that will take place prior to installation.</p>	<p>As above – It is important that suppliers are transparent about issues such as the potential loss of smart meter functionality and the impact on other appliances attached to the smart system. It would be unacceptable for example for a customer to purchase an enhanced IHD only to find out that this display did not work if they moved house. This should be communicated to the customer prior to installation so the customer has the opportunity to request a standard meter installation or reject an enhanced display. Given the importance of this it should be included in the Code.</p>

<p>2.7.12</p>	<p>Draft says, ‘at sites where different energy providers supply the electricity and gas, members will advise the customer that the installation of the smart metering system may be undertaken on two separate visits, which meter they are replacing and that the individual Suppliers will make their own contractual arrangements’</p>	<p>Insert:</p> <p>‘Suppliers will inform customers that they do not have to take both their gas and electricity from the same supplier to have a smart metering system installed.</p> <p>‘The first energy provider to contact the customer will offer to contact the other energy provider to investigate the opportunity to co-ordinate the installation of both the gas and electricity meter on the same day’.</p>	<p>Initial reports from Consumer Direct suggest at least one supplier may be telling customers that they <i>have to</i> take both fuels from them to have a smart metering system installed. This is misleading and unacceptable.</p> <p>Around a third of consumers get their gas and electricity from separate suppliers and are not on dual fuel. In some areas, this is now the cheapest way to get energy. In the Government’s decision document it stated ‘These consumers may be able to organise with their suppliers for both meters to be installed on the same day if they wish’. The importance of this is highlighted above in the Cost of Waiting-In survey. We would welcome the inclusion of something in the Code to try and facilitate this, given the challenges involved for the customer. This should also help to prevent two communications systems being installed, which would help lower the overall costs passed onto the consumers and minimise wireless communications in the home.</p> <p>The insert suggested is our preference. As a minimum, customers should be advised that both meters will need to be replaced by smart meters and that the customer may wish to speak to their other supplier to see if they can schedule an appointment for the same day. Suppliers should make every effort to do the installation on a given date where the customer is trying to co-ordinate visits on the same day.</p>
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<p>2.7.14</p>	<p>Draft states 'where meters are to be installed in sheltered housing, approval should be sought from the warden or other person in authority before making approaches to the residents'</p>	<p>We strongly welcome this amendment.</p>	<p>If the supplier cannot contact the warden of sheltered housing the installation should <u>not</u> go ahead. Some wardens have a legal obligation to ensure continuous energy supply to the customer due the severity of their vulnerability. Consumer Focus's Extra Help Unit recently had a case where a number of meters were installed in sheltered housing for disabled customers and those with mental health illness. The customers were remotely switched to prepayment and subsequently self-disconnected resulting in loss of supply. This resulted in real detriment as they were unable to move around their flats (as the electric doors did not work) and the security systems on which they relied did not work. There should be no reason for suppliers not to be able to contact wardens if they allow appropriate time for notification.</p>
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<p>2.7.15</p>	<p>‘... for customers known to be vulnerable or with specific needs, where appropriate the appointment should be arranged with the carer of the person with legal responsibility over the Customer, and they should be present during the Installation (if required by the customer)</p>	<p>Amend:  ‘... where appropriate or requested by the customer’</p> <p>Insert:  ‘Processes should be in place to check for vulnerability prior to installation. All contact with the customer pre-installation should seek to identify if the customer is vulnerable, if they need additional assistance or are eligible for any extra help scheme or social assistance offered by the member. The member will update their records if the customer says they require additional help or are eligible for support.’</p>	<p>Consumer Focus and Ofgem’s 2009/10 joint fast-track review of vulnerable disconnections made recommendations that suppliers take every opportunity to identify and support vulnerable consumers.<sup>17</sup> The pre-installation communications (and visit) present a unique opportunity for suppliers to proactively identify whether there are any vulnerable consumers in a household and record this on their systems (PSR, vulnerability flags etc).</p> <p>Suppliers report that it costs them around £120 to find each super priority group consumer for their supplier’s obligation, CERT. It would be a missed opportunity not to include this kind in smart metering communications.</p>
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<sup>17</sup> <http://bit.ly/g51ka>

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Installation visit			
3.1/3.2		As per 2.1/2.2	
3.3.6	Code says ' if the meter location or configuration is different to the existing, the Installer informs the Customer as to where the meter(s), and communication equipment are going to be installed'	Insert: 'ahead of any work taking place. Where possible, customers are given a choice of location or configuration'.	As far as possible customers should have choice and control over where their smart metering equipment is located. The potential consumer backlash from siting equipment in a location that the customer does not wish (whether for practical reasons or appearance) should not be under-estimated.
3.3.12	Code states 'Where apparent cases or any concerns of vulnerability are identified during home visits, they are to be reported to the appropriate member personnel'	Insert: 'Suppliers will make every effort to identify if a member of the household is vulnerable prior to the Installation. Members will ensure that all personnel are appropriately trained to identify vulnerability. Members will update their customer records appropriately'.	As above and proactively identifying vulnerability. The existing guidance for consumers on the Priority Services Register (PSR) is vital and suppliers must comply with this. However the pre-installation communication and/or visit is also a good opportunity for suppliers to identify vulnerable consumers and offer these schemes/this assistance if the consumer is not already on the PSR, or does not have a password in place.

		<p>Insert:</p> <p>‘Where the customer uses prepayment, the supplier will check that this payment mode is still safe and practicable for the customer to use’.</p>	<p>Consumer Focus’s research into self-disconnection among PPM users (July 2010) found that there are an estimated 16 per cent of consumers with PPMs self-disconnecting, some of whom include more vulnerable households for whom, PPMs, are not really safe and practicable.<sup>18</sup> This is because the customer’s circumstances changed or they moved into a home with a pre-existing meter.</p> <p>Ofgem’s proposed new licence condition will require suppliers, where they know or have reason to believe that prepayment is no longer safe and reasonably practicable for a customer, to offer an alternative payment method or some other form of option. It would be good practice, to carry out this important basic check.</p>
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<sup>18</sup> *Cutting back, cutting down, cutting off – Self-disconnection among prepayment meter users*. Consumer Focus, July 2010, <http://consumerfocus.org.uk/g/4lx>

<p>3.3.13 General principles</p>	<p>'Where possible, the Installer gives the Customer verbal guidance on safety and makes them aware of the risks of storing objects too close to or obstructing the meter, and a printed copy of the Electrical Safety Council approved check list is left with the Customer'</p>	<p>We welcome this amendment.</p>	<p>Fire risk from meters is a recurring problem. East Sussex Fire and Rescue Service reported that in one year 35 fires occurred in their area alone. If these figures are extrapolated for the whole of Great Britain, the numbers are not insignificant. Their report on this states that:</p> <p><i>'...due to the nature and circumstances of how and when these fires occur (often at night when people are asleep, combined with the typical location of an electrical intake being within the means of escape from a property), a number of these fires have caused real risk to life, with one incident in requiring multiple rescues via an Aerial Ladder Platform.'</i><sup>19</sup></p> <p>East Sussex Fire and Rescue Service reported that this is a particular problem for low income households as they often have less storage space, and so pile things up in any spare space they can find. Consumer Focus considers that given the important nature of this information, it is particularly to explain it verbally, as well as leaving a leaflet. The majority of consumers are unlikely to read a leaflet, and could therefore overlook important information.</p>
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<sup>19</sup> The report is available here: <http://bit.ly/vdJpDf>. More information on fires at intake equipment is available at: <http://bit.ly/u5TEmk>

<p>3.3.15</p>	<p>States 'and non-premium rate helpline numbers are provided'</p>	<p>'a free dedicated phone line – calls should be free from mobiles as well as landlines. This should be available at least four hours after the completion of the last scheduled smart meter Installation.</p> <p>'a dedicated email contact and postal address for queries'.</p>	<p>Suppliers should have a dedicated hotline for enquiries. This should be a free-phone number including free from mobiles. This is important as 14 per cent of households only have a mobile phone. These mobile-only customers tend to be disproportionately on low incomes.<sup>20</sup> At the very least, suppliers must ensure that their non-premium rate numbers are also non-premium rate from all mobile networks as well.</p> <p>Calls to customer service help-lines are likely to increase, at least in the short-term. Suppliers should put in place dedicated complaint handling and redress systems with well trained staff ahead of rollout. Inadequate complaint handling and customer service was identified by the Californian regulator as a key contributory factor to the public backlash against PG&amp;E smart meters in this US.<sup>21</sup></p>
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<sup>20</sup> <http://bit.ly/aE2W5v>, page 338

<sup>21</sup> [PG&E Advanced Metering Assessment Report](http://bit.ly/bRghiH) commissioned by the California Public Utilities Commission. Prepared by Structure. September 2010.  
<http://bit.ly/bRghiH>

<p>3.3.16</p>	<p>Customers are made aware of any additional sources of help and information required and/or provided by any centrally co-ordinated consumer engagement programme (related to Smart Metering or Energy Efficiency information, products and services), including help-lines, websites and other appropriate organisations able to offer assistance'</p>	<p>Insert:          'Customers are made aware of <i>independent</i> sources of help and information ... Customers should be signposted to <i>independent</i> sources of information on smart metering, reducing their energy bills, energy efficiency products and services, and switching supplier as part of the members written and verbal smart metering communications with the customer '</p>	<p>It critical that suppliers signpost customers to free independent sources of advice about energy efficiency and related products and services. This is important to help maximise customer energy savings. Our online survey of 2,000 customers (March 2010) reported that only 23 per cent of gas customers and 26 per cent of electricity customers trust their supplier to give them help and advice on cutting their energy bills and going green.<sup>22</sup></p> <p>Rolling out smart meters also gives suppliers a significant competitive advantage in the emerging energy services market. Signposting consumers to independent advice should encourage customers to shop around to find the best deal as well as help to promote competition.</p>
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<sup>22</sup> This was an online survey of 2,048 consumers aged over 18 years conducted by ICM on behalf of Consumer Focus. Full findings will be available in November 2010.

<p><i>Insert</i></p>		<p>Insert:          ‘Installers will record the location of the Smart Meter and maintain records appropriately’.</p>	<p>Consumer Focus supports the location of Smart Meter being recorded during installation. This is to help prevent customers from being inappropriately switched to prepayment, when it is not safe and reasonably practicable. Also to ensure more efficient resolution of problems.</p> <p>While we have been told that such a database already exists, it is reportedly not widely used or kept up to date. This information should be stored centrally, and linked to the property not the customer, so that should the customer switch supplier or on change of occupancy this information could then be available to the new supplier, subject to appropriate data protection issues being addressed.</p> <p>We understand that this will also support industry’s work around developing a cohesive approach to revenue protection</p>
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<p><i>Insert</i></p>	<p>Nothing included on how suppliers will respond if the customer does not want a smart metering system</p>	<p>Insert:</p> <p>‘It is the Member’s responsibility to ensure that:</p> <p>‘Pressure tactics are not used to encourage customers to accept a Smart Metering System.</p> <p>‘Customers are not penalised for refusing a smart meter.</p> <p>‘All reasonable steps are taken to address any concerns about the Smart Metering System eg offering a wired device, modifying data practices, signposting to independent information and advice.</p> <p>‘If the Customer does not want a Smart Metering System and their meter needs to be replaced, the Member will install a standard meter and offer the customer a clip-on energy monitor at no additional cost’.</p>	<p>Consumer Focus research (May 2011) found that 24 per cent of customers were not interested in having a smart meter with a display installed.<sup>23</sup> This was despite a positive description of the benefits being provided. Clarity is needed on what will happen if a consumer does not want a smart meter.</p> <p>In the Netherlands it was originally proposed that if customers refused a smart meter they would face a fine or even a jail sentence. This contributed to a consumer backlash against smart meters and the delaying of rollout.</p> <p>Ofgem/DECC have stated they don’t expect warrants to be issued to forcibly install meters. Consumer Focus believes that at this stage in the rollout, it is important for customers to have the choice to say no if they want to and are treated fairly. This may alter in the future.</p>
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<sup>23</sup> Face to face survey conducted in May 2011. Sample size 1,374. It found that net 50 per cent of customers were interested in having a smart meter with a display installed, 26 per cent were not sure, and 24 per cent not interested.

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
In-home display			
3.4	A standard IHD is offered at all installations, if applicable, installed and set up	Amend:  'A standard IHD is <i>offered</i> at all installations, at no extra cost. Where the customer accepts an IHD, it is installed in a location convenient to the customer'	The importance of this section should not be underestimated. The IHD will be the public face of the smart metering programme for many consumers, so it is important that engagement around this is done well.  This section needs strengthening. Our concern is that there will be pressure on some installers to get in and out of the customer's home as quickly as possible in order to meet daily installation targets. There must therefore be safeguards in place to ensure that customers' IHDs are installed and set up properly. If not, the risk is that the installer will either not offer it at all or just leave it in the box, meaning it will be less likely to be used. It's also very important that the installer physically demonstrates how to use the display (not just flicks through the buttons), by for example, turning on and off the kettle or appliances in the home, so customers can see how the figures and lights change. Prepay customers or those with time of use tariffs will also have to have particular features of the display demonstrated and explained to them.

3.4.2	Instances are recorded where the customer has opted not to take an IHD	<p>Insert:</p> <p>'Instances are also recorded where the customer has accepted the IHD but where the member has not set up the display or demonstrated to the customer how to use. Instances are recorded where the customers has opted not to take a display and the reasons for that.'</p>	<p>As above, our concern is that time pressures will incentivise installers to just leave the displays in the box and rely on the customer to set them up for themselves. Not all customers will feel motivated or able to do this. This would then be a missed opportunity to help engage customers and facilitate the behaviour change needed to deliver the energy savings identified in the impact assessment. Auditors and Ofgem should monitor this carefully.</p>
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3.4.3	Operation of the IHD is demonstrated to the customer	'Operation of the IHD is demonstrated to the customer by an installer who has been appropriately trained and accredited in giving training and advice. This includes a practical demonstration of key features of the IHD, an explanation in how it might be used to help customers better manage their energy use and explanation of particular features specific to their tariff or payment type'.	Installers will need to be trained and accredited in how to effectively give demonstrations to all kinds of customers, including those with special needs, on how to use the IHD.
3.4.4	The IHD, if provided, is suitably located to accommodate Customers with special needs eg mobility problems	This section needs strengthening to reflect the fact that suppliers need to provide customers with a display that they can easily physically use as well as it being located in an appropriate place.	In the Government's decision document of July 2010 <sup>24</sup> it stated that all households should be provided with an IHD – 'This is based on the view that universal deployment of IHDs will promote consumer engagement and the related energy and carbon dioxide savings throughout the population. The display should therefore be accessible for all consumers.' DECC also committed to consider 'how best to ensure that, when providing customers with IHDs, suppliers meet consumers' accessibility requirements'. <sup>25</sup> The Code should include provisions to reflect this decision.

<sup>24</sup> Smart Metering Implementation Programme: In-Home Display, consultation document: July 2010, page 14 2.40.

<sup>25</sup> Smart Metering Implementation Programme: Response to Prospectus Consultation; page 15, 2.30.

<p><i>Insert</i></p>	<p>Footnote 8 (p.16) makes reference to the fact that, 'Should the customer change their decision within 12 months, members are to provide the customer with a standard IHD free of charge'</p>	<p>Insert the following which reflect the Government's decisions on IHDs:</p> <p>'Should the customer change their decision within 12 months, members are to provide the customer with a standard IHD at no additional cost.</p> <p>'Members will be responsible for maintaining, replacing and repairing the standard IHD for at least one year after the installation of the smart metering system, at no additional cost to the customer.</p> <p>'Members will have an enduring obligation for the replacement, maintenance and repair of the IHD if the customer is reliant on the appliance for the supply of energy eg has a wired display which enables them use prepay in a way that is safe and reasonably practicable to use. This should be at no additional cost.'</p>	<p>Suppliers' obligations and customer's rights around the IHD should be explicitly referenced in the Code at least until relevant Licence Conditions are created:</p> <p>Members will make customers aware of their rights in terms of faulty IHDs and signpost them to where they can get help and support if they have queries or problems.</p> <p>If the customer switches supplier, the customer's new supplier will be the point of contact for the consumer if the display goes wrong. The customer's current supplier will liaise with the old supplier on the customer's behalf to seek resolution.</p> <p>Where the customer takes fuels from two different suppliers, the supplier that installs the second smart metering system is also required to provide an IHD except where they can satisfy themselves that the minimum information set for their fuel already is already covered by first display.</p>
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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
<i>Testing the system</i>			
3.5	Nothing included on co-existence checks.	Insert: 'Members will take appropriate steps to ensure that the Smart Metering System does not interfere with or damage other technology and appliances in the home'.	International experience has highlighted that some kinds of communications systems can interfere with touch dimmer lamps, baby monitors, existing wireless networks, home security systems, digital clocks, central heating timers, microwaves and computers. Some kind of 'co-existence check' must be carried out with established standards. This is particularly the case for vulnerable consumers who may rely on electrical appliances such as alarm systems to give them peace of mind and remain safe. <sup>26</sup> We strongly recommend that this is included in the Code.

<sup>26</sup> IDC Energy Insights. Experiences of European Companies with PLC for Advanced Metering. April 2010. There are also a number of press reports from the US.

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
<i>Demonstrating the system to the customer</i>			
3.6	Use of the Smart Metering System is demonstrated to the customer including what information is available from the Smart Metering System and how this can be accessed	We welcome this inclusion but seek a further amendment – insert:  'what information is available from the Smart Metering System and how this can be accessed. Also any features of settings of particular relevance to that customer eg settings for ambient feedback or alarms are at appropriate levels, and it is in the right mode for their tariff and payment type'.	

3.6.2	PAYG customers receive guidance on how to use PAYG, including the topping up process and releasing emergency credit.	We strongly welcome this. Guidance should also include how to access information on debt and charges, how to re-enable supply and for customers with meters in communal spaces, any additional security measures needed such as pin codes.	Consumer Focus's PPM research revealed that customers felt there was a marked lack of formal instruction or information from energy suppliers about how to manage or operate PPMs. <sup>27</sup> Most participants, including those who had themselves requested that a meter be installed claimed not to have seen written instructions telling them how to use and operate their meter.  In some of the qualitative research customers explained having to figure out the operation and management on their own. There was also a particularly low understanding of debt repayment rates and different charges.
4.6.4	Where possible, when demonstrating the Smart Metering System to vulnerable customers, or those with specific needs, a carer or the person with legal responsibility over the customer is present (if required by the customer)	Delete 'where possible'  When demonstrating the Smart Metering System to vulnerable customers, or those with specific needs, a carer or the person with legal responsibility over the customer is present (if requested by the customer or required).	This is an important protection for vulnerable customers and potentially a legal safeguard for Member's personnel.

<sup>27</sup> *Cutting Back, Cutting Down, Cutting Off* – Self Disconnection Among Prepayment Meter Users <http://consumerfocus.org.uk/g/4lx> (PDF 877KB)

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Provisions of energy efficiency guidance			
3.7	<p>Energy efficiency guidance is offered at all customer installations, informing customers about energy efficiency schemes and grants, how to save energy by monitoring usage through the smart metering system, and products and services available that can improve their energy efficiency.</p>	<p>We support verbal and hardcopy energy efficiency advice being offered at all customer installations.</p> <p>We welcome informing customers about the range of energy efficiency schemes and grants available and how to save energy by monitoring usage using the smart metering system.</p> <p>We support informing customers about <i>generic</i> (but not member-specific) products and services available that can improve their energy efficiency.</p>	<p>Consumer Focus's research (June 2011) found that customers were evenly split over whether they'd be interested in receiving advice and information on how to reduce bills or make energy efficiency savings during visits to read meters or exchange their meter – 40 per cent were in favour and 40 per cent opposed. 52 per cent of the over 65s+ were not interested in receiving information or advice during these visits<sup>28</sup>.</p> <p>That said, to maximise behaviour change and energy savings it may be appropriate to provide rather than offer energy efficiency advice, with the option for the customer to opt-out. This could only be done if appropriate safeguards were in place to prevent installers from blurring the lines between helpful guidance and marketing approaches. Requiring installers to refer to generic products, services and the wide range of schemes available, alongside signposting to independent free sources of advice could help safeguard against information provision feeling like a sales pitch.</p>

<sup>28</sup> This has yet to be published. Available on request.

	Energy efficiency advice is offered to SME customers, where applicable and in a relevant manner, which may not be at the time of installations	Delete 'where applicable' – all micro-business customers should at least be offered energy efficiency advice, at no additional cost.	
Insert	Monitoring	Insert: 'Suppliers will report on the number of SME and domestic customers who accept energy efficiency advice'.	There are different ways of 'offering' and 'providing' advice which may have very different impacts on levels of customer uptake. Reporting is necessary to ensure that some installers are not discouraging customers from receiving useful information that could help them, whether intentionally or by accident.

<p>3.7.3</p>	<p>States – ‘Energy Efficiency Guidance is given in a format that is suitable for the Customer’s needs’</p>	<p>Focus should be not just on format but also content. Previous Code drafts included a commitment to ensure that energy efficiency guidance is appropriate to the customer’s needs. We question why this has been removed. Installers should be trained to tailor advice. In particular,</p> <p>Insert:</p> <p>‘vulnerable customers, or households with vulnerable members, should be reminded of the importance of maintaining an adequate heating regime to stay healthy and well.’ Where appropriate, households should be told about additional sources of help for assistance with paying their energy bill.</p>	<p>It is unknown if seeing near-real time information in pounds and pence on energy use will cause some vulnerable customers to under-heat their homes, potentially putting their health at risk. Ambient feedback and alarms linked to energy use will need to be clearly explained and set at appropriate levels.</p>
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4.7.5b	No reference to independent advice	<p>We strongly advocate that customers should be signposted to independent advice on energy efficiency and saving money on their fuel bills.</p> <p>Insert:</p> <p>‘Customers are sign-posted to free independent advice about energy efficiency products and services and switching in both verbal and written communications.’</p>	<p>It will be critical that suppliers signpost customers to free independent sources of advice about energy efficiency and related products and services. This is important to help maximise customer energy savings. Our online survey of 2,000 customers (March 2010) reported that only 23 per cent of gas customers and 26 per cent of electricity customers trust their supplier to give them help and advice on cutting their energy bills and going green.<sup>29</sup></p> <p>Our 2011 research 66 per cent of consumers wanted advice on how to cut bills and go green during the smart meter installation visit. However, only 31 per cent of consumers said they would trust the information given by their supplier.<sup>30</sup></p> <p>Rolling out smart meters also gives suppliers a significant competitive advantage in the emerging energy services market. Signposting consumers to independent advice should encourage customers to shop around to find the best deal and help to promote competition.</p>
Insert		Suppliers should be proactive in identifying vulnerability and customer eligibility for existing energy efficiency and social assistance programmes.	Vulnerable and low income customers should be made aware of social assistance available, where appropriate, energy efficiency programmes and free debt and energy efficiency advice, communications and IHDs tailored to their needs.

<sup>29</sup> This was an online survey of 2,048 consumers aged over 18 years conducted by ICM on behalf of Consumer Focus.

<sup>30</sup> May 2011 TNS RI carried out an omnibus survey of 1964 adults across Great Britain on their attitudes and experiences of doorstep selling, marketing and advice.

3.8 Marketing			
		<p>Insert:</p> <p>‘No marketing will take place without the customer’s explicit informed prior written consent. Consent is to be obtained at least a week prior to the visit to allow the customer time to reconsider their decision having consulted friends and advisers.’</p>	<p>As DECC states in the recent smart metering consultation customers will not necessarily make the distinction between sales and marketing, either in terms of understanding what to expect of an installation visit, or in the personal experience or interacting with sales staff. A marketing pitch designed to generate a lead can be as intimidating as a high-pressured sales pitch.</p> <p>Consumer Focus’s survey (2011)<sup>31</sup> found that 79 per cent of consumers said that their supplier should seek their permission and arrange an appointment with them in order to conduct a sales pitch when visiting the home to read their meter or install a smart meter.</p>
		<p>Insert:</p> <p>‘Where consent is provided in written form (email or letter), members must ensure that it is fully auditable including recorded and retained for a period of at least 12 months or as long as the contract lasts.’</p>	

<sup>31</sup> All stats from between 3 and 4 May 2011 TNS RI carried out an Omnibus survey of 1,964 adults across Great Britain on their attitudes and experiences of doorstep selling.

3.8.8	Code states 'All referrals are followed up after a minimum period of two working days (unless Customer consents to earlier action) and a maximum of two weeks. Thus allowing customers time to explore alternatives and compare prices they are being offered.'	We welcome the cool-off period between the lead generation and the sale but query if two days is really long enough for the customer to shop around.	This is also required to prevent the high-pressured sale. Eg the installer stands over the customer while they are encouraged to phone the call centre to conclude a deal/ or the sales person turning up on your doorstep barely before the installer has left. ERA and DECC should look at precedents in the financial services sector around cool-off periods.
		Insert: 'The installers will not be incentivised to generate leads/sales.'	This could lead to a high-pressure marketing pitch would could intimidate or annoy customers.
		Insert: 'Any materials left with the customer should include a clear signpost to independent advice on products and services and energy efficiency to encourage them to shop around for better deals (online and telephone).'	In addition – allowing marketing during the installation visit will give suppliers further unfair competitive advantage in the energy services market. Suppliers already have an advantage by installing the meters, delivering CERT/Energy Company Obligation as well as giving advice and information. This will help support competition in this emerging market.  As noted, Consumer Focus research (May 2011) found that 66 per cent of consumers wanted advice on how to cut bills and go green during the smart meter installation visit. However, only 31 per cent of consumers said they would trust the information given by their supplier

		Insert: 'Suppliers will only market their most competitive deals during the installation visit and associated activities.'	Customers are often not offered the most competitive deals on face to face sales. While existing protections (SLC25) prohibits suppliers selling PPM consumers a more expensive product than their existing one. This protection does not extend to credit customers, and there is no requirement on suppliers to offer customers their most competitive deal. No supplier currently sells its cheapest online tariff during face to face sales. Consumers would therefore benefit from being signposted to <i>independent</i> advice, and have time to shop around.
		Insert: 'Suppliers will not knowingly market any product or service that the customer can access for free or at cost elsewhere.'	For example, network operators can provide customers carbon monoxide detectors at cost, while at least one leading supplier offers these products at a 50 per cent mark-up.
		Consumers' explicit informed prior consent will be sought before sending marketing messages via the IHD and info will be left on how to opt out at later date.	Consumer Focus research found that less than 15 per cent of customers were happy with information about new products and services being sent via the IHD. Key reasons against included not wanting spam (12 per cent); feeling like they were being bombarded in their own home (12 per cent); view they are a nuisance (12 per cent); not interested (18 per cent); feels like big brother (6 per cent). We are happy to provide further information on this.
		Insert: 'Customers may be left with hard copy marketing materials in line with the Government's consumer engagement programme and findings. But the supplier will not leave this if the consumer asks them not to.'	Consumer Focus research (May 2011) found that 63 per cent of consumers want their supplier to get written permission from them in order to provide them with marketing materials during a visit to read the meter or install a smart meter.

<p>3.9 Sales</p>	<p>Code states ‘sales should not be concluded (contracts signed) at the time the Smart Meter System is installed without the Customer’s express prior consent’</p>	<p>Insert:  ‘There will be no sales during the installation visit or associated activities.’  (all the points above for marketing also apply)  Consumer Focus does not support sales – that is the customer purchasing or committing to purchase by verbal or written agreement, a product, service or tariff – during the installation visit or associated activities.</p>	<p>The focus of the installation visit should be on safely installing the smart metering equipment and ensuring customers have the information and support they need to access the benefits of smart metering. While we have some sympathy for the idea that some customers may find it easier to purchase energy efficiency or safety products during the visit, on balance we do not feel able to support sales, at this time, even with written prior customer consent. The following outline some of the reasons for this:</p> <p><u>Rollout is a Government mandated programme</u> – smart meter rollout will be seen as a Government programme. Some consumers may feel the Government has somehow endorsed sales and marketing activity and be more likely to accept approaches – care must be taken to avoid this blurring of lines between a state and commercial activities.</p> <p><u>Industry has an appalling track record on mis-selling</u> – despite the introduction of new licence conditions following the Probe, the situation is not improving. Ofgem is currently investigating four of the big six energy companies for potential breaches of supply licence conditions. SSE was recently found guilty of unfair trading with door to door sales agents using misleading scripts by Surrey Trading Standards. Industry has not proved itself worthy of this responsibility.</p> <p><u>Customers are often not offered the most competitive deals on the doorstep</u> – while existing protections (SLC25) prohibits suppliers selling PPM consumers a more expensive product than their existing one, no such protections exist for credit customers and suppliers are not required to offer customers their most competitive deal. No supplier currently sells its cheapest online tariff during door-step/face to face sales.</p>
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			<p>Our survey showed that 64 per cent of consumers agreed with the statement that their energy supplier should not be allowed to sell them products, services or tariffs during a meter replacement visit.</p> <p>Consumer Focus research also found that consumers do not like being sold to in their home (82 per cent had a negative view of doorstep sales). 68 per cent of consumers said they would not be comfortable if their supplier used a visit to read or exchange their meter to sell them products or services. 61 per cent said they not be comfortable with this approach even if the products and services would save them money.</p>
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<p>3.10</p>	<p>Non standard installations</p>	<p>Insert:</p> <p>‘It is the member’s responsibility to ensure that:</p> <p>‘The customer does not incur any extra cost as a result of installing the Smart Metering System eg re-siting the meter because the existing space is not big enough or for the hard wiring of displays.</p> <p>‘That the customer is not charged for an enhanced display if the standard display does not work in their property.</p> <p>‘Where the meter is moved the customer is consulted on its new location.</p> <p>‘If the installation is unsuccessful the customer is offered alternative measures, at no extra cost, to help them reduce their energy use eg clip-on display, insulation, tailored advice etc.</p> <p>‘They develop a strategy to address the likely challenges of non-standard installations. This should include partnerships between suppliers, network operators and other parties needed to ensure quick resolution of problems eg relocating the meter, unsafe wiring, decommissioning of shared services etc.</p>	<p>We recommend that more work is carried out on this part of the Code. It’s estimated that anything from 16-28 per cent of installations could be non-standard. Fixing problems and addressing issues could result in a series of visits to the customer’s home, disruption and inconvenience. We query whether it is sufficient to rely on existing standards and processes given the scale of the challenge and the importance of the customer experience.</p> <p>Ofgem, industry and DECC should review the standards and guidance to ensure they are fit for purpose. While many issues that arise might be considered ‘old chestnuts’ the increased frequency of events and resourcing constraints could have significant implications for the customer experience and time it takes to resolve any problems. In addition there are a series of new operational challenges, such as installing bigger meters and setting up communications. This adds another level of complexity.</p>
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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
<i>Energy theft</i>			
3.10.4	States 'When evidence of energy theft is identified, existing revenue protection processes and procedures are followed'	<p>The rollout Programme should establish appropriate links with any new national revenue protection service and we would urge the adoption of a standard code of practice to deal with revenue protection cases.</p> <p>If it is a first offence, the member will not disconnect the customer unless there is a serious safety issue.</p>	The rollout process is likely to uncover cases of energy theft and associated safety concerns. In certain cases, there will be vulnerable consumers and/or children living in these households. It is important that they are protected.

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Post installation			
4.1/4.2		As per 2.1/2.2	
		Greater consideration is needed as to how suppliers can help customers use the information from their smart meters to better manage their energy use.	
4.3.1/4.3.2	<p>Members will ensure the customer has means available for providing feedback on their experience of the Smart Metering Installation...</p> <p>Members will make a courtesy follow-up call or visit to a demonstrably valid sample of customers from a variety of customer groups to learn from their experiences...</p>	<p>We strongly support these two commitments. It is important that suppliers provide a variety of media by which customers can feed back not a single source.</p> <p>The sample needs to consider not just social demographics but also factors such as dwelling type, payment type and heating fuel, to identify trends across a wide range of segments.</p>	

		<p>Insert:          ‘When requested by Ofgem, DECC or the statutory consumer watchdog, customers should be left with an independent feedback form’.</p>	<p>This will enable independent investigations and monitoring to be carried out.</p>
		<p>It is the member’s responsibility to ensure that all customers receive a follow-up call to check customer satisfaction and offer further help with new technology and energy efficiency.</p>	

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Fault resolution			
5.1		<p>Insert:</p> <p>Members must report on barriers to installation and effective operation of smart metering technology and share them with the Smart Metering Code Panel.</p>	<p>Learning experiences and best practice should be shared across suppliers to facilitate penetration rates, improvements in the customer experience and reduce costs. This may not necessarily happen given the competitive market.</p>
<i>Insert</i>		<p>Suppliers should commit to respond to and handle smart metering enquiries within pre-stated transparent timeframes.</p>	<p>As noted, in the Code Scope we query whether the Guaranteed Standards are fit for purpose.</p>

<p><i>Insert</i></p>		<p>Pre-installation members must ensure that they have up to date lists of problematic accounts so that the installer is aware that there may be issues. Particular attention can then be paid during the installation visit to carefully record any relevant information.</p> <p>During installation, personnel will validate that the correct meter has been installed in the correct property. Installers should take down as much detail as possible to enable the account to be properly investigated by the supplier.</p> <p>Where evidence of poor or incorrect billing emerges, members will carry out a proper investigation and the account reconciliation process should be carried out as soon as possible.</p>	<p>The rollout process is likely to uncover a range of issues where some consumers have not been billed correctly. There are already significant problems with the quality of information on metering databases. Exchanging every meter is likely to unearth both 'business as usual' problems and potentially new smart related issues.</p>
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<p><i>Insert</i></p>		<p>Members must ensure that:</p> <p>Customers are billed based on their actual consumption once their smart meter has been installed. This should be reported on.</p> <p>Customers are not back-billed for more than a month once a smart meter is installed.</p> <p>Where a customer has overpaid on their energy they should receive a prompt refund.</p> <p>Special consideration is given to low income and vulnerable consumers around back billing including affordable repayments and debt write-off</p>	<p>Industry has failed to produce a definitive set of guidance on back billing four years on from the rules coming into effect. 11 suppliers are not signatories to the voluntary Code of Practice, including one of the big six suppliers. Even among those that sign up there is often an inconsistent approach to applying the rules.</p> <p>This lack of consistency makes it more challenging for consumer groups to communicate customer rights.<sup>32</sup> It is also difficult and frustrating for customers to get a resolution to problems under the current scheme. Smart metering looks set to exacerbate this issue as identified problems with under-recording meters are likely to increase – our sister organisation, Consumer Direct, is already reporting problems. Also, despite having a smart meter installed, some customers are reporting that they are still receiving estimated bills.</p> <p>The experience in California and Texas where perceived ‘bill shock’ led to moratoriums on the rollout of smart meters and legal action shows the importance of addressing this. A key commitment of the smart metering programme is to end estimated and inaccurate bills. If this fails to be delivered it will undermine customer trust.</p>
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<sup>32</sup> Consumer Focus intends to publish a leaflet shortly on back billing which will hopefully be ERA / Ofgem branded

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Complaint resolution			
6. <i>Insert</i>	Code states 'Members will maintain processes for handling complaints relating to the Installation of Smart Metering and inform Customers of these'	<p>Dedicated complaint handling and redress systems with well trained staff should be put in place ahead of rollout.</p> <p>Customers should be clear who to go to if they have queries or problems and where they can get redress. This is particularly the case as Ofgem only covers supply of energy, OFT energy products and services, and Ofcom, communications.</p> <p>A 24-hour helpline, free for both landlines and mobile phones should be available to customers so that faults can be resolved quickly and concerns addressed promptly.</p>	Inadequate complaint handling and customer service was identified by the Californian regulator as a key contributory factor to the public backlash against PG&E smart meters in California in the US. <sup>33</sup> Two suppliers have already set up dedicated call centres and processes.
<i>Insert</i>		Insert: 'Members will maintain processes for handling and recording calls relating to Smart Metering'	Customer calls may not necessarily be about complaints – rather inquiries about smart metering generally. Feedback on this can help with the improvement of training for staff and support, advice and information provided to customers.

<sup>33</sup> PG&E Advanced Metering Assessment Report commissioned by the California Public Utilities Commission. Prepared by Structure. September 2010.  
<http://bit.ly/bRghiH>

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
7. Code governance for early adopters	We welcome the establishment of the SMICoP Interim Steering group (SISG) to develop, and to provide a governance framework for the voluntary Code. However, it is important that the voluntary Code is not simply seen as a means to work toward the creation of the enduring Code. It must provide effective protections and ensure consumers in the foundation stage are protected and realise the benefits of smart metering. It is essential that there is a robust, and visible, monitoring regime in place around the voluntary Code. Consumer Focus has committed to working with industry and DECC to help achieve this through the SISG.		
8. Enduring Code Governance	The SISG is developing framework around governance, monitoring and reporting for the enduring Code. However, Ofgem must not simply adopt this, it is essential that the arrangements around the enduring Code, both its content and governance, are subject to full consultation. It is envisaged that the Code compliance will be covered ultimately by the Ofgem compliance and enforcement regime.		
8.2	Representation	We welcome consumer bodies being represented within the governance structure in sufficient numbers that their voice is properly represented. The Statutory energy watchdog Consumer Focus, and its successor should participate in the governance of the Code. Installers with first-hand experience of the practicalities on the ground should also be involved. It is essential that Ofgem and DECC are also involved.	This is important to provide credible and independent oversight.
8.3 Monitoring and Compliance	Interim Monitoring and Audit	There needs to be a high-level of transparency around interim monitoring and audit.	The ERA does not have a good track record of reporting against existing codes. Findings are often 'detail light' and not very widely publicised. We would welcome this being addressed.

	Formal Monitoring and Audit	<p>We support member's respective performance results being published once metrics for compliance have been finalised. We see value from comparative ratings, in terms of stimulating competition and the resultant improvements in customer service. Both mystery shopping and report card methods of monitoring would be welcome. Complaint data and the findings of investigations should be in the public domain.</p>	<p>Once the Code is mandated we would strongly recommend that DECC/Ofgem has a formal role in publishing information as part of its annual reporting on smart metering.</p> <p>We would expect greater frequency of monitoring in the Foundation Phase given the importance of the experience of early recipients of smart meters in influencing wider public engagement and the success of the Programme.</p>
	Code and Compliance Review	<p>Consumer representatives should be able to raise compliance issues. It is important that they can challenge the process if they feel that the Code has not been complied with. We have some concerns about the effectiveness of self-auditing approach given the poor performance of existing Codes, in particular the significant failings of the Energy Sure Code in tackling misselling.</p>	<p>It's critical that monitoring and compliance is carried out in a timely way. Suppliers must gather and use information from customers about their experience of installation to improve the experience of future consumers. We seek clarity as to the process by which enforcement action will take place. For example, will action be taken in any case or a number of cases? What are the triggers? There must be appropriate penalties for poor performance and transparent sanctions in place.</p>

<i>Enforcement</i>			
8.4 Review of the code			
	Draft says – ‘The Code will be reviewed at predefined intervals by a Code Operations Group in consultation with members and relevant stakeholders’	We support annual systematic review of the Code. The structure must be such that feedback loops are also in place to ensure that there is on-going review. In the voluntary approach there needs to be improved transparency around both performance and sanctions. The ERA does not have a great track record in this area. When the licence backed Code comes into force, Ofgem needs to have a robust and visible compliance programme.	This is especially important in the early stages of rollout as there will no doubt be issues that arise and lessons learnt.
		Insert: ‘Reviews will be conducted in a transparent and timely manner so as to maximise the benefit to customers and minimise risks.’	It is important that prompt action is taken where there are concerns around non-compliance and corrective action taken in a timely way. The findings of any review or investigation should be transparent, published and in the public domain.
		Insert: ‘Consumer groups will be able to raise compliance issues, and prompt review of the Code’	Consumer bodies should be able to prompt formal investigations or a review of the Code where they have evidence of customer detriment, or are concerned about the failure of the Code to deliver its overarching aims.

	<p>Ofgem will have the right to veto any changes to the Code</p>	<p>Amend: ‘The Code and any subsequent changes to the Code will be subject to the approval of Ofgem and Ofgem will have the right to veto’. See also below around governance.</p>	
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<p>9. APPENDIX 1 – Table of Clauses Not Applicable to Micro- Businesses</p>			
<p>2.7.2</p>	<p>Code states ‘The obligation for Customers not to be charged an upfront or one-off charge for the supply and Installation of the Smart Metering System does not apply to micro-businesses’</p>	<p>We believe that micro-business should also be exempt from one-off or upfront charges related to the installation of a smart meter. The government is expecting that the smart meter rollout will lead to cost and carbon savings in the business sector.</p> <p>Any additional costs associated with the installation of a smart meter, may be a barrier to small businesses taking them up.</p> <p>Therefore we would recommend that micro businesses have the associated costs recovered via their energy bills in the same way as domestic consumers. This would help businesses experiencing cash flow problems as well as ensuring the increased take-up of smart meters particularly among less engaged businesses.</p>	<p>Figures from the Federation of Small Businesses show that many small businesses suffer from cash flow issues, particularly in the current climate. For example 4,000 businesses closed in 2008 due to poor cash flow issues. Therefore some small businesses may find it hard to meet some upfront costs demanded.</p> <p>During our conversations with small businesses representatives, it is clear that awareness of smart meters is very low in the small businesses community with those businesses aware often sceptical of the benefits associated with smart meters. Charging an upfront cost for the supply of a smart meter during a mandatory roll out may result in resentment among small businesses and risk a backlash. Small businesses such as the local church hall, hair dressers and local publicans can be key opinion formers in the local community so the impact of their experience on wider consumer engagement should not be underestimated.</p>

<p>3.4.1</p>	<p>A standard IHD does not have to be offered to Micro Business Customers. Where an IHD is provided, clauses 3.4.3 and 3.4.4. would apply</p>	<p>Where a smart meter is installed, a choice of energy display should be offered to micro-businesses at no additional cost eg online display, via mobile phone or an In home display.</p> <p>We understand that the Government expects part of the savings for smart meters to come from small businesses changing their behaviour and signing up to demand response deals. We have concerns that failure to provide a ‘free’ display will act as a barrier to small businesses being able to access these benefits and delivering the cost savings identified in the impact assessment.</p>	<p>Consumer Focus’s information request found that several suppliers do not enable non domestic customers online data access to information from smart metering and where they do frequently charge customers. This cost can be up to 52p <i>a day</i> to access information via an online portal. Thus the consumer has advanced metering installed but is not able to access the information to reduce consumption or costs. Charging small businesses can act as a barrier to engagement.</p> <p>Carbon Trust research has reportedly found that that smaller non domestic users have a higher propensity to reduce gas consumption by responding to information feedback. Failure to provide a display is arguably a missed opportunity. Information needs to be available for free in an easy to use format. Non-domestic users have a higher average consumption per premise than domestic users, increasing the value of any percentage saving derived from the use of smart or advanced metering.</p> <p>While some businesses may prefer to see their consumption data via websites or mobile phone apps many small businesses (eg rural businesses such as farms, small manufacturing and small scale retail) may not have constant access to the internet. In such cases an IHD would be an essential tool for helping businesses use their consumption data to manage and reduce their usage.</p>
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3.7	There is no obligation to provide Energy Efficiency Guidance to micro-business Customers		Further work is needed in this area before a blanket decision is made not to provide energy efficiency advice to micro-business customers. ERA and DECC should liaise with Carbon Trust in particular to assess how energy efficiency advice could contribute towards the delivery of the DECC Impact Assessment on smart metering.
3.8	There are no constraints on sales or marketing activities for micro-businesses	As per our position for domestic consumers.	<p>The key point for the installation visit is to install a smart meter and ensure the business understands how it works and how they can use it to maximise the benefits. We do not think a government mandated rollout is the time for sales and marketing. Small businesses can vulnerable to sales and marketing activities as many domestic customers, especially where it is a fairly junior member of staff or even a family member supervising the installation.</p> <p>Protections for business to business marketing are more limited (eg no cooling off period exists) and we are already aware that small businesses experience detriment as a result of mis-selling by suppliers and brokers. Consumer Direct receives around 50 complaints a month about mis-selling by brokers and suppliers.</p>
<i>Appointments and time off supply (insert)</i>			Further work is needed around protections for small businesses eg micro-businesses should also be entitled to compensation for late or missed appointments and time-off supply. These issues can cause considerable financial detriment to businesses. ERA, DECC and Ofgem should explore the potential to include safeguards within the Code where gaps exist.



**Consumer Focus comments on v.0.27 of the Smart Metering Installation Code of Practice (SMICoP)**

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