



Consumer Focus's comments on v.0.18 of the Smart Metering Installation Code of Practice (SMICoP)

July 2011

About Consumer Focus

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's comments on v.0.18 of the Smart Metering Installation Code of Practice

Consumer Focus supports the introduction of a mandatory Smart Metering Installation Code of Practice (SMICoP) underpinned by a licence condition. We welcome industry leading on the development of this 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 this is introduced.

However, we hope that going forward, Ofgem and DECC will start to lead the development of the mandatory Code and the governance framework that sits around this. Both the Licence Condition and the Code itself should be subject to formal consultation. While Consumer Focus has worked with industry in the development of SMICoP we do not, in the most part, feel it reflects our views. Outlined below are our comments on the V.0.18. We support a similar approach for micro-business customers as we do for domestic consumers, given the comparable challenges they often face.

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 is not just to ensure customers receive a good standard of service during installation, it should cover what suppliers do pre, during and post installation to help customers access the benefits of smart metering – this includes helping them to better manage their energy use and save money on their bills.	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.' ¹ 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.

¹ 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 that Ofgem and DECC have reviewed and updated the existing Codes to ensure that they are in fact 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 ICoP. We seek clarity as to whether the ICoP 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 experience² 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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² 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>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 year³ 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"> • made aware of the fact that they have a smart metering system • offered an IHD when they move in at no upfront cost (the previous tenant may have taken it with them or not had one) • asked if they have had a smart meter before and are taken through how to use it, with potential supplier differences are explained • given a follow-up call to check they have got the IHD up and running • 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. • 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.
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³ 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. 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. 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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³ <http://bit.ly/q83p8E>. P.11

	<p>Draft states 'Data privacy and security are not in scope of the SMICoP as these are covered under existing Data Protection legislation'</p>	<p>We strongly support the Code requiring suppliers to provide customers with the best practice Privacy and Data Charter document prior to the installation visit. The Code should also state that members will comply with the charter.</p> <p>Many smart metering data privacy and security concerns are not covered under the existing Data Protection legislation and the Code provides a useful opportunity help address some of the potential customer concerns.</p>	<p>The Government's decision document on smart metering concluded that a Privacy Charter should be developed to protect consumer interests and provide adequate reassurance. This Charter is already being developed. If included it would help ensure that customers have transparent information as to how and why their data is used and what their rights are. This would be a way of facilitating the smooth and efficient rollout of smart through customer understanding and acceptance.</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. The notable areas of weakness included: notice and scope of processing; transparency and consent mechanisms; customer access to data and data retention policies. The Privacy Charter will help to address some of areas and catalyse necessary improvements in industry practices.</p>
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		<p>We see this as forming part of the Government's privacy policy framework, not replacing it. We recognise that this could have implications for the governance process which needs to be reflected in the Code.</p> <p>Concerns have been raised that sending a Privacy Charter prior to installation may result in customer opposition to smart meters. Consumer Focus's research has shown that customers fundamentally want transparency and to be able to control, regulate and monitor how their data is used. On the contrary, providing information after installation could undermine trust if the customer felt they were not given the opportunity to decline the meter until after it was already in their home⁴. (See also 3.4.3e below). Consideration should be given as to whether the Code should address consent issues.</p>	<p>The UK DPA is considered to be weaker than its European counterparts in a number of areas, including the Information Commissioner's Office's (ICO) enforcement powers and its definition of consumer consent⁵. This is currently under investigation by the EU Commission. Smart specific guidance will also be needed in a number of areas – around the definitions and treatment of personal data, use of smart meter displays for marketing, out of EU data storage, appropriate retention policies, where customers go to find out their rights and get resolution. This all requires significant further consideration by the ICO, DECC and Ofgem.</p> <p>It is widely recognised that the level of compliance with data protection law by 'data controllers' and 'data processors' in GB is low. This was further illustrated by our own investigation. This is largely because there is inadequate resource to carry out appropriate monitoring and enforcement. If the Code requires suppliers to provide and comply with the Privacy Charter it could provide greater oversight.</p>
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⁴ *Private lives: a people's inquiry into personal information* found that people have various degrees of tolerance toward data sharing depending on the area in question (so health was the most important in terms of safeguarding privacy). However, even when they are relatively tolerant, as in the case of targeted marketing, they absolutely want to know and understand what is going on, so transparency is essential; and they want to exercise control over whether or not their data is shared or collected. They also want to be able to change their minds according to circumstances. They are also always aware that there might be people more vulnerable than them, such as children or the elderly. Key recommendations from consumers are that there is transparency and ability of authorities to take control, monitor and regulate. There was a lot of cynicism regarding private companies' motivation, but more cautious trust in the motives behind public authorities' actions.

⁵ The claims were first reported in 2007, following a FOI request to the European Commission, see www.out-law.com/page-8472.

<p><i>Low income and vulnerable consumers</i></p>		<p>We would welcome a dedicated section in the Code on the needs of low income and vulnerable consumers and reference to an extra help scheme for those most in need.</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>Consumer Focus supports the work to date that that the Programme/Ofgem have carried out in this area. We are aware that at least one supplier is now trialling approaches to low income customers. We will be hosting a workshop in August to try and catalyse work in this area. We appeal to DECC and Ofgem that any consultation does not preclude such as scheme.</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 would:</p> <ul style="list-style-type: none"> • Ensure low income and vulnerable consumers can access benefits of smart metering so that nobody is left behind. This is particularly important as on average low income and vulnerable consumers might not see the same benefits from energy reduction, but are still paying for rollout • Improve the delivery of social and environmental assistance to low income and vulnerable groups – use existing resources more effectively and efficiently so the money available goes further and benefits more people <p>For example, a scheme could provide energy efficiency measures available under the supplier obligation: benefits maximisation for customers; social tariffs or lowest cost tariff advice which suppliers are already obliged to offer. Customers could also be referred to national or local grant schemes, the priority services register; and free-phone debt advice.</p>
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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Definitions, introductions and overview			
1.1.5	Energy Efficiency Guidance – ‘means provision of information on behavioural changes, products, services or building changes that could reduce energy consumption’	Amend: ‘means provision of information on behavioural changes, and the kinds of generic products, services or building changes that could reduce energy consumption’	This helps to distinguish between the marketing of member specific offers, and helpful general advice.
1.1.17b	There is no definition for prepayment	A definition for prepayment should be included. This should not distinguish between PAYG and prepayment. We are concerned that the SMDG glossary includes a separate definition for PAYG and prepayment. We do not recommend that these definitions are adopted as they are confusing and unhelpful.	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 ⁶ . These customers will need to be provided with appropriate advice on how to use and fully benefit from their smart metering system.

⁶ Source: Ofgem Social Obligations Monitoring Statistics Q3 2010 statistics

1.1.18	Draft states that post installation ‘means period of time required to update metering details to facilitate business as usual processes (which are covered by existing regulations and Codes)’		We query why this definition has been adopted.
1.1.20b	There is no definition for Standard IHD	An IHD that meets the minimum standards set out in the Minimum Specification IHD Requirements.	
1.1.21	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’	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.	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 most in need.

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Review of the code			
1.3.1	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 ongoing 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.
1.3.3b		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.

1.3.4	Ofgem will have the right to veto any changes to the Code	<p>Amend:</p> <p>‘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’.</p> <p>See also below around governance.</p>	
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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Pre-installation			
3.2 Relevant Accreditation	States that the 'Relevant Accreditations above are as a detailed guide rather than a requirement on all members'	Installers should be required to be appropriately accredited. Accreditation should cover the installation of the Smart Metering System, soft skills and energy efficiency advice.	Customers need peace of mind that their installation is safe and good quality and that the advice they are getting is reliable. While much of the installation is 'business as usual', the installation of the HAN, WAN and IHD will require new training. We seek assurances that accreditation schemes and training programmes have been appropriately updated. The demonstration of the IHD and provision of energy efficiency advice will require new kinds of skills and knowledge for many installers.
3.4.1 3.4 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.

3.4.3	'Customer awareness materials alert the customer to the benefits smart metering can bring, an improved understanding of energy consumption and reduction, and the availability of energy efficiency products and services available'	Amend: 'including an improved understanding of energy consumption and reduction, accurate bills and the kinds of approved energy efficiency products and services available.	While we welcome any voluntary initiative to cover the period until the Programme's customer engagement strategy comes into operation, this is far below the performance standard we would expect to be mandated by this programme.
3.4.3b		Insert: 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.	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 ⁷ . 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.

⁷ 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>3.4.3c</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>3.4.3d</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’⁸.</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>

⁸ <http://bit.ly/okjqQf> p.3

<p>3.4.3e</p> <p>Customer awareness and engagement</p>		<p>Insert:</p> <p>‘Customers are provided with a copy of the suppliers’ best practice Privacy and Data Charter prior to the smart meter installation visit.’</p>	<p>As noted above – the Government concluded that a Privacy Charter should be developed to protect consumer interests and provide adequate reassurance⁹. This Charter is already being developed. This requirement in the Code could help ensure that customers have transparent information about how, why and what data is being collected and what their rights are. Inclusion of the Privacy Charter would be in line with the Government’s overarching aims of the Code. It could help ensure a high-quality customer experience and the acceptance needed as the first step towards behaviour change.</p> <p>Anecdotal evidence from the Netherlands suggests that far from worrying consumers, where energy companies sent information about their data access and use policies to customers in advance of the home visit, that only a handful of customers subsequently rejected a meter. Considerably higher numbers reportedly requested information on services such as energy efficiency advice linked to increase availability of data¹⁰. The Charter should be provided in advance, so that the customer has the opportunity to request a standard meter installation, and make informed choices around the amount of data they would like to share. This is particularly important in the Foundation Phase as decisions have not yet been made on ‘regulated duties’ and wider protections have not yet been put in place.</p>
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⁹ <http://bit.ly/q83p8E> . P.11

3.4.3f		<p>Insert:</p> <p>‘It is the member’s responsibility to ensure that personnel are appropriately trained to address potential customer concerns and queries in a timely, informed and balanced manner. This includes questions about data privacy, security and health issues. Customers should be signposted to independent sources of advice where appropriate.’</p>	<p>It is important that suppliers do not dismiss customer concerns and that they are able to respond to questions in a clear, balanced and credible way. This will help ensure customer confidence and allow customers to make informed decisions. Suppliers should also make customers aware of the choices open to them ie be clear that they don’t have to have a smart meter if they don’t want to.</p>
<p>3.4.4</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>

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Customer communications			
3.5		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.	
3.5.3	Communication materials are clear, easily understandable and concise	All communications should be customer-tested and crystal marked or equivalent for clarity and usability.	
3.5.4		<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.

3.5.4a		<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. This is important as 14 per cent of households only have a mobile phone. These mobile-only customers tend to be disproportionately on low incomes¹¹.</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&E smart meters in this state in the US¹².</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>

¹¹ <http://bit.ly/aE2W5v>, page 338

¹² [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			
3.6.2.1	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.</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>	

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Training and accreditation			
3.7.1/3.7.2	States 'The NSAP standard or equivalent accreditation for smart metering Installers is adopted'	There should be a single over-arching accreditation that is presented to the customer. 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.
3.7.4	'Installers are trained and competent to provide energy efficiency guidance that is appropriate to the consumer's needs'	Insert: 'All customer facing smart metering personnel (installers, call centre staff) are trained and accredited in the provision of energy efficiency guidance and operation of the smart metering system that is appropriate to the consumer's needs.'	There needs to be some kind of control on the quality of energy efficiency advice that Installers provide to customers. Evidence suggests that face to face and one to one engagement can be particularly powerful in helping to promote behaviour change. This opportunity should not be squandered. It is important that all customers are guaranteed good quality support regardless of who their supplier is. This should include having up to date information on where customers can go for independent advice on energy efficiency products and services. Installers should be trained and accredited in the soft skills involved in effectively demonstrating the in-home display and smart metering system. This includes information to help PPM customers to get the most from their smart meter.

3.7.7	'Installers are able to offer guidance that is responsive to the needs of vulnerable customers'	Insert: 'Installers are trained in identifying vulnerability and are able to offer...'	
		All customer-facing personnel are well trained on basic health, data privacy, security and safety issues that customers might ask.	

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Scheduling visits			
3.8.1	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	Amend: 'It is the Member's responsibility to ensure that: 'Customers receive advanced notification... that their meter is due to be replaced with a Smart Metering System. 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 at no additional cost.'	This section on scheduling lacks transparency. It is unclear what level of service customers can expect. The wording of 3.8.1 is such that it appears to allow the supplier to simply notify the customer that they will get a visit to install a smart metering system at some unspecified time in the next few weeks or months and then effectively cold call them when it is convenient for them. 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. We think this needs to be amended so that the customer is always offered a precise appointment date and time.
3.8.5			
3.8.3	Draft says 'that customers are given adequate notice of planned appointments and any preparations they need to make'	Definition of 'adequate' needs further clarification once final decisions around sales, marketing and data access and use have been decided.	There is no definition of 'adequate notice'. Further clarification around this is may be needed as existing standards, such as Guaranteed Standards 4 (EGS4 – Regulation 12) require only two days notice before a home visit and this may be insufficient dependent on other obligations placed on the supplier and the customer's circumstances.

<p>3.8.7 and 3.8.8</p>	<p>The draft Code states that 'Existing Obligations are met to offer appointment time slots when requested by the Customer' with reference made to Electricity (Standards of Performance) Regulations 2010 and Gas (Standards of Performance) Regulations 2005</p>	<p>The Electricity and Gas Standards of Performance should be spelled out in layman's terms in the Code to improve transparency given the importance of this issue to customers. For example:</p> <p>If the consumer requests an installation, or the supplier makes contact to offer an appointment, it must lie within a maximum two-hour time band, or if acceptable to the customer a morning appointment (up to 1pm) or afternoon appointment (after 12pm).</p> <p>Suppliers must keep the appointment within the time specified. The installer has only kept the appointment if the person visiting the consumer has the skills and equipment necessary to complete the job.</p> <p>The customer will automatically receive £20 if the appointment time is not met.</p> <p>We support the 'customer being made aware of the full range of appointment times that the individual members operate and that are available to the customer.'</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 customers¹³. 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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¹³ The UK Cost of Waiting Survey 2010. <http://bit.ly/aUcU3O>

		<p>Insert:</p> <p>‘Suppliers should make weekend and evening appointment slots available to customers.</p> <p>‘Wherever possible on request, customers should be offered a precise appointment time at no additional cost.</p> <p>‘Suppliers will ensure that their staff are appropriately trained to understand supplier’s responsibilities and customers rights around appointments.’</p>	
		<p>Insert:</p> <p>‘Installers will notify the customer as a courtesy 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>
3.8.9	<p>Members will accommodate the cancellation/rescheduling of appointments in line with existing policies and processes</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>	
		<p>Insert:</p> <p>‘The Privacy and Data Charter will be provided to the customer ahead of the installation’.</p>	

		<p>Insert: ‘All customers should be offered a security password’.</p>	<p>It should not be up to the customer to request a security password. This should be offered as standard to all customers.</p>
<p>3.8.13</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 meters may be undertaken on two separate visits, which meter they are replacing and that the customer may end up with two sets of communications’</p>	<p>Insert: ‘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>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>

<p>3.8.14</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, wherever possible'</p>	<p>'Wherever possible' should be removed.</p> <p>Insert:</p> <p>'Sheltered housing, housing association developments or sheltered living/assisted living schemes'</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>3.8.15</p>	<p>'... for customers known to be vulnerable or with specific needs, the appointment is arranged with the carer or the person with legal responsibility over the customer, and they are able to be present during the installation (if required by the customer)'</p>	<p>Amend: ... if required 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 consumers¹⁴. 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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¹⁴ <http://bit.ly/g51ka1>

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Installation visit			
4.3.1	Where a timed appointment is agreed with the customer they are kept (reference made to the Electricity (Standards of Performance) Regulations 2010 and the Gas (Standards of Performance) Regulations 2005	Suggest unpick and include main obligations and customer rights under the Standards of performance in layman's terms in the Code.	There is low customer awareness of the Standards of Performance and consumer's rights as regards to their appointment times (as above).
4.3.4	Existing guidance is complied with for additional identification measures such as password schemes, where requested with the customer	Insert: 'Security passwords should be offered in advance to all customers'. Amend: 'Such as password schemes, where used by the customer (not just requested)'.	
4.3.10b		Insert: 'No aspect of the smart metering Installation is undertaken on occasions where the customer is vulnerable and has requested, or requires a carer or other adult who has legal responsibility over them.'	This is an important safeguard for vulnerable customers.

4.3.11	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'	<p>Insert:</p> <p>'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'.</p>	<p>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>
		<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 practicable¹⁵. 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>

¹⁵ *Cutting back, cutting down, cutting off – Self-disconnection among prepayment meter users*. Consumer Focus, July 2010, <http://consumerfocus.org.uk/g/4lx>

<p>4.3.12 General principles</p>	<p>Electrical Safety Council approved checklist is left with customers along with standardised information on safety (ie not obstructing meter, stacking items around meter)</p>	<p>Amend: ‘Electrical Safety Council approved checklist is left with customers. Installer gives customers verbal advice on safety, (ie not obstructing meter, stacking items around meter) and makes them aware of the risks of storing objects too close to the meters/ obstructing the meter’</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.’¹⁶</i></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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¹⁶ The report is available here: <http://www.cfoa.org.uk/download/18650>
More information on fires at intake equipment is available at <http://www.cfoa.org.uk/11856>

4.3.14	Customers are made aware of additional sources of help and information including help-lines, websites and other appropriate organisations able to offer assistance	<p>Insert:</p> <p>‘Customers are made aware of additional sources of help and information the Member offers, as well as independent help-lines, websites and other appropriate organisations able to offer assistance. Customers should be signposted to independent 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>	
4.3.15		<p>Insert:</p> <p>‘Members will not levy a one-off or up-front charge to their customers for smart metering equipment that they are required to provide’.</p>	This was outlined in the Government’s Spring Package document (March 2011) for domestic consumers and should be extended to micro-businesses.

<p>4.3.16</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>4.3.17</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 installed¹⁷. 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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¹⁷ 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			
4.4.1	A standard IHD is offered at all installations, if applicable, installed and set up	Amend: ‘A standard IHD is offered at all installations, at no extra cost. Where the customer accepts an IHD, it is installed in a location convenient to the customer’	<p>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.</p> <p>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 ever 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.</p>

4.4.2b	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.</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>
4.4.2c	No requirements included around IHDs and customers with special needs.	<p>The Code should include an obligation on members to ensure that the display meets the consumer’s accessibility requirements. Eg if they have dexterity problems, visual impairment or mobility issues they are provided with a display that is appropriately designed and located.</p> <p>‘The installer will clearly demonstrate any security or privacy settings on the IHD’.</p>	<p>In the Government’s decision document of July 2010¹⁸ 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.’¹⁹ The Code should include provisions to reflect this decision.</p>

¹⁸ Smart Metering Implementation Programme: In-Home Display, consultation document: July 2010, page 14 2.40.

¹⁹ Smart Metering Implementation Programme: Response to Prospectus Consultation; page 15, ‘2.30.

<p>4.4.2b</p>	<p>The footnote 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>
<p>4.4.3</p>	<p>Operation of the IHD is demonstrated to the customer</p>	<p>‘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’.</p>	<p>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.</p>

	Nothing about the IHD settings included	Insert: ‘Before leaving the customer’s home, the member will ensure that the IHD is working and set up, as far as possible, to meet the needs of the household eg settings for ambient feedback or alarms are at appropriate levels, and it is in the right mode for their tariff and payment type’.	
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<p>4.4.4</p>	<p>Where a member offers a range of IHDs over and above the standard free model, installers are to explain the merits and cost differences between each</p>	<p>Consumer Focus strongly opposes the sale of IHDs during the installation.</p>	<p>We have consistently advocated against sales during the installation visit because of the potential consumer detriment and backlash against rollout that could result.²⁰ Our customer research (July 2011) found that only 4 per cent of consumers had a positive view of doorstep selling by energy companies; 41 per cent felt under pressure to buy; 50 per cent of those who signed up on the door for a product or service and then changed their mind, signed up because they felt pressured to do so. Also 93 per cent who have a previous experience with an energy company doorstep agent wouldn't buy any other energy related products on the door²¹.</p> <p>Should sales be allowed, this Code will require significant review. We query how the existing licence conditions for supply of energy would apply to the sale of marketing of energy products and urge Ofgem and DECC to ensure that robust safeguards are put in place to prevent both miss-selling and unwelcome sales if this is permitted.</p> <p>We feel that the customer will be better placed to make an informed decision on what kind of enhanced display suits their needs, once they have experience of using the standard display.</p>
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²⁰ <http://bit.ly/pSigl3>

²¹ The End of the Road for Cold Calls – Consumers views of doorstep sales in the energy sector (July 2011) TNS-RI carried out a face to face omnibus survey of 1,964 adults across Great Britain in May 2011.

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
<i>Testing the system</i>			
4.5.1	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 ²² . We strongly recommend that this is included in the Code.

²² 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>			
4.6	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 particularly welcome this.	It is important that the customer understands how to use their meter as well as their IHD. Not all customers will always have an operational display.
4.6.2	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 ²³ . 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.

²³ *Cutting Back, Cutting Down, Cutting Off* – Self Disconnection Among Prepayment Meter Users <http://consumerfocus.org.uk/g/4lx> (PDF 877KB)

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.
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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Provisions of energy efficiency guidance			
4.7.1	<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 generic (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 – 40per 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 visits²⁴.</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>

²⁴ This has yet to be published. Available on request.

4.7.2	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.	
4.7.2b	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.
4.7.4	The energy efficiency guidance is appropriate to the customer's needs	We strongly support this. Installers should be trained to tailor advice. In particular, Insert: 'vulnerable customers, or households with vulnerable members, should be reminded of the importance of maintaining an adequate heating regime to stay healthy and well.'	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.

4.7.5b	No reference to independent advice	<p>It is the member's responsibility to ensure that:</p> <p>Insert:</p> <p>'Customers are sign-posted to free independent advice about energy efficiency products and services 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 green²⁵.</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>
4.7.8/4.79		As per 4.6.4 and 4.74	Vulnerable and low income customers should be made aware of social assistance available, social tariffs, where appropriate, energy efficiency programmes and free debt and energy efficiency advice, communications and IHDs tailored to their needs.
4.8 Sales and marketing	Consumer Focus does not support the sale of products, tariffs, or services during the installation visit. The reasons for this are outlined in full in our response to the Smart Metering Prospectus consumer protections document and our upcoming report on doorstep sales ²⁶ . This section of the Code requires significant revision if customers are to be protected both from misselling and unwelcome sales. We will make formal recommendations on following the publication of our new research.		

²⁵ This was an online survey of 2,048 consumers aged over 18 years conducted by ICM on behalf of Consumer Focus.

²⁶ The End of the Road for Cold Calls – Consumers views of doorstep sales in the energy sector (July 2011) TNS-RI carried out a face to face omnibus survey of 1964 adults across Great Britain in May 2011.

<p>4.9</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 around 20 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>			
4.9.4	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			
		Greater consideration is needed as to how suppliers can help customers use the information from their smart meters to better manage their energy use.	
5.3.1/5.3.2	<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.</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 <u>all</u> customers receive a follow-up call to check customer satisfaction and offer further help with new technology and energy efficiency. This is separate from the mystery shopping exercise outlined above.</p>	

Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Fault resolution			
		<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>
6.1.6		<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 section and 3.8.7, we query whether the Guaranteed Standards are fit for purpose.</p>

6.1.6 a Problems with billing/metering

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.

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.

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.

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>6.6.1b Accurate billing and back billing</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. The voluntary Code of Practice is not working. 11 suppliers are not signatories 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 hard for consumer groups to communicate customer rights. 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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Section of SMICoP	Draft code	Consumer Focus's comment/ask	Rationale
Complaint resolution			
7.1.2		<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>	<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 the US²⁷. Two suppliers have already set up dedicated call centres and processes – BG's recent fine is a reminder of the need to address this.</p>

²⁷ [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
Code governance for early adopters			
8.1		We welcome early adoption of the Code, as an opportunity to promote customer confidence and test the Code before it becomes mandatory. We hope that industry will set challenging benchmarks for itself, particularly in this voluntary interim stage.	
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.	This is important to provide credible and independent oversight.

8.3	Duration and when Code Applies	As noted in our comments on the Scope of the Code, we believe that it should also cover change of tenancy issues where the customer moves into a property with a smart meter and has not had one before. This is important to deliver customer benefits identified in the DECC Impact Assessment.	
8.4	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.
8.5	Formal Monitoring and Audit	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.	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. 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.

8.6	Code and Compliance Review	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.	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.
8.8 Publicity and promotion	Draft states that 'Members should be actively publishing and promoting the Code with their customers'	Customers should be made aware of the suppliers' membership of the Code. But they should also be made aware of what standards they can expect as a result of it, and how they can complain and seek redress if they are unhappy.	



Consumer Focus's comments on v.0.18 of the Smart Metering Installation Code of Practice (SMICoP)

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