

Citizens Advice Response to the Consultation on enrolment of SMETS1 meter cohorts with the DCC

May 2018



About Citizens Advice

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

On 1 April 2014, the Citizens Advice service took on the powers of Consumer Futures to become the statutory representative for energy consumers across Great Britain. The service aims:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 300 independent advice centres that provide free, impartial advice from more than 2,900 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups.

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

Since April 2012 we have also operated the Citizens Advice Consumer Service, formerly run as Consumer Direct by the Office for Fair Trading (OFT). This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

Response

Introduction

Citizens Advice supports interoperability and is encouraged that steps have been taken to ensure this. However, we are disappointed with the lack of clarity around costs and consideration of potential consumer impact. Ultimately, consumers will be paying for the programme, through their energy bills. It is therefore important it is appropriately scrutinised. We would welcome any further information or discussions on these matters.

Whilst we do of course understand that there are potential competition issues around disclosing the share of the market that these meter cohorts have, it is our view that the smart meter roll-out would benefit from transparency. We encourage BEIS to consider how it can be more forthcoming as this programme of work continues.

Question 1: Do you agree that the DCC should offer SMETS1 services for Aclara, Itron, Honeywell Elster and Landis+Gyr meter cohorts?

If delivered in a cost-effective manner, we agree that the DCC should offer SMETS1 services for the aforementioned meter cohorts. This will seek to address one of the key limitations of this meter type, ensuring interoperability between all energy suppliers.

However, it is not clear whether the cost benefit analysis the consultation refers to has taken into account all potential costs, including those mentioned in our response to question 2.

Citizens Advice is not in a position to provide feedback without access to more detailed information relating to costs. Whilst we do of course recognise that there may be some commercial restrictions, it should have been possible to provide more information on supplier costs. For example, a minimum, maximum and average costs so that the optimism, pessimism and confidence in estimates could have been gauged. Alongside this, we would expect further clarity for how costs had been calculated.

In answering whether the DCC should offer SMETS1 services, we also need to understand the customer impact of migration. As of yet, there has been no clear guidance on what this may be or what consistent messages industry may want to communicate.

As a minimum, risks should be identified and mitigated, especially where there may be potential loss of supply. It is essential that customer impact is a key focus during the lifespan of the programme. Industry and government will need to reflect on any communication requirements, mitigating actions and advice provisions needed during this time.

Question 2: Are there any other types of cost arising from enrolment of these SMETS1 meter cohorts that you believe should be considered?

We anticipate that there may be other costs arising from enrolment, including; but not limited to:

- increased operational costs for supplier and Smart Energy GB communications during the process;
- supplier costs for procuring firmware upgrades, should there be a requirement;
- costs to replace SMETS1 meters, should the enrolment process fail for a percentage of meters; and
- costs incurred during the process, should anomalies in the data be identified

These costs may be considerable and should be factored into any decision making process to ensure net benefit to consumers.

Question 3: Are there any other types of benefits arising from enrolment of these SMETS1 meter cohorts that you believe should be considered?

Making SMETS1 meters interoperable may have some reputational benefits for the smart meter roll-out. This in turn may reduce negative sentiment, which could affect consumer apathy towards smart meters.

Question 4: Are there any other factors that we should consider in arriving at our conclusion?

Again, we would expect the customer experience of enrolment is factored into decision making.

