

Citizens Advice Response to Ofgem's Smart Guaranteed Standards Consultation

A Citizens Advice
consultation response



Citizens Advice
May 2025

About us

We can all face problems that seem complicated or intimidating. At Citizens Advice we believe no one should have to face these problems without good quality, independent advice. We give people the knowledge and the confidence they need to find their way forward - whoever they are, and whatever their problem.

We provide support in approximately 2,500 locations across England and Wales with over 18,000 volunteers and 8,650 staff.

Through our advocacy work we aim to improve the policies and practices that affect people's lives. No one else sees so many people with so many different kinds of problems, and that gives us a unique insight into the challenges people are facing today.

As the statutory consumer watchdog for the energy and post industries we have an important role to play in shining a spotlight on the problems consumers encounter, providing solutions to these problems and ensuring their voices are heard when important decisions are made about the future of these essential markets.

Summary

We have long called for stronger and enhanced consumer rights and supplier responsibilities for smart meters. A call for new Guaranteed Standards of Practice (GSoPs) for smart metering was a core recommendation of our report [Get Smarter](#) (2024), which is cited frequently in this consultation document.

As such, we strongly support Ofgem's decision to introduce new Guaranteed Standards of Practice for smart metering. Smart meters represent a significant technical improvement over standard meters and consumers should expect a commensurate improvement in their rights and protections. Enhanced rights and protections for consumers with smart meters will also enhance the appeal of having one installed for consumers.

The next vital step is to ensure that these new standards are robust, effective and do not shy away from tackling the core issues that consumers face with smart meters. We examine these questions in greater detail in our response but key issues for Ofgem and policy makers to consider are:

1. The accountability gap between energy suppliers and the DCC

Current rules, including supply licence conditions, exclude incidents where the DCC or other third party is deemed to be responsible, leaving consumers without recourse. The current proposals continue this trend by specifying that compensation will only be due if the *supplier* is at fault - notably omitting contracted third parties like the DCC, to whom consumers have no direct access or recourse. This isn't typical of other consumer markets, nor in line with reasonable consumer expectations.

Under the supplier hub model, consumers have a contractual relationship with their energy supplier and no means to raise issues with the DCC or other third parties. As such, suppliers should pay compensation and, along with Ofgem, use existing accountability mechanisms to pursue service improvements from third parties where needed.

We understand that the DCC contract is set for renewal in late 2027. This may be an opportunity to put in place a more robust system of accountability where it is responsible for issues, but consumers should not be left without redress in the meantime.

2. Transparency about what the problem is and who is responsible

Consumers, as well as bodies supporting them like the Ombudsman or Extra Help Unit, are often unable to determine who is at fault when a smart meter is not communicating as it should, relying on the supplier to tell them where the issue lies. There can also be disagreements between suppliers and the DCC with regard to responsibility. This is detrimental to trust in the smart meter rollout and the ability to get problems resolved.

This lack of clarity of responsibility will cause significant issues for the effectiveness and credibility of the Guaranteed Standards if a carve out based on who is responsible for issues is applied. It will make it less clear to consumers if they should be paid, and will create incentives for suppliers to deem issues to be third-party related to avoid liability. The best way forward is to eliminate the carve-out, but increased transparency is also vital.

Efforts to increase transparency of whether meters are communicating on the DCC through improvements to our popular Citizens Advice Smart Meter Checker Tool¹ have been held up in the Smart Energy Code (SEC) modification process due in large part, to industry resistance to consumers being directly able to check the status of their meter. The process to implement modification (MP241) was begun over two years ago by the DCC. Industry should pass the necessary mods to improve the smart meter checker tool and afford consumers greater transparency of whether their smart meter is communicating on the DCC.

3. The definition of smart mode and the threshold for compensation

The term “smart mode” is not consistently defined within the smart rollout. The consultation document defines this as *“a smart meter where the respective energy supplier cannot obtain automatic meter readings as expected”* but requiring this status to last for 90 days before compensation is applied raises some issues.

From a consumer perspective a meter which still communicates intermittently but receives or sends an occasional message every few months will be unlikely to provide many smart benefits, like up to date tariff information or usage for dynamic tariffs or consistent prepayment top-ups. Consumers would reasonably

¹ The tool is available at: <https://smartmetercheck.citizensadvice.org.uk/>. It currently returns results that inform consumers whether their meter should be capable of communicating on the DCC, rather than whether it actually is.

regard such a meter to not be operating as a smart meter and expect such failures to be addressed and compensated where necessary.

The smart mode metric thus risks being overly generous if not tightly defined and would give many meters that are not working as they should a “clean bill of health”, providing a misleading sense of how well smart meters are working for consumers.

A more useful and relevant metric to understand consumer experience is whether a smart meter is working in such a way that enables the consumer to use a flexible tariff, or whether they have had to submit manual meter reads or received estimated bills during a set period of time. This would centre the metric on consumer experience rather than supplier reporting and incentivise delivering the expected minimum service for smart meters. The proposed metric effectively defines whether a smart meter is working by supplier experience rather than consumer experience.

Response

1- Do you agree the 2015 regulations should be updated to reflect the current metering landscape and explicitly mention smart meters?

Yes. Smart meters are a significant improvement over legacy meters and consumers should expect a commensurate improvement to customer experience and rights. The reputation of smart meters relies on them working consistently and reliably. We know from our research that consumers who are facing problems with their smart meters express a reduction in interest in smart-enabled products and services like flexible tariffs of one third. For those who have a poor installation experience (usually characterised by either non-functioning equipment or feeling forced to have the meter installed) interest in smart-enabled products and services reduced by around two thirds².

Suppliers should be incentivised to ensure that smart metering equipment is operating as it should for consumers and GSoPs are an appropriate means to achieve this.

² Citizens Advice - [Get Smarter](#) - 2024

2 - If yes, what areas of the 2015 regulations do you consider should be updated to reflect that they apply to smart metering?

The consultation correctly identifies the scheduling of appointments and metering equipment not operating as it should as key areas of concern for consumers within the smart meter rollout. We also welcome references to In Home Displays (IHDs) as a core part of smart metering equipment for consumers and believe they should also be included in the proposed GSoPs.

Consumers consistently value In Home Displays with usage rates reported at 87% among those who have one (an increase from 77% in 2018)³ and with increasing energy prices and growing adoption of time-of-use tariffs usage is likely to remain consistently high.

Energy suppliers are currently obliged to offer IHDs and must replace them if they break (or the initial offer was not accepted) within one year. Recently voluntary standards were adopted by the majority of suppliers to replace IHDs after a year but compliance with these standards varies significantly by supplier with some consistently replacing IHDs and others not seeming to make any changes to their policies even for vulnerable consumers and those particularly dependent on their IHDs. Simultaneously some suppliers have issued public statements that the obligation to offer IHDs should be ended entirely, sending a clear message regarding their commitment to this significant consumer benefit⁴. Strengthening obligations around IHDs would be a welcome move from the regulator to help keep consumer needs at the heart of the smart rollout.

We also continue to see a lack of consistent access to Accessible In Home Displays (AIHDs) for consumers who would benefit from them. These are IHDs with additional functionality like text to speech that make them usable for consumers with additional barriers. Our Get Smarter research found that while 28% of smart meter users with health conditions think they'd benefit from an AIHD after being told about them less than half (45%) of consumers who identified as having an impairment were offered an AIHD by their supplier. Some local Citizens Advice offices have reported dealing with frontline supplier staff who are unaware of the existence of AIHDs when requested on behalf of clients.

³ Citizens Advice - [Get Smarter](#) - 2024

⁴ Utility Week - [Energy Retailers Fear Duplicate Fines for Poor Smart Meter Practice](#) - 2025

Suppliers need to do more to ensure that those who would benefit from an AIHD are able to receive one.

Placing a stronger incentive on suppliers through regulation would help level the playing field for suppliers and ensure a better baseline of consumer experience as IHDs and AIHDs become increasingly important.

Alongside new guaranteed standards the evaluation of smart protections is also an opportunity for the regulator to put in place what we have long requested on behalf of consumers - a shorter allowed back-billing window for customers with smart meters. The current 12-month window is a product of legacy systems where, if a consumer was not submitting manual meter reads, a supplier would have to physically visit the premises. With smart meters this is no longer the case so the justified back-billing window is far smaller. This should be reduced for smart meter consumers to six months.

3 - Do you agree that a new standard to ensure requests for smart meter installation appointments are fulfilled within a set number of weeks is right for consumers?

Yes. The recent NAO report⁵ evaluating the smart meter rollout showed that smart meters have been installed at the highest rates primarily in suburban areas, with dense urban and isolated rural areas seeing lower installation rates. Our research has shown that the highest demand for smart meters is among younger consumers and those in the private rented sector. Groups which are more commonly found in areas where fewer smart meters are installed. Smart meter installation patterns currently appear to match the locations where it is easiest to fit meters rather than where there is the highest demand for them.

The benefits of smart meters rely on consumers engaging with them - consumers who are actively requesting a smart meter should be able to get one installed promptly and not miss out because of where they live or the nature of their tenancy. Stronger incentives on suppliers to promptly install smart meters where they are wanted can help address this. We note that of consumers who have spoken to their energy supplier about getting a smart meter 35% want a smart meter but are still waiting to have one installed⁶.

⁵ National Audit Office - [Update on the Rollout of Smart Meters](#) - 2023

⁶ Citizens Advice - [Get Smarter](#) - 2024

4 - Do you agree that six weeks is an achievable timeframe to meet?

Yes.

5 - Do you agree this should apply to new/first time smart meter appointments only?

No. Given that in the near future a lot of appointments will be made to replace 2G meters or comms hubs with 4G equipment there will be many consumers in need of a replacement smart meter who should be served by the same rules and protections as those requesting a smart meter for the first time.

6 - Do you agree that this should only apply in cases where a consumer is technically eligible to have a smart meter installed, and what do you consider those cases to be?

Where a consumer is unable to have a smart meter fitted they should instead be covered by Guaranteed Standards requiring energy suppliers to clearly inform them why they are unable to currently have a smart meter fitted and keeping them updated as to when and how these technical issues will be resolved. A failure of suppliers to do this should warrant compensation.

The accountability gap should also be addressed. It should not be the case that all consumer recourse is negated if a supplier deems an installation issue to be third-party related. Suppliers should be accountable for third party issues, especially where consumers have no relationship with, nor means of communicating with the third party in question.

7 - Are there any other exemptions that should be considered with this standard?

Nil Response

8 - Do you agree a consumer could receive this compensation every six weeks should a supplier not be able to offer an appointment in that time frame?

Yes. Doing so will avoid the risk of suppliers treating this as a one-off penalty and deprioritising customers once they pass the six week mark as there is no longer a risk of further compensation being due.

9 - Are there any other factors not clearly outlined you think need to be considered?

As described elsewhere in this response the accountability gap between energy suppliers and the DCC cannot be ignored or left as-is. In the absence of any contractual changes that could make the DCC or other third parties accountable to consumers it should be energy suppliers who take responsibility rather than reinforcing the existing significant protection gap.

10 - Do you agree that a new standard to ensure consumers receive compensation for failed smart meter installations, where the failure is within a supplier's control, is right for the consumer?

Yes. Though if this Guaranteed Standard is to prove effective there will need to be far greater transparency as to when a failure is within a supplier's control. While in some cases it should be clear if, for example, the supplier has failed to provide their workforce with the necessary equipment for an installation, that a supplier is at fault but there will be many cases where liability is less clear. It is currently challenging for a consumer, or even the ombudsman or regulator to consistently determine whether an installation failure was within a supplier's control by any means other than asking the supplier in question. There are often differences of opinion between suppliers and the DCC and only suppliers have any consumer facing role through which to answer questions.

If the opacity created by the accountability gap between suppliers and the DCC remains, the introduction of this Guaranteed Standard may, in some cases, incentivise installers to label failed installations as a DCC issue to avoid liability. As such energy suppliers should be required to compensate their customers for failures of contracted third parties - this will incentivise suppliers to make maximum use of existing accountability mechanisms with the DCC and identify where changes may need to be made to future contracts to better enable that accountability. Consumers are not in a position to hold the DCC or other contracted third parties to account so should not suffer detriment because of the specifics of their relationships with suppliers.

11 - Are there any scenarios within an energy supplier's control leading to failed smart meter installations that have not been covered?

Nil Response

12 - Do you agree this should be applicable to both first time and replacement smart meter appointments?

Yes.

13 - Do you agree there should be no restrictions on the number of times a consumer could receive this compensation?

Yes.

14 - Are there any other factors not clearly outlined you think need to be considered?

Nil response

15 - Do you agree that this standard would support customers with suspected problems with their smart meters, and IHDs?

We believe this standard would be a helpful element of addressing the problem but would not address all issues. We welcome the addition of IHDs issues to assessing whether smart metering equipment is working. The majority of consumers use their IHD and usage has increased over time - rising from 77% in 2018 to 87% in 2024. Many consumers will describe their IHD as their smart meter as it is the face of smart metering and emblematic of a key benefit - greater understanding of energy usage. As time of use tariffs gain more traction IHDs seem likely to see greater significance.

IHDs currently effectively have a 12-month warranty period, but after this period requirements on suppliers to address issues reduce significantly. As the number of households with smart meters steadily increases, the number of people with older IHDs will also rise. This will inevitably lead to an increase in the number of needing new IHDs. Last year most large suppliers signed up to voluntary principles to replace IHDs even after 12 months.

Evaluation of our Consumer Service case data a year on indicates that different suppliers are following these voluntary guidelines to significantly varying degrees, resulting in a very inconsistent consumer experience.

Figure 1 - Analysis of breaches of IHD voluntary standards based on analysis of Citizens Advice Consumer Service contacts



Recent public calls by some large suppliers⁷ to stop providing consumers with IHDs at all are indicative of supplier attitudes toward these increasingly important devices.

The lack of consistent improvements for consumers demonstrates the need for stronger requirements on this issue. IHD replacement principles would be a useful foundation for any Guaranteed Standards.

For broader smart meter issues we would also highlight the care needed with the term “faulty” as industry definitions are often based on legacy metering and therefore very different to what consumers would intuit for smart meters. We often encounter cases where a consumer - reasonably - believes their smart

⁷ Utility Week - [Energy retailers fear duplicate fines for poor smart meter practice](#) - 2025

metering equipment to be faulty because they are receiving estimated bills or their IHD has incorrect tariff information on it being placed into suppliers' processes for mechanically faulty meters. Consumers will be offered a manual test of their smart meter, and told that they will have to pay if it is given a clean bill of health. This is a case of applying legacy processes to newer smart technology. The majority of smart meter issues are not with the physical operation of the meter and putting consumers through the customer journey designed for that is unlikely to resolve - or even identify - the actual issue they are facing. Applying this process often has a chilling effect on the consumer's willingness to pursue a fix at all due to the risk of them having to pay if the meter is deemed to be mechanically working.

When a smart meter does not work, suppliers should provide clear, plain english documentation explaining what the issue is and what actions will be needed to address the problem.

16 - Do you agree the best approach is to expand on the existing "Faulty meter" and "Faulty prepayment meter" standards?

Yes. With regard to IHDs several suppliers seem to be following the voluntary standards while others are not, and this is not an area of competitive differentiation so would benefit significantly from a more robust minimum standard being in place.

For wider issues of smart functionality we refer to our responses to previous questions highlighting the need for consumer, rather than industry centric definitions of non-working smart metering equipment. We would also highlight that "faulty" in the world of smart meters is a far broader term than with legacy metering where the term focusses on the mechanics of the meter rather than the broader infrastructure and equipment under-pinning whether it works as intended or not. If a consumer cannot make use of a flexible time of use tariff, is receiving estimated bills, having to provide manual meter reads or their IHD is not working they will reasonably describe their smart meter as "faulty" and processes should reflect this.

17 - Are there any other factors not clearly outlined you think need to be considered?

Nil Response

18 - Do you agree a new standard to ensure consumers receive compensation for a smart meter that does not operate in smart mode, which is within a supplier's control to resolve, and has not been resolved, is right for consumers?

Yes. Though as elsewhere we would flag that "within a supplier's control" should include their contracted third parties like the DCC. Without this gap being covered the Guaranteed Standards are likely to be difficult to enforce in cases where culpability is unclear or defined solely by the supplier.

Using consumer-centred metrics such as the issuing of estimated bills, requests for manual meter reads and the ability to provide a flex tariff would be a more effective metric than supplier-provided "smart mode" performance statistics.

Greater transparency of when a meter is consistently communicating will also be vital. Unfortunately efforts to better deliver this through tools like the Citizens Advice Smart Checker tool are currently delayed at the SEC.

19 - Do you agree with our initial views of "in scope" and "out of scope"?

This question touches most specifically on the accountability gap between the DCC and suppliers. In other markets where a service provider's contracted third party fails the supplier is still expected to address the issue and provide compensation if required. We are aware that the nature of DCC contracts may mean that suppliers struggle to recover costs from the DCC or other third parties when they are the cause of an issue.

With this acknowledged, passing the impact of that lack of contractual accountability on to consumers - who are not party to that contract and have no direct relationship nor means to interact with the DCC - is not fair and creates a significant protection gap.

As above we also support bringing IHDs into scope and the responsibility of energy suppliers to maintain.

We agree that where a consumer has agreed or chosen to have their meter not operate in smart mode - and a supplier has a record of the consumer requesting this - it should be out of scope.

20 - Do you agree with our initial views on what constitutes a “smart meter” and “not operating in smart mode” for the purposes of this proposal only?

We agree with the definition of a smart meter. An agreed definition of smart mode is particularly helpful given the differences of opinion and usage still extant within the rollout, including at times between the DCC and energy suppliers.

We would however note that the current proposed definition of smart mode sets out criteria that are effectively decided solely by suppliers - that is, whether they can obtain automatic meter readings. A better metric for the purposes of a consumer GSoP would be consumer centred. As noted elsewhere we would suggest a metric based on whether a supplier can reliably provide a time of use tariff to the property or has consistently issued estimated bills or requested manual meter reads within a set time period. A 90-day window may be reasonable for this. We also believe that the definition should be expanded to include having a working and accurate IHD.

21 - How do you consider “actions of another party” could be clearly defined for this proposal?

Actions of another party should include consumers who have chosen not to have their meter operate in smart mode, or the actions of a party with no relationship to the energy supplier. Parties contracted to provide essential functionality like the DCC, or their subcontracted parties should remain in scope as they do for other services like telecoms and retail.

22 - Do you agree that 90 days is an appropriate timeframe to resolve smart meters not operating in smart mode in the future?

90 days should be more than enough time for a supplier to identify that a meter is not operating in smart mode, identify the cause and take action to resolve the issue. 60 days may be more appropriate. This also represents a significant amount of time for a consumer to be without a communicating smart meter, particularly if they are using a flex tariff or prepayment meter.

Additional thought should be given to cases of sporadic communication. For example if a meter communicates only once or twice within the 90 day window a

consumer would reasonably consider it to not be working. A consumer should reasonably expect that a time of use tariff is possible using their smart meter. It is on this basis that we suggest more consumer-centric metrics - as detailed elsewhere in this response - rather than supplier-based ones.

Smart meters are able to store over a year of historical consumption data - for those with flex tariffs this data should be used to ensure that consumers are reimbursed for what they would have paid had their smart meters been operating as they should.

23 - Do you agree consumers should receive compensation for both gas and electricity meters if applicable?

We agree with this principle, if compensation is only applicable to one meter there is a risk that suppliers prioritise the easier to fix meter and leave the other. It could also result in consumers having to open separate complaint/redress processes to get both meters working or be compensated for them not working.

This said some consideration should be given to how this is handled for consumers who have different fuels with different supplier. If an issue is with a shared comms hub attached to an electricity meter the gas supplier may need to fit a separate comms hub for the gas meter or work collaboratively with the other supplier. These issues are not insurmountable but consideration should be given to ensure that those with multiple suppliers are not afforded less protection.

24 - Do you agree that for each instance of an “in scope” smart meter not operating in smart mode, the consumer should receive another compensation payment if the meter remains not operating for 365 days, and for every other 365-day period thereafter?

We agree that they should continue receiving compensation but would question why this is not applied for each 90 day period rather than moving to what would effectively be annual compensation. Given the amounts paid per year this may not adequately compensate a consumer for the lost savings of a flex tariff. More importantly, the proposed structure of the compensation payments effectively removes further incentives for suppliers to fix issues as rapidly as possible after the initial 90-day period has elapsed and compensation has been paid. We note that the proposal for appointments-based GSoPs would recur every six weeks to

ensure suppliers remain focussed on addressing the problem. The same principle should apply for non-working smart metering equipment.

25 - Are there any other factors you think need to be considered that have not been covered in this section for this proposal?

Nil Response

26 - Do you agree that the proposals under consideration in this consultation are beneficial for non-domestic consumers?

Yes. These Guaranteed Standards should also apply to SMEs as they do for domestic consumers. These proposals are likely to disproportionately benefit small and microbusinesses due to both the business impact of smart metering appointments and functionality and the weight of compensation against their business scale.

27 - Do you agree with the rationale and proposed scope (both in terms of business size, meter type and timeframes, where applicable) of the proposed Guaranteed Standards under consideration in the non-domestic sector?

We agree with the rationale and proposed scope across business size, meter type, and timeframes in the non-domestic sector.

28 - Across all the Guaranteed Standards, are there any other opportunities or risks with respect to the applicability of the proposed Guaranteed Standards to the nondomestic sector that we should consider?

There is a clear and pressing need for Ofgem to improve smart metering standards in the non-domestic sector. Small and micro businesses, while being critical to the economy, often face significant disruption due to energy-related issues. Improving smart metering standards in the non-domestic sector would avoid preventable issues as well as allow businesses to access real time and accurate usage data, helping them to budget and manage their costs by reducing consumption.

Under current rules, suppliers don't have to bill business customers monthly, meaning some businesses only receive a bill or statement of account twice a

year. Infrequent bills can cause debt to rack up without the business knowing⁸. We also looked at our own advice cases relating to debt and disconnection, and found a strong connection between billing and debt accrual: Over 3 in 5 people (64%) who contacted us about an issue related to debt reported experiencing a billing issue. 1 in 10 people (8%) who contacted us about debt also had an issue with large catch-up bills. Nearly 1 in 4 people (23%) who came to us about being disconnected told us they didn't receive adequate warning. This demonstrates the link between accurate billing and the reduction of debt within the non domestic market.

29 - If you agree that the Guaranteed Standards under consideration in their present form should be applicable to the non-domestic sector, do you have any suggestions to tailor or alter the details and scope of the Guaranteed Standards to better suit the needs of non-domestic consumers?

The current scope of the proposals are extremely helpful in the non-domestic sector. Just as in the domestic sector, smart metering enables non-domestic consumers to monitor their energy usage, take more control of energy efficiency, and access new tariffs and deals.

30 - Do you agree that the compensation amount for the Guaranteed Standards under consideration could be further tailored to the non-domestic sector?

Yes.

31 - Which (if any) of the proposed options (Option 1 and Option 2) do you agree with for determining the compensation amounts for non-domestic consumers?

Option 1 will likely be more appropriate for the non-domestic sector. As the consultation notes, non-domestic energy bills are usually higher than domestic energy bills. The business impact of a missed appointment, for example, can be substantially higher than even the 'additional standard payment' makes allowance for under Option 2. As a result, we would welcome further development of a compensation level which makes allowances for the higher energy spend in the non-domestic sector.

⁸ Citizens Advice - [Risky Business](#) (2024)

32 - Do you have any other considerations to determine the compensation amount for non-domestic consumers?

While the Guaranteed Standards aim to compensate consumers for more routine aspects of potential harm, we would note that the business impact for missed appointments, non-functioning smart meters, or inability to access brokerage information or placement on deemed rates during a period of estimated billing can be far greater. As a result, we would strongly suggest that compensation takes the consumer impact, particularly for small and microbusiness customers, into account when determining appropriate potential compensation.

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