Citizens Advice Response to Ofgem's Statutory Consultation on **Smart Meter** Guaranteed Standards of Performance

A Citizens Advice consultation response

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.



Response

Citizens Advice has long called for stronger consumer rights and supplier responsibilities for smart meters. Including a call for smart-specific Guaranteed Standards made in our 2024 report Get Smarter¹. As such we strongly support Ofgem's decision to introduce new Guaranteed standards for smart and welcome this follow-up consultation and Ofgem's commitment to introducing new standards as quickly as practicable. We are also glad to see Ofgem addressing several of the issues raised in our initial consultation response² in this new document.

Our core goal in calling for Guaranteed Standards for smart meters is to ensure that consumers consistently see the promised benefits of smart meters and that their reputation not be undermined due to poor user experience. Our research has established that when smart meters do not work as expected consumer interest in smart-enabled products and services - including flex tariffs - declines significantly³. We agree with the sentiment expressed in the document that "smart meters not operating in smart mode is likely the biggest consumer issue in smart metering" and support all efforts to address this promptly and consistently.

We particularly welcome and support the decision to include issues that fall under the DCC's control within the Guaranteed Standards. Allowing an additional 30 days atop the proposed 90 days where an issue is deemed to be DCC-related should be more than enough time to establish responsibility for an issue and address it. This decision will not only reduce consumer confusion and exposure to issues stemming from third-party contracts but also produce a more consistent experience and incentivise suppliers and the DCC to work together to address issues promptly. It will also bring energy more into line with other consumer markets where contracted third parties do not represent a gap in consumer rights and protections.

For similar reasons of consistency and fairness we also agree with the following decisions outlined in the new consultation document:

To include all SMETS1 and SMETS2 meters in these Guaranteed Standards

¹ Citizens Advice - <u>Get Smarter</u> (2024)

² Citizens Advice - Response to Ofgem's Smart Guaranteed Standards Consultation (2025)

³ Citizens Advice - <u>Get Smarter</u> (2024) P22 Note: Forthcoming research puts this figure at a 50% reduction in interest among those who have had issues with their smart meter

- That the 90 day window begin the day after the last expected automatic meter reading and that consumers should not be disadvantaged by their read cycle
- That the change of supply process should not impact the required timelines
- That appointment requirements should be the same across the country, that consumers should not be disadvantaged based on where they live and suppliers should be resourcing themselves to meet the needs of their customers
- That consumers are more likely to notice issues that stem from either an interaction with the IHD or on receipt of a bill or statement so Guaranteed Standards for smart should not be limited by current language focussed solely on a "faulty meter" and to add the term "not operating as intended"
- That it is not appropriate to adjust the price cap to account for new Guaranteed Standards of Performance being introduced

There are some areas where more should be done for consumers. We noted in our previous response that consumers still lack transparency as to whether their meter is operating on the DCC and this makes it harder to know where issues lie and reduces trust due to a lack of transparency. Efforts to address this through improvements to our very popular smart meter checker tool⁴ continue to be held up at the Smart Energy Code (SEC) years after they were proposed. Since our last response a SEC vote was held regarding the tool which resulted in an equal number of votes both for and against allowing the improvements. The SEC requirement for a majority decision means that the improvements have once again been delayed. While consumer groups and the DCC supported the measure most, though not all, energy suppliers opposed it. Sustained high usage of the tool's current - less accurate - iteration makes clear that there is a strong consumer demand to be able to independently check whether their meter is communicating and we remain hopeful that the SEC will eventually enable these improvements for consumers.

With regard to the introduction of "not operating as intended" we would emphasise the importance of addressing all causes of issues which are likely to be perceived by a consumer as resulting in "non working" smart meters or smart meter equipment (including IHDs). Estimated or inaccurate bills could be the

⁴ Citizens Advice Smart Meter Checker Tool: https://smartmetercheck.citizensadvice.org.uk/

result of a non-communicating smart meter but could also be caused by a failure or issue at the supplier-side even when a meter is communicating correctly. A consumer will likely be unable to distinguish between these two causes and the impact will be the same. Either is likely to be regarded as a failure of the smart meter to work as it should by a consumer.

While we agree with the intention to cover both issues, the current proposed drafting in the appendix potentially excludes issues where a supplier-side issue is to blame for inaccurate bills rather than a meter/communications issue. It's vital that Ofgem focus on consumer outcomes and experience when defining a failure to operate meters in smart mode and consider both smart meters not operating as intended and smart meters not being used as intended by suppliers when drafting new standards.

This relates to a key theme of our initial response, that it should be a consumer's experience of non-working smart metering equipment that defines whether it is regarded as working. We previously called for metrics that factor in whether a consumer can reliably access a time of use tariff and are consistently receiving accurate bills as being more relevant than the technical details underpinning why they cannot access these benefits. This position still stands.

In our previous response we noted that only paying ongoing compensation for non-working meters once a year was not proportionate and that payments should be made every 90 days that service has not been established after the initial 90 days. This will ensure suppliers are incentivised to keep working to resolve issues. We welcome the decision to reduce the initial 365 day proposal to six months (or approximately 180 days) but still feel that 90 days would be more appropriate.

We also disagree with the decision outlined in sections 3.19 and 3.20 to only require compensation for first time smart meter appointments. Consumers sometimes require follow-up appointments to get their smart metering equipment working and should reasonably expect that compensation will also be provided if these appointments are not made and kept within a reasonable timeframe. This will be especially important where metering equipment is connected to heat and hot water systems which will be vital to the consumer.

As noted in our previous response, IHDs remain consistently popular and well used by consumers - recent statements from some suppliers that IHDs should

no longer be provided are of significant concern given how central they are to the consumer experience. As such we welcome all steps Ofgem can take to help ensure consumers benefit from IHDs and can continue to have working IHDs even after the one-year effective supplier warranty expires. This should include stronger expectations on suppliers to offer and maintain IHDs. As noted in the consultation document, consumers regard issues with IHDs as problems with their smart meter. This is reasonable given how much they interact with their IHD compared to their actual meter. Including IHDs in requirements on suppliers is welcome - as is factoring in having accurate information being provided to them from the meter.

With regard to non-domestic protections, in our initial response we called for small and microbusinesses to be provided the same rights as domestic customers. We are disappointed that the consultation proposes applying new standards to only microbusinesses and would encourage Ofgem to consider including both small and microbusinesses within the scope of this change. Ofgem's 2024 Non-domestic Market Review which introduced the definition of small businesses into the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008 introduced a range of protections for businesses larger than microbusinesses, with the recognition that small businesses often need help to resolve issues with their supplier. For avoidance of doubt and the creation of a two-tier system of protection with regards to smart Guaranteed Standards, we think the proposal should be amended to include both small and microbusinesses within this change.

Citizens Advice helps people find a way forward.

We provide free, confidential and independent advice to help people overcome their problems. We are a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

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Published September 2025.

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.