

Smart Metering Implementation Programme
Department of Energy and Climate Change
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By email

11 May 2015

Consultation on the timing of the review of the Data Access and Privacy Framework

Thank you for the opportunity to give our views on the proposed delay to the review of the smart metering data and privacy arrangements. Whilst there is some validity in the reasons behind your proposal, we do not feel that sufficient justification is provided to put back the review to a point at which any improvements identified would be delivered so late as to be irrelevant to many consumers.

2018 is too late to benefit properly from a review

There is real benefit to be gained from carrying out a review at this stage. We have sufficient experience of customer engagement to provide an informed view of what is working well and what could be improved.

For example, the barriers for use of consumption data for marketing purposes are very high, meaning that, to date, British Gas has not yet sought that permission. We know from experience that lengthening the appointment-booking process with additional, complex questions puts at risk the smart meter installation as a whole, which we are unwilling to do. Denying suppliers the ability to present highly relevant, informed propositions means that customers are not being given information on products and services from which they could derive benefit. Targeted, relevant promotions are generally welcomed, whereas scattergun marketing with generic messages is not. Supermarket loyalty cards provide a good example of targeted promotions benefitting customers.

Delay to DCC implementation is not a limiting factor

The smart data and privacy requirements have been set out in licence for some time, and are delivered by suppliers irrespective of the systems used to support the operation of their smart meters. This means that almost all suppliers will have had to implement these rules, whether for one customer or one million customers, and the complexities for consumers and suppliers of doing

so will have been evident from the start, rather than emerging only with time and increased installation volumes.

The fact that DCC has not begun to manage meters is not a limitation but in fact an opportunity to cement consumer benefits and protections *before* suppliers ramp up their consumer engagement activity. Furthermore, it may be useful to involve Smart Energy GB in a review now, since that organisation was not in place when the data and privacy rules were first conceived. They should be positioned to give assurances of a consistent and fit-for-purpose approach to privacy.

Incremental adjustments may not be the right approach

DECC has in the past committed to continuous monitoring and review, but we have seen little evidence of this to date. Waiting for a previously-stated review date will always be an easy reason for deferral of action, given limited resource and competing priorities. We are concerned, therefore, that any attempt to promote discussion of, or change to the privacy framework in advance of the proposed 2018 review date will not be given adequate priority.

The Cost Control and Benefits Realisation Group may be one route to progression of incremental changes, but we would like a clear acknowledgement that DECC would consider suggested improvements in this area (given sufficient evidence of consumer benefit or cost saving). An example could be the requirement to provide written notice of data choices, which is excessive when for most other transactions (including some big consumer decisions covered by the Financial Services Act), call recording is regarded as perfectly valid and provides a much improved customer experience.

In conclusion, we would like to see a review of the data and privacy requirements in line with DECC's original timetable. We do not consider that the reasons given for postponing the review are sufficiently valid, and we believe that there are improvements that can be identified now which could benefit a far larger number of customers if implemented sooner rather than later. A review conducted in June 2018 is unlikely to deliver any changes until mid-2019 at the earliest, when only 18 months or so of the roll-out programme will remain. The majority of installations will have been completed by then, significantly undermining the value of the review.

Lastly, we would like to see a more explicit commitment to considering incremental improvements to policy before 2018 if this is the route that is chosen.

I would be very happy to discuss this further with you.

Yours sincerely