



Department for
Business, Energy
& Industrial Strategy

IMPLEMENTING MIDATA IN THE DOMESTIC ENERGY SECTOR

Government response to the Call for
Evidence



July 2018

The Call for Evidence can be found on BEIS's website:

www.gov.uk/government/consultations/call-for-evidence-implementing-Midata-in-the-energy-sector

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1. Executive summary

1. The Government set out its vision for supporting new technologies, such as automatic switching services and applications that can make it far easier for consumers to find the best deal for them, through the recently published Green Paper, "Modernising Consumer Markets"¹. The Government recognises that enhancing data access is a key driver to making digital markets work and supporting the development of innovative services. The Cost of Energy Review highlighted the increasing importance of data as technological change takes hold of the energy system, and the opportunities for reducing costs it represented.
2. In the energy sector, these services, and other innovative business models, depend on access to data which is held by energy suppliers. The Government's ambition is to put energy customers in control of their data, empowering them to use that data to find the deal which is right for them and make better informed energy decisions. Such innovative data-driven services are unlikely to be restricted to switching or tariff comparisons, and could also address a wider range of consumer needs in the future.
3. Midata in the energy retail market is an important development which will aim to put consumers in charge; helping to create the conditions for innovation and competition that will allow consumers to use their data to power quicker and more informed decisions to manage their energy use, switch and save.
4. Energy Midata will be just one of many ways that we will realise this ambition. The rollout of Smart Meters and the functionality and rich data available through the Data Communications Company (DCC) and Home Area Network (HAN), together with half-hourly settlement, Ofgem's work on the disengaged consumer database and the quicker, more reliable switching programme, will all contribute to the greater empowerment of consumers in the retail energy market.
5. We will work alongside the sector Regulator, Ofgem, to deliver on this ambition with the publication of their open letter on implementing energy Midata through an amendment to Supply Licence Conditions.
6. The Government will work with Ofgem and stakeholders to develop energy Midata so that consumer benefits are realised and that solutions are flexible to adapt to the future changes in energy retail markets and responsive to technological innovation.
7. The Government is determined that data protection will be at the core of what we do and that all necessary steps are taken to ensure consumers are in the driving seat, with customers being able to provide fully informed consent; have absolute clarity on the data being requested; the purpose for which the data will be used;

¹ <https://www.gov.uk/government/consultations/consumer-green-paper-modernising-consumer-markets>

how and for how long it will be stored, and a mechanism to allow customers to opt-out of Midata at any time.

8. Energy Midata has been a long time coming, has been subject to serious consideration to find the best approach, but publication of the Government's Response to the Call for Evidence is an important step to mandatory provision of energy Midata.

2. Introduction

9. The Government's ambition for Midata is to put customers in control of their energy data, enabling them to access key energy data electronically, with the development of Third Party Applications, empowering them to use that data to find the energy deal which is right for them. It should also provide the platform for the development of broader data-driven energy services. Such vision is a key component of the Government's Modernising Consumer Markets Green Paper and supports the data aspect of the Government's Cost of Energy Review.
10. The Competition and Markets Authority (CMA) undertook an extensive study of the retail energy market between June 2014 and June 2016². Their conclusion was that the market was not operating as it should, and that changes were needed to make it a truly competitive market. The Government and Ofgem are delivering programmes of work to transform the market, and Midata forms part of this transformation.
11. Customer engagement plays a key role in driving competition in the energy market. By proactively seeking out the best available tariffs, customers put pressure on suppliers to offer the products that they want at competitive prices. If customers do not shop around, suppliers have less incentive to develop innovative products or drive down on costs. That is why the Government and Ofgem have been working to make switching supplier quicker and easier.
12. Midata is a method of electronically transferring customers' data (with their consent), from a supplier's system to a Third Party Intermediary (TPI). This includes Price Comparison Websites (PCW) using an Application Programming Interface (API). For an energy consumer, this means that they can use an application ('app') or website developed by a TPI to compare energy tariffs using the actual usage/ account details held by their current supplier.
13. Midata makes comparing tariffs quicker and easier and enables more accurate comparisons. It also allows energy suppliers to develop customer acquisition tools, including apps, so customers can switch to a supplier without a PCW or TPI.
14. Approximately 9.3 million domestic energy accounts were switched in 2017, an increase of 19% since 2016, but this is still only around 18% of gas and electricity customers. The majority still don't engage in switching.
15. One of the main reasons consumers don't switch is the perception that switching is a time consuming and complicated process. This lack of engagement in the market may reduce the competitive pressure faced by energy suppliers, potentially leading to higher prices for consumers. Intervention, including Midata, is therefore necessary to improve the switching process for consumers as suppliers do not have an incentive to make it easier.

² <https://www.gov.uk/cma-cases/energy-market-investigation>

16. Innovative TPIs have the potential to address these problems and make it far easier for consumers to engage in regulated markets for both tariff comparisons and broader data-driven services. However, for these benefits to be realised we need to provide a regulatory environment that provides TPIs with the confidence necessary to develop the services and applications, primarily through standards and consistent application of requirements.
17. We also need to give consumers trust that their data will be handled appropriately and ensure that these services are accessible to all consumers, not just those who are already engaged. We need to monitor the market closely to ensure that these services fulfil their potential to help strengthen competition between suppliers, including competition on non-price characteristics.
18. We have already made much progress with Midata; customers have the capability to download their data to a spreadsheet or to access key energy data in a machine readable format on energy bills (QR codes). However, both initiatives have encountered problems around accessibility for customers who have limited IT skills, and the quality and comparability of data passing between suppliers and TPIs.
19. The CMA, in their Energy Market Investigation, recommended that Government makes participation in Midata mandatory for all suppliers. The Government has also taken powers in the Enterprise and Regulatory Reform Act 2013 (ERRA) to mandate third party electronic access to customers' data in regulated sectors, including energy³.
20. During 2014 and 2015 we worked with stakeholders to develop a design specification for the Midata programme, with the aim of concluding a voluntary agreement to implement API access, but with considerable first mover disadvantages and little incentive this was not achieved.
21. Before contemplating mandating Midata some key questions remained, including determining:
 - the correct balance between how easy it is for customers to gain and grant third party access to the data, and data security;
 - an appropriate enforcement regime.
22. We published a Call for Evidence⁴ on 14 December 2016 seeking views from a range of stakeholders to inform draft regulations. The sectors consulted included consumer bodies, energy suppliers, third party intermediaries such as price comparison sites, technical organisations and other interested parties. In addition, we sought energy suppliers' views on the cost of making the necessary changes and the length of time it would take them to implement the requirements.

³ <http://www.legislation.gov.uk/ukpga/2013/24/part/6/crossheading/supply-of-customer-data/enacted>

⁴ <https://www.gov.uk/government/consultations/call-for-evidence-implementing-Midata-in-the-energy-sector>

23. The Call for Evidence closed on 10 February 2017. This report provides a summary of stakeholder responses and the Government's Response.

New Data Protection Regime

24. Since the Government took the powers in the ERA and the call for evidence concluded in 2017, a new data protection regime, which incorporates the Data Protection Act 2018 and the General Data Protection Regulation (GDPR), came into force on the 25th May 2018. The new data protection regime updates data protections and includes a new right for data subjects to request their personal data is electronically ported from a data controller, to them or to a third party. We are mindful of the extent to which Midata will or will not need to be mandated upon data controllers and this has informed our response to some questions.
25. Ensuring safeguards exist to protect customers data has been a core consideration throughout the development of the Midata programme. We are determined to put in place a process that protects customers' data whilst ensuring customers reap the full benefits of Midata by stimulating a market for digital, innovation-led services. In practice this means ensuring that a wide range of market participants are able to access Midata; from digital start-ups to established TPIs.
26. We are mindful that much of the key energy data held by suppliers, which may be requested under Midata, may be 'personal data' for the purposes of data protection legislation, and have considered this in our responses to questions. Suppliers and TPIs already have responsibilities under data protection law to safeguard the data they hold, and all businesses, including TPIs, are required to ensure they have a lawful basis for accessing and processing the personal data and are properly safeguarding the personal data they hold.
27. The protection of personal data is updated by the GDPR and further strengthened by the Data Protection Act 2018. The GDPR is directly applicable in UK law. The Data Protection Act 2018 supplements the GDPR and updates the data protection legislative landscape by repealing the Data Protection Act 1998. The information commissioner (ICO) is responsible for enforcing various aspects of data protection in the UK.
28. The new data protection regime created a new right to data portability⁵. The new right allows consumers to request the personal data they have provided to a controller, in a structured, commonly used and machine-readable format, and to transmit data from one data controller to another data controller without hindrance. This new right empowers consumers by giving them more control over their personal data.
29. The new data protection regime should facilitate switching between different service providers and encourage the development of new services. This is closely

⁵ <https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/individual-rights/right-to-data-portability/>

aligned to portability requests, where the data is transmitted directly to the consumer or from one data controller to another. Midata should complement this and ensure that transmission of data is technically feasible and without hindrance. Midata will provide a means by which suppliers can provide consumers access to their personal data either directly or through TPIs.

30. The new data protection regime applies to all energy suppliers who hold personal data, and consumers will be able to exercise their right to portability in respect of that data. Energy suppliers and TPIs will have a legal responsibility to ensure that they are compliant with the new data protection regime and respect the rights provided.
31. In developing responses to the Call for Evidence, the Government has carefully considered the new data protection regime. We have worked closely with the ICO to consider where protections might be necessary, to specifically cover energy Midata customers. The ICO will be the enforcement body for data protection under the new data protection regime which will be applicable to energy Midata.
32. We will work closely with Ofgem to take forward this response to the Call for Evidence and deliver mandatory Midata through an Ofgem led amendment to Standard Licence Conditions and consultation with stakeholders on implementation design.

3. Consultation Responses

33. We are very pleased with the level of engagement achieved during the Call for Evidence and the number of formal responses received. In total, 29 responses were received from a range of stakeholders representing energy suppliers, Price Comparison Websites, technology companies, consumer groups, the finance sector, regulators and Devolved Administrations. The list of respondents is attached at Annex A.
34. The majority of respondents welcomed the introduction of mandatory Midata and recognised the benefits it would deliver in both putting customers in control of their data and making the switching process easier and more reliable. However, some questioned whether Midata would benefit those most in need, for example, the vulnerable, those on low incomes and those without internet skills.
35. Energy suppliers in particular raised concerns around data security, stressing that the process should include adequate safeguards to protect customer data. They called for robust measures to underpin key stages of the process, specifically TPI access to data, customer consent and liability for data.
36. This Government Response provides a representative overview of the feedback received in relation to the Call for Evidence questions and explains the final decisions that have been taken. All responses received as part of this consultation were considered in developing policy positions in the areas covered. We would like to thank all those who engaged with the consultation and submitted a response.
37. We received responses from the following:
- Five Price Comparison Websites
 - Twelve Domestic Energy Suppliers
 - One Energy Supplier Association
 - Three Technology Companies
 - Three Consumer Bodies
 - One Finance Company
 - Two Regulators
 - Two Devolved Administrations

4. Summary of responses

Registration and Authorisation of Third Parties

Question 1: Do you agree that API access for TPIs should be available on an ‘access by default’ basis? Do you have any evidence that such an approach could cause customer detriment? If so, please provide details.

Question 2: Do you agree that Government should provide energy suppliers some flexibility about how to apply conditions on authorising access to customer’s data? If you do not agree, please give reasons and suggest an alternative proposal.

38. The Call for Evidence proposed that energy suppliers maintain individual responsibility for providing access to third parties, including deciding upon and maintaining appropriate security checks.
39. We also proposed that suppliers grant access to customer data on an ‘access by default’ basis, not subject to any commercial agreement (so suppliers could not charge customers, TPIs or other suppliers to access data). As part of this process a supplier could only suspend access to a TPI if it had grounds to suspect data protection laws had been broken and/or if the ICO was investigating a TPI for Data breaches.

Question 1: Access by default

40. A total of 23 organisations responded to Question 1. Thirteen agreed with the approach; PCWs in particular felt that a scenario where TPIs were provided access to data only after undergoing security checks by every supplier would be complex, time consuming and potentially create barriers to Midata. A number of suppliers agreed with access by default provided there were adequate safeguards to ensure customers were giving informed consent.
41. One supplier suggested TPIs complete Privacy Impact Assessments, similar to the approach for accessing customers’ smart meter data. A finance company recommended a central registry of data disclosers and data users should be held with associated digital certificates; this would be built into the data exchange process to help safeguard, audit and monitor use of the APIs. A supplier organisation called for minimum standards in relation to TPIs’ obligations when accessing customer data and an independent governance regime to oversee compliance.

Question 2: TPI Registration and Authorisation

42. We received twenty responses on the proposal to provide energy suppliers with flexibility on how to apply conditions for authorising access to customers' data. PCWs opposed the proposal, stressing the need for suppliers to apply a consistent approach and suggesting they agree a universal standard in line with the 'single standard of data security' approach adopted for Smart Meters. An inconsistent approach across suppliers could be complex and time consuming for TPIs who would need to work to each supplier's own set of security checks. An Information Technology firm added that variations to standards in terms of API protocols could lead to the creation of barriers to access and increased costs.
43. Suppliers generally agreed with the proposal. One supplier highlighted that the original Midata working group had agreed that suppliers should follow the industry standard, OAUTH⁶, and as they had developed their systems around this solution they would not want to deviate away from it.
44. Another supplier suggested there should be a minimum data security standard in place to confirm that a TPI had appropriate controls and processes in place to safeguard customers' data and its usage, where the data would be transferred and stored, as well as covering issues such as liability and redress in the case of data breaches. One supplier referred back to the original Midata project where it was agreed that suppliers would give tokens to TPIs in order to manage access.
45. A large supplier suggested TPIs sign up to some form of 'Charter' to confirm they applied suitable data handling standards or follow an approach similar to the open API standard for banking, one component of which is an accredited list of certified participants who are able to access data via the API. Another supplier agreed that any refusal to allow TPI access to data should be based upon legitimate data security concerns and that, where a TPI considered it had been unfairly denied access, they should have access to a challenge mechanism.
46. A Devolved Administration suggested that Government sets out mandatory data requirements that should be available to TPI's and provide a suggested template, otherwise it would not facilitate ease of transference between suppliers.
47. The ICO pointed out that under the new data protection regime the decision to port data is a matter for the individual to determine; to whom it is ported is not necessarily a matter for the energy supplier to be concerned with. There was, however, an imperative to build consumer trust and Government should consider

⁶ An **open protocol** to allow **secure authorization** in a **simple** and **standard** method from web, mobile and desktop applications

how it could help consumers make good choices about the TPIs they interact and share data with.

Government Response

48. We recognise that under the new data protection regime individuals have the right to request their personal data is ported. We also recognise that suppliers will have obligations to protect a customer's data as the data controller and TPIs may be bound by the same obligations. However individual rights under the new data protection regime are broad; there is no provision for a supplier to restrict transfers of data between particular Third Party Intermediaries (TPIs) or categories of TPI.
49. We agree with respondents who emphasised the importance of creating trust along the data pathway, as this will benefit all parties. We will therefore work with Ofgem and sector stakeholders to explore options that will achieve this.
50. No respondent disagreed with the proposal that access should be free of charge.

Consent

Question 3: Do you agree that customers should have the choice between providing consent to a third party to access their Midata on a one off, time-limited basis and annual or ongoing basis?

Question 4: Do you agree that for one off access 30 minutes is an appropriate consent period? Please provide details.

Question 5: Do you think that longer access periods should be for one year or ongoing subject to customers opting out? Please provide details.

51. The Call for Evidence proposed that customers should be able to choose the frequency of third party access to energy data when giving their consent. Consent options would include a one-off consent for a single, time-limited access window (for example lasting 30 minutes) and, in line with the CMA recommendations,
 - Annual or ongoing (subject to opt out) access to Midata, or;
 - Access for a specified frequency.

Question 3: Multiple consent options

52. Of the 22 responses received, the majority agreed that customers should be given full control over how their data is used. However, most agreed it was important that consumers understood exactly what they were consenting to, how their data was to be used, how it would be stored securely and for how long. This would ensure consent was specific and informed. Where multiple consent options were

provided, consumers should also be given a clear and practical explanation of the differences between each option, before making a decision.

53. Two PCWs pointed out that many customers did not switch the first time they performed a price comparison, so a one-off 30-minute consent would mean they would have to re-consent every time they returned to the TPI, which they could view as an operational barrier to completing a switch. A regulator supported the view that the customer journey should not be unduly interrupted through a need to seek fresh consents and that we could consider mandating a TPI requirement to periodically remind individuals that they had a right to withdraw their consent and provide an easy mechanism to achieve that.
54. Suppliers generally supported one-off consent, believing this would provide a greater level of protection for customers' data and allow greater governance of the process. It struck the right balance between providing sufficient time for TPIs to request and obtain a customer's Midata from their current supplier and facilitate an immediate intended switch. There was a suggestion that suppliers provide a short processing notice and disclaimer about liability to the customer every time data was requested. There was also concern that some customers (including the vulnerable) might forget giving consent to ongoing access, hence risking misuse and ultimately a loss of trust in Midata.
55. One supplier stressed that additional consent options would add greater complexity and uncertainty in terms of ongoing management of the customer's consent and integration with TPIs. Another supplier noted that a robust TPI registration and authorisation process would help to alleviate some of the potential concerns which may arise from consumers giving authorisation to third parties for a longer duration.
56. An Information technology company emphasised that consent options were essential, highlighting the growing trend towards person-centred control over consent and the emergence of consent management dashboards and tools owned and run by the individual. Customers could then track where, when and to whom they had given consent and make changes as and when needed and the technology to facilitate this was already available.
57. Another tech firm pointed out that the principles of consent and choice being set out in the new data protection regime provided for these rights, and Midata should follow the same policy principles. The ability to have options for different access timescales will enable the widest range of new possible innovative services to emerge to empower of customers. The ICO confirmed that consent under the new data protection regime is set at a high standard but did not specify the frequency or duration of consent, so any legislation would require clarity about time limits.

58. A consumer body suggested that rollout of Smart Meters would introduce a further question of detail of data with regard to meter reads, frequency of data from monthly to near-real-time, so it was important that the Midata programme was aligned with the protections and principles in the Smart Metering Data Privacy Framework.
59. A Devolved Administration suggested that one consent option would not suit every customer. For example, a consumer who wants to hand over energy switching entirely to a third party will need to grant ongoing access, whereas a more engaged consumer who wants to switch themselves may only require access to be granted on a time limited basis. Restricting consent options risked stifling TPI innovation in the app market. An Information technology firm shared this view, stating that the consent mechanism needed to support outcomes e.g. successful completion of the transaction, not something as basic as a time limit.

Question 4: 30 Minute Window

60. Most organisations who responded to question 4 agreed that 30 minutes was a suitable timeframe for a one-off consent option provided there was evidence that this is the average time taken for a consumer to complete a switch, for example, if suppliers could respond and provide the correct information in this timeframe.

Question 5: Length of longer access – annual or on-going

61. All PCWs supported ongoing consent, provided there were suitable controls in place, i.e. a consent end date, an opt-out option with regular prompts and felt that ongoing access would be most beneficial in reducing inertia and getting customers engaged in regular switching.
62. One PCW stated that longer access periods should align with the service that the consumer is actively signing up for. If a customer signs up to a service where a TPI will regularly check the market for new tariffs over the forthcoming year, then the consumer should consent to that third party using Midata to access the most up to date customer usage data for the same period. They recognised the risk that long access periods could result in consumers becoming passive about their data.
63. Most suppliers opposed on-going consent. One supplier stressed that consumers needed to remain engaged in the process and providing one-off, ongoing consent would not provide the regular prompts that many customers would need to ensure that they continued to be happy with their data consents.

Government response

64. Some of the proposed data fields under Midata are classed as personal data. TPIs will need to ensure that they have a lawful basis under the new data protection regime for processing personal data. The new data protection regime requires that, where the lawful basis is consent, TPIs must ensure that consumers are fully informed when granting consent to access their personal data and that consent must be unambiguous and involve a clear affirmative action (an opt-in). TPIs will need to provide consumers clarity on the data being requested, the purpose for which the data will be used and how and for how long it will be stored, and the process must include a mechanism to allow consumers to exercise their right to withdraw consent and opt-out of Midata at any time.
65. Government acknowledges stakeholder concerns around ongoing access but the primary driver for Midata is to empower consumers. The new data protection regime requires consent to be specific, informed and transparent and also that distinct consent options for distinct processing operations are available. The Midata process should not run counter to these principles and will empower customers by giving them total control over the length and frequency of access.

Customer verification

Question 6: Do you agree that all customers, including those without an online account, should be able to grant Third party access to their data?

Question 7: Is there a minimum number and/or combination of data fields needed to safely verify a customer is legitimate and if so, which data fields would be appropriate for this function?

66. The Call for Evidence asserted that verifying that customers have actually made a data request is vital to protecting consumer data and sought views on the information a customer should provide to verify their identity. In addition, we asked whether having an online account should be a condition of Midata access.

Question 6: Customers without online accounts

67. Twenty three stakeholders responded to Question 6. The majority agreed that customers without an online account should not be excluded from Midata. Respondents felt that many of these customers were less likely to have internet access or skills and were consequently disengaged with the switching process. They were also more likely to be classed as 'vulnerable', e.g. the elderly, those with lower education levels and would ultimately have more to gain from switching, so it was essential to provide them with routes to access.
68. Two suppliers agreed that customers without online accounts should be included but felt that Midata was in essence an electronic transfer system and providing Midata through non-digital channels, e.g. over the telephone, raised significant security and cost concerns. Such a route could also place significant costs on

industry. One supplier suggested as a minimum an online registration option for such customers involving similar steps as the online account registration process to ensure suitable security of customer data. This would mean that customers were registering through an already secure registration platform. One supplier highlighted that for providers in other sectors and the use of APIs more generally, the use of online accounts in authorising access was the norm.

69. One PCW stated that it already provided a service for customers to switch over the phone. Some suppliers, however, stressed that any telephone service should have built-in safeguards to protect customer data, including secure offline verification. Suppliers would need to have confidence that the customer had consented to TPI access. For any alternatives to an online account, TPI consent should be restricted to one-off, 30 minute access only as customers without online accounts (including vulnerable customers) could be specifically targeted by untrustworthy organisations looking to access their data. One respondent felt suppliers should have the option to provide midata over the telephone but it should not be mandatory.
70. An Information technology firm suggested that each energy supplier could issue one-time codes to consumers using registered contact details on their customer record, e.g. email, mobile, telephone, postal address.

Question 7: Verification Data

71. We received a total of fourteen responses to Question 7. Three suppliers acknowledged that suppliers already had customer verification processes in place, with one supplier stating that the account reference number and postcode provided the right level of confidence and security for customers without being overly onerous. However, this was based on one-off, 30 minute consent so a longer consent period would require increased security checks. Another added that suppliers also had additional checks in place if the customer wishes to make changes to financial information or request credit refunds. It was felt they should apply their usual security processes to satisfy themselves a customer request was genuine rather than having two different processes.
72. A consumer body stressed that any data fields would have to go beyond the information that could be found on a single piece of correspondence from an energy supplier, for example a consumer's account number, postcode and name would all be visible on a bill - in some cases without even opening it.
73. Two Information technology companies suggested the use of readily available digital identification services, such as Gov.UK Verify's 'tokenised' identity, and other digital innovations that provide identity services without having to specifically refer to personal information in a customer's account. Another Information technology company added that standards, protocols and technology were already available at low cost, and in many cases energy suppliers would already have such things in place for other reasons.

Government Response

74. The new data protection regime does not specify how customers should make data portability requests. Where a request for personal data meets the legal prerequisites, the supplier or TPI will be obligated to ensure compliance.
75. The Government is also concerned by the finding of the CMA, in their report into energy markets, “that those who have low incomes, have low qualifications, are living in rented accommodation or who are above 65 are less likely to be engaged in the domestic retail energy market”.
76. The Government therefore proposes that in developing Midata:
- all customers can access and port their data, online or via other media, for example by telephone and post. One of the key objectives of introducing Midata in the energy sector is to enhance competition, which is maximised if Midata is available to all consumers, including those without an online account
 - we will work with Ofgem and stakeholders to agree a verification process that is proportionate and not onerous to the data being shared.

API Specification (Data fields)

Question 8: Do you agree that the following data fields should be added to the API specification: meter type, Warm Home Discount Indicator, consumption data by time of use for those customers on Economy 7 or other time-of use tariff?

Question 9: Should additional data fields be introduced from the start of the mandatory Midata implementation or phased in over time? If you think they should be phased in, how and when should this be done?

Question 10: Should Government follow a collaborative process with stakeholders if changes to the technical specification need to be made?

77. The Call for Evidence proposed that the API includes the additional fields (meter type, Warm Home Discount Indicator, consumption data by time of use for those customers on Economy 7 or other time-of use tariff) as recommended by the CMA to enable a more tailored tariff comparison for customers with non-standard tariffs or for customers in receipt of the Warm Home Discount.
78. We acknowledged however, that these fields had not been subjected to scrutiny to the extent of the data fields agreed by the Midata working group⁷, so should be phased in over time. Additionally, given the Smart Meter rollout and the introduction of more complex time-of-use tariffs coupled with the potential for bundled products and digital services, Government proposed in the Call for Evidence that a regular review of the required data fields in collaboration with

⁷ <https://www.gov.uk/government/news/government-business-and-consumer-groups-commit-to-midata-vision-of-consumer-empowerment>

stakeholders would ensure customers continued to maximise the benefits of Midata.

Question 8: Additional data fields

79. We received twenty responses to Question 8. The majority broadly agreed that the additional data fields should be added to the API specification. Comments included that this would enable more people to use Midata, particularly customers on Economy 7 tariffs.
80. However, three suppliers requested further clarification on the definition of 'meter type', stating that a high level description of the meter, such as credit, PPM, Economy 7 would provide useful information; however, complex metering arrangements would be far from straightforward to implement and would take some time. It would also potentially add significant costs to expand accessibility for only a small number of customers. One supplier welcomed our decision to implement the CMA's recommendation to include consumption data for time of use tariffs but urged this to be restricted to E7 meters for the moment.
81. Several respondents raised concerns around including the Warm Home Discount Indicator (WHD), highlighting that this could be classed as personal sensitive data and expose vulnerable consumers to abuse by TPIs, for example cold calling and other marketing approaches. Others questioned whether it was legally permissible and, if so, whether it may require explicit consent from the customer to do so. Other comments included this information may contradict guidance in the Equality Act and data which may indicate Disadvantaged / Vulnerability may prejudice the offer from suppliers.
82. Two suppliers sought clarity on whether the field should capture Core Group customers only or extend to customers who may be in receipt of a Broader Group payment (the eligibility for which may vary across suppliers). Another supplier felt that prepayment data could expose vulnerable consumers. A further two suppliers highlighted that they could not determine whether a customer was eligible for WHD, only that a customer had in the previous year received a WHD payment, so any indicator should flag 'received WHD in previous year(s)'.
83. Another supplier stated that as the new fields were not included in the QR Code data specification, which is set out in licence, different results would be produced depending on whether a comparison was conducted via Midata as opposed to the QR Code. They went on to suggest that the data items were aligned to those for Ofgem's disengaged customer database, since it included many of the same data fields.
84. A Devolved Administration pointed out that the proposed inclusion of estimated annual consumption and costs currently caused confusion for switching and should be omitted. Comparisons should be against current monthly or quarterly direct debits or payments which are based on actual consumption. Another Devolved Administration stated it was vital that customer data was broad enough to allow Citizens Advice to provide the recommended tailored information and advice to ensure restricted meter customers benefited from the improved switching

options that should follow from the Energy Market Investigation (Restricted Meters) Order 2016.

85. An Information technology firm called for an impact assessment of the implications of sharing certain data as this could expose other facts about a household or individual that may be a breach of privacy and lead to exclusion or unforeseen and unintended consequences. One PCW suggested it would be helpful to include additional fields indicating if a property had more than one MPAN and MPRN and if it has a smart meter.

Question 9: Timing

86. We received a total of 18 responses to Question 9 on timing for introducing the additional fields. All TPIs and four suppliers supported introduction at the same time as the mandatory Midata implementation. This would ensure tariff comparisons and switches were as comprehensive and accurate as possible and would be more efficient from a development point of view, although a period of grace for displaying Time of Use demand split could be useful as suppliers may not currently hold this data and so it would need to be populated. Two suppliers supported this provided sufficient time was allowed to make the changes.
87. One PCW suggested that if not all then at least Economy 7 data should be introduced from the start as these consumers would be unable to use Midata without it and stood to make significant savings. Other suppliers sought a phased in approach over 12 months where BEIS could co-ordinate the industry implementation of Midata to ensure a consistent approach.

Question 10: API Review process

88. Of the 18 responses received for Question 10, all agreed that a collaborative and consultative approach, similar to the approach taken to develop the draft technical specification, was sensible. Comments included that BEIS should ensure it provided adequate technical support and built in sufficient time for changes to be implemented.

Government Response

89. Government wants to ensure, where possible, that the costs of implementing Midata are kept to a minimum and we acknowledge stakeholder concerns that introducing all data fields from the outset would minimise costs.
90. We also recognise however, that in order to ensure that Midata is future proof additional data fields may need to be added in over time. The Government also recognises there are considerable challenges in ensuring that additional data fields are suitably standardised, for example defining WHD recipients and using meter point data to accurately assess whether a customer is using a time of use tariff/meter, to be of use to customers. Robust proposals to address these challenges were not put forward by respondents.

91. So, despite the potential cost advantages we propose to introduce additional data fields in consultation with Ofgem and stakeholders after the initial data fields have been successfully introduced.

Monitoring and compliance

Question 11: Do you agree that existing data protection legislation is sufficient to deal with misuse of customers' energy Midata? If not, please provide evidence and a proposal for how additional protections could work.

92. The Call for Evidence asked whether the current system of enforcement of data protection legislation by the ICO adequately protected customer data against misuse by TPIs.

Question 11: Handling customers' data with discretion

93. A total of twenty stakeholders responded to this question. The majority generally agreed that the new data protection regime, and its extended rights around consent, provided adequate protection of customers' Midata. However, suppliers felt that the ICO should provide TPIs with guidance on ensuring consent is specific and informed. Guidance should also make clear that the role of data controller passed from supplier to TPIs following a transaction and the latter would be bound by relevant legislation from that point. The ICO would also need to be resourced to enforce this. There may also be a role for Ofgem to sanction offending TPIs indirectly, by relieving suppliers of the obligation to provide Midata to such TPIs; Government would need to give Ofgem the power to do this.
94. An Information technology company stated the issue was more about the absence of a properly resourced regulator to deal with the volumes of claims about personal data misuse. They suggested that access to and distribution of personal data via API's needed to be within the context of a trust framework which would allow TPI's to demonstrate their integrity and compliance to standards and to meet transparency and audit requirements. Examples of existing frameworks included ISO27001, ISO27018, tScheme, Mydex Trust Framework.
95. Consumer bodies pointed out that, with increasingly complex data markets and involvement of a greater number of players, both known and unknown to the consumer, it becomes increasingly difficult to establish responsibility and liability in the event of data breaches and wider customer service issues where a service does not meet expectations. The average consumer may not be reassured by a sole reliance on data protection laws and as such, there was a clear need for robust consent-check mechanisms to be put in place, as identified in previous work on the Midata programme. They called on Government to consider how energy consumers might be protected through the availability of the independent Alternative Dispute Resolution covering Midata transactions and that it would also be beneficial to make available independent redress for consumers who use PCWs, perhaps implemented using the existing redress landscape.

96. Two suppliers strongly disagreed with the adequacy of data protection law (in force at the time of their responses). One stressed that the Data Protection Act regime is a 'reactive' regime, in that enforcement action is only taken after the occurrence of a significant data breach. Another pointed out that transferring Smart information to the Data Communications Company would need ISO compliance, so similar protection was needed for Midata.

Government Response

97. The new right to data portability and higher standard for consent introduced under the new data protection regime should go a long way to providing the necessary protections against data misuse. However, we believe it's important to build a degree of trust between the customer, TPI and suppliers and will work with Ofgem and stakeholders to develop options.

Question 12: Do you agree that Ofgem is the most appropriate organisation to carry out monitoring and enforcement of fulfilment of Midata requests? If not, which organisation would be preferable and why?

Question 13: Do you agree an enforcement regime overseen by Ofgem would be the most appropriate way to deal with breaches of Regulations requiring suppliers to provide customer data? If not, can you propose an alternative and say why this would be more appropriate.

98. The Call for Evidence proposed appointing Ofgem as the body responsible for enforcing supplier obligations to provide Midata, in line with their existing audit compliance functions in the energy sector.

Questions 12 and 13: Ensuring that energy suppliers provide Midata

99. We received nineteen responses to questions 12 and 13. Many stakeholders agreed that, as the sector regulator, Ofgem should carry out the monitoring and enforcement activities by including relevant obligations within the supply licence, but it should have the resource and mechanisms to do so. Many of the responses reasserted that as TPIs would not be monitored under this structure, other enforcement regimes would need to work in tandem with regulations requiring suppliers to provide consumer data.
100. Five stakeholders strongly supported a cross regulator and Government approach to ensure consistency across sectors in the way consumer data is shared and used, given the Government's wider commitment to growing the digital economy. Comments included developing a cross-industry Code of Conduct that suppliers and TPIs in different sectors would sign up to, enforced by an independent, pan-sectoral body with a remit to monitor the activities of both suppliers and TPIs and, where necessary, to tackle breaches in regulation. An Information technology company went further to suggest that a cross sector body involving Ofgem, ICO, tScheme, Payments UK, Ofcom, DWP, CMA, and other regulators would be appropriate.

101. One consumer body questioned if Ofgem had the in-house expertise or resource to effectively undertake this role and evaluate supplier decision making, particularly with regard to incidents where suppliers “suspect” a TPI may be breaching data rules. A Devolved Administration suggested regulators needed to be working jointly; an alternative approach would be for the ICO to monitor and report on breaches with Ofgem charged with effectively dealing and enforcing. The ICO agreed that they along with Ofgem should provide a seamless protection system and reliable choice mechanism to consumers.
102. One supplier supported the creation of an appropriate licensing scheme for TPIs in the long term, which could also govern the proper handling and use of Midata by TPIs.

Government Response

103. The Government agrees that Ofgem as the sector Regulator is the most appropriate organisation to enforce requirements upon suppliers where appropriate. We will engage with Ofgem on an appropriate enforcement regime as part of their proposed consultation on an energy Midata Standard Licence Condition.

Question 14: Do you think that quality assurance of Midata needs to be undertaken? If so, how would this be best achieved?

104. The Call for Evidence asked whether there was a need to appoint an organisation to monitor the quality of Midata and make recommendations to industry where data quality improvements may be needed, given the issues with the quality and comparability of the data with QR code requirements. This would be an interim monitoring solution as energy industry data quality is expected to improve through the Ofgem-led switching programme and the Government’s Smart Metering Implementation Programme.

Question 14: Quality assurance of Midata

105. Twenty organisations responded to this question, the majority agreeing that quality assurance was essential to support frictionless switching. There was general agreement that data should be formatted consistently across all parties, particularly on tariff names and payment types. Some respondents highlighted the risk that incorrect data could lead to customers being switched to the wrong tariffs.
106. A PCW suggested pre-launch validation tests (automated and manual) should be conducted and on-going quality assurance once Midata was implemented. They also felt consumers should have a clear route on how to escalate issues with their data to the provider. A supplier felt that a mechanism was required, and it was essential to have a testing period before implementation. They added that any quality assurance undertaken on an ongoing or regular basis should be light-touch and intelligence-led, based on reports of issues from suppliers or third parties. Another supplier suggested the accuracy of information could be improved through

the definition of a clear data model, which sets out the size, type and expected values for each field.

107. An Information technology company suggested Government referred to the work being carried out on Open Banking and at the FCA, to understand more about how quality assurance was being handled in the heavily regulated retail banking sector. Alternatively, Ofgem could ask TPIs to report when a Midata request had not been successful and why. This would help them to identify which suppliers are not providing Midata in the right format or are not providing the data at all for some customers.
108. One PCW stated a concern around Ofgem enforcing Midata request fulfilment whilst another organisation was appointed to monitor the quality of Midata, even if this was an interim monitoring solution in place until data quality improves through the Ofgem-led switching programme and the smart meter roll-out programme.
109. One supplier disagreed with the need for quality assurance stating it could become an administrative burden, adversely impacting small suppliers. Data quality would be achieved naturally through a combination of suppliers' own efforts to ensure the quality and consistency of their customers' data, ongoing stakeholder engagement on Midata and the monitoring and enforcement of Midata more generally.

Government Response

110. Under the new data protection regime, data provided in response to portability requests must be provided in a structured, commonly used and machine readable format. Midata design should be in line with this, Data quality has been identified as central to a number of other energy sector data programmes, including Smart Meters, quicker, more reliable switching and the disengaged consumers database. It is equally essential that Midata is provided in a usable format that will, amongst other things, facilitate comparison across tariffs and result in a successful switching outcome. We therefore expect the following provisions to be a feature of Midata implementation:
 - that data must be provided in accordance with the data fields agreed by the Midata working group; and
 - that data must be provided through open standard, open source Application Programme Interfaces.
 - Government work with Ofgem and stakeholders to develop a process to ensure data quality ahead of final implementation.

Midata in other regulated sectors

Question 15: Are there aspects of the wider Midata programme that we should take into account when developing Regulations in the energy sector to maximise the benefits of the wider programme for customers?

111. The Call for Evidence highlighted that opportunities for Midata to work across sectors, including common data fields and technical specifications, should be taken into account when developing regulations for the energy sector.
112. We received 12 responses to question 15. Most respondents agreed that all Midata programmes should maintain communication to try and identify any common goals, avoid duplication and share best practices. Many stressed that the Midata customer journey should be as standardised and simple as possible across sectors to ensure maximum uptake and engagement. This would help to create a consistent customer experience and assist in building consumer confidence in using Midata more generally. Standard tools could include consent-check mechanism.
113. There was a call for the adoption of an open API standard, as adopted for banking Midata, which would provide a rich source of information. A supplier felt that the wider programme would benefit if the regulation, monitoring and compliance regime sat with a pan industry regulator such as the ICO rather than the energy specific regulator i.e. Ofgem. This would also be more cost efficient in the long run.
114. An Information technology company reiterated that Midata is a step towards total empowerment for consumers and their data and innovative solutions to manage this were already being developed. Personal Information Management Services (PIMS) were an emerging market which would allow customers to manage and control their own data, and to get new value from it e.g. helping consumers make better decisions and get things done. Another Information technology company stressed that much of the longer term value from Midata would come from combining data from multiple sources, regulated and not regulated. Making it easy to integrate information through application of shared API and Data standards would reduce costs and risks for all.

Government response

115. Government agrees that it would be sensible where possible to adopt a standardised approach to Midata and recognises there are technical tools which could be applied across sectors. The Government's 'Smart Data' review will consider how to implement data portability in other regulated markets and where a cross-sectoral approach is appropriate. The Government and Ofgem will also continue to monitor and learn from open banking⁸.

⁸ <https://www.openbanking.org.uk/>

Midata in other countries

Question 16: Are you aware of any evidence available from other countries that have implemented similar proposals? If so, can you provide details on customer benefits?

116. The Call for Evidence acknowledged that at the time of drafting the impact assessment which accompanied the primary legislation in 2012, there was a lack of comparative international Midata schemes from which to draw benefits and asked if stakeholders were aware of current initiatives.

Question 16: Midata in other countries

117. Four stakeholders provided examples of schemes in other countries, the main ones being the USA's Blue Button scheme which provided individuals access to their health records, and the Green Button scheme focussing on energy consumption data. However, as Green Button usage was not currently monitored it was difficult for respondents to provide evidence on consumer benefits.
118. A behavioural insight organisation cited a further example from Australia. The Australian Government set up, 'Energy made easy', an independent energy switching website, giving customers easy access to their own information and allows comparison between energy deals available to individual customers. Moreover, the website allowed consumers to compare their consumption to that of similar households in the neighbourhood and provided them with advice on topics like energy efficiency, contracts, bills and energy markets. These programmes had not yet produced assessments of the benefit to consumers.

Government Response

119. The Government thanks respondents for highlighting Midata schemes currently operating internationally. As similar schemes such as open banking is now running in the UK we will explore similarities and lessons we can learn from this project.

Threshold for participating energy supply companies

Question 17: Do you agree that energy suppliers with fewer than 50,000 customers for a given fuel should be exempt from this regulation?

120. The Call for Evidence proposed that energy suppliers with fewer than 50,000 customers for a given fuel are exempted from the Midata regulation. This would be in accordance with guidance in the Better Regulation Framework⁹ and in recognition of the proportionately higher cost impacts on small and micro business suppliers in implementing this policy.

⁹ Section 2.2 of the Better Regulation Framework, available online at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/708066/better-regulation-framework-interim-guidance-2018.pdf

Question 17: Small supplier exemption

121. We received 16 responses to this question. Fifteen stakeholders disagreed with the proposal stating that customers of exempted suppliers would be disadvantaged/ excluded from reaping the benefits of Midata. A PCW stated an exemption would introduce inequity in the market as consumers who utilised Midata to find a more competitive energy deal offered by a smaller supplier would not be able to use Midata to make a meaningful comparison once their tariff expired. As there was clearly an increase in the number of suppliers and growing engagement in switching away from established energy companies, the number of consumers impacted may grow.
122. A supplier stated that 50,000 customers per fuel represented a significant section of the market. Small supplier customers should have access to an industry wide scheme and an exemption could have detrimental effect on customer experience.
123. The ICO stressed that the right to data portability under the new data protection regime would apply to all suppliers regardless of size. A tech firm agreed that the new regime would require all organisations to provide customer data to individuals in a machine readable format. It would therefore make sense to mandate Midata for all energy suppliers as they would have to meet data portability requirements anyway (though not necessarily through an API). A tech firm stressed that small suppliers would be able to subscribe to a service or platform that would meet their obligations under the regulations, which would be low cost and easy to use.
124. A large supplier added that small suppliers did not necessarily face technical barriers to implementing Midata. The relevant usage data would already be available on their systems in a downloadable format. It was also flagged that suppliers with a per fuel customer number at or just below the 50,000 threshold were likely to have a turnover of around £50m, so implementation costs were not necessarily disproportionate.
125. A number of respondents suggested providing small suppliers with a longer lead in time to comply with the regulations; a similar approach had been adopted by the pensions regulator.
126. We received one response from a medium supplier supporting a proposed exemption. Although the operational cost of operating the Midata once developed could be manageable, the main costs lay in the development, testing and implementation of the portal and the initial population of the data. They suggested the threshold should be set at 250,000 domestic customers across both fuels (i.e. a dual fuel customer would be two customers), when suppliers would have a larger, more stable customer base across which to spread development costs. This would also be consistent with other industry thresholds.

Government Response

127. Government agrees that there should be no exemption for smaller energy suppliers. One of the key objectives of introducing Midata in the energy sector is to enhance competition in the energy market by increasing switching rates. Excluding small

suppliers may be confusing for customers and prevent them from accessing the benefits afforded by Midata.

128. Furthermore, the new data protection regime applies to all organisations who process personal data, and this may include small suppliers (suppliers need to take their own steps to determine their obligations under the new data protection regime in respect of data which they hold).
129. Despite the large number of consultation responses, Government did not receive enough evidence to provide highly accurate cost estimates with regard to smaller suppliers.

Timings

Question 18: In view of the work already undertaken and the recommendation of the CMA, are there any further issues to consider with regard to when these proposals should be implemented?

130. The Call for Evidence asserted that, in line with the CMA recommendations¹⁰ and building on work already undertaken in Phase 1 of Midata, consumers should benefit from the policy as soon as possible, but invited views on the time needed to implement proposals.
131. We received 14 responses to this question. One supplier stated that Midata was an innovative and complex programme involving multiple stakeholders that had few precedents to draw upon, so it was difficult to estimate precisely how long implementation would take. Another suggested that industry would need at least 18 months to design, build and test their solutions, to ensure the cost effective delivery of a secure and robust solution.
132. A number of suppliers urged Government to consider the volume of current and upcoming transformational changes taking place in the energy industry, from the implementation of CMA remedies, switching programmes through to smart Meter roll-out. These were already placing significant pressure on resources so Government should provide sufficient time for testing a design solution; this should involve both suppliers and TPIs. Suppliers also suggested BEIS had the appropriate technical expertise in place to support industry.
133. Other stakeholder comments focussed on the design of the solution. A consumer body suggested the use of encrypted security tokens to confirm consumer consent to suppliers. An Information technology company stressed government maintained a person centred focus for the final solution. Personal Data Stores (PDSs) and PIMS were a key part of the new Personal Information Economy and should form part of the Midata implementation, notably the concept of individuals being the source of Midata request, not just price comparison websites and TPIs.

¹⁰ 13.368 and 15.89 <https://assets.publishing.service.gov.uk/media/5773de34e5274a0da3000113/final-report-energy-market-investigation.pdf>

Another Information technology company suggested exploring the requirement for a Midata privacy seal, or voluntary Privacy by Design endorsement scheme to build consumer and regulator confidence in the implementation of privacy-protecting practices across the retail energy sector.

Government Response

134. Government is mindful that the retail energy sector is undergoing a period of intense change but views Midata as part of a transformation which will ultimately benefit the consumer. We agree that while there should be sufficient time for testing any solution, especially to prevent issues around data quality which were encountered with QR codes, consumers should expect implementation as soon as practicable. We will work with Ofgem and stakeholders to develop a suitable timetable for implementation.

Implementation Costs

135. The Call for Evidence invited stakeholders to provide estimated costs of implementing Midata. This included changes or upgrades required to existing supplier systems to facilitate interactivity with TPI systems, as well as costs incurred by TPIs in developing applications to use and interpret data on a customer's behalf, and how different approaches to regulation may impact on these costs.

Registration and Authorisation of Third Parties

Question 19: Do you have an estimate of the cost that will be incurred by suppliers for maintaining individual responsibility for monitoring and providing third party access to their customer's data? Please provide evidence to justify this cost estimate.

136. Seven stakeholders responded to this question. One large supplier expected these costs to be low (less than £50,000 pa); this would include the cost of ongoing system enhancements and the cost of 0.5 FTE to manage the process. Another estimated the capital expenditure for an on-premises API Management Capability solution which would provide the functionality to monitor and provide access was approximately £150,000 and added that this could be provided through operational expenditure as a cloud based solution but costs for this had not been estimated.
137. Another large supplier estimated that total costs would be substantial. Costs for building the framework to enable the implementation of third party access to customer data would be in the range of £500k - £700k. This estimate was based on implementing the previously agreed API Technical Specification and relied on 'best guess' assumptions where the details were not yet wholly confirmed. It did not take account of the costs of including additional data items recommended by the CMA or any additional changes which may be made, for example, offering access to Midata to customers without digital access. In addition, they estimated that ongoing technical costs (to include hosting, support and maintenance costs) would amount to approximately £200k per annum. This estimate covered

infrastructure maintenance and system support but excluded associated operational costs which would include everything from cyber security to third party management to dealing with additional customer queries and complaints.

138. The supplier added that additional costs, both for initial set-up and on an ongoing basis, would also be incurred to conduct checks on TPIs that wished to request access to customer data. The level of such costs would depend on the model chosen to implement Midata, for example, if there was no initial vetting or minimum standards then suppliers' costs would rise as they would need to compensate for this.
139. One medium supplier used a third party to provide and maintain its main CRM data storage system and another third party to manage their customer interface. The operational cost of managing TPI access would be dependent on the uptake by customers and the number of TPIs requesting data, but they estimated £2 to process one customer's consent form, validating the request and providing TPI access the data. A small supplier had been provided with an indicative quote of six days at £600, total £3,600 from a third party who maintains their system who would oversee the creation of any system changes needed for.
140. An Information technology company did not believe a new or radical solution was needed for Midata and stressed that all the standards, protocols and software needed to support Midata were readily available free of charge based on open source software, open standards and open protocols. They added that energy suppliers already used API's for data sharing internally and were already using cloud based services and accessing third party services using API's. At the most basic level a standalone system could be created, supported by suppliers' existing systems sitting inside their own security domain for less than £20,000 in terms of development, configuration and testing.
141. A TPI explained that they were already innovating around apps and services, so access to these energy API's would be a cost reduction for them and an opportunity to scale more efficiently. The costs of adapting to open standards, getting registered and certified would be more than offset by the opportunity Midata presents. Accessing API's of this nature reading the limited data fields involved and managing the initial connection process would cost less than £3,000 in terms of development, configuration and testing.

Government Response

142. We will work with Ofgem and stakeholders to address concerns over access. We understand that the energy market is undergoing change so will work with stakeholders with the aim to keep costs to a minimum.
143. With regards to overall costs for providing TPI access to data, despite the large number of consultation responses, the estimates varied significantly. This has made it difficult to provide accurate cost estimates to inform the Impact Assessment, particularly with regard to smaller independent suppliers.

Question 20: The preferred option for registering and authorising third parties access to customer's data is by individual supplier. However, the other option was to establish an independent cross-industry third party registration process. If this option was followed, do you have an estimate of the cost that would be incurred by suppliers?

144. We received eight responses to this question. Stakeholders could not provide estimated costs but two suppliers felt it would incur more cost than an individual supplier approach, adding that costs of this option would depend entirely on the procurement process and the third party which was ultimately appointed to establish and manage this process. Another supplier believed it would marginally add to the operational cost of processing each request.
145. However, another large supplier stressed that placing the responsibility with individual suppliers would require considerable resource; for example, if there were 40 suppliers and 15 TPIs then this would necessitate 600 rounds of integration testing. They added that with open banking there were plans to create a central coordinating body, (referred to as an 'Implementation Entity'). This would appear to have a wider remit than that being considered in the energy sector, for example it would be tasked with developing read only open and common technical and product data standards and read and write open and common banking standards for the secure sharing of transaction data. They suggested this may be an instructive example to consider and noted that a budget of £2m had been assigned to carry out the role of mobilising the programme, which was in addition to costs incurred by individual suppliers.
146. An Information technology company reiterated that TPI registration at each individual energy supplier level would be onerous and may risk a TPI being accepted by one supplier and not by others. They encouraged establishing a cross energy or cross sector scheme and trust framework.
147. A finance company recommended that Ofgem create an accreditation process with an associated Code of Conduct and Licence agreement between data disclosers and data users that ensured adherence to best practice in the exchange of data. The final cost of creating a Working Group to deliver the standards, Code of Conduct and associated data sharing infrastructure could only be agreed once the full scope of the project was confirmed.

Government Response

148. Government notes that stakeholders could not provide estimated costs and thanks stakeholders for the above suggestions and information on authorising third party access to customers data. Given the implementation of open banking and stakeholders highlighting the importance of creating trust to address a number of implementation issues we will work with Ofgem and stakeholders to explore options.

Consent

Question 21: Do you have any evidence to suggest that providing third parties with one off, time-limited access (30 minutes) will be less burdensome than providing them with access on a longer basis (a year). If so, can you provide a cost estimate for these two options?

149. We received seven responses to Question 21. None were able to provide cost estimates for each option. A PCW stated that with time limited access, the burden would fall on the customer to give consent each time they ran a comparison but would not reduce the burden on suppliers. A large supplier felt that the consent window should not be based on costs but on the minimal level of security for customers' data. If the 30 minute time limit was increased, other controls would have to increase such as the number and/or combination of data fields needed to safely verify a customer is legitimate; this additional complexity would result in additional costs.
150. Another supplier estimated that costs would be slightly higher for longer term access due to the increased storage requirement for OAuth tokens which would need to be stored in large volumes for longer periods of time. A tech firm felt that API software costs, other than maintenance, once implemented should be minimal, regardless of timescale of access with another reiterating that we should not take a one size fits all approach to consent and the key consideration was that consumers needed to give informed consent.
151. A number of respondents indicated there would be little cost difference between providing time-limited access (30 minutes) over access on a longer basis (a year).

Government Response

152. The new data protection regime requires consent to be specific, informed and transparent and also that distinct consent options for distinct processing operations are available. The Midata process should not run counter to these principles and will empower customers by giving them total control over the length and frequency of access.

Verification

Question 22: Some energy companies were in favour of restricting Midata access to online account customers only. Do you have an estimate of the cost that will be incurred by suppliers for having to provide those customers without an online account access to their data?

153. Nine organisations responded to this question. Some made a distinction between providing the facility to set up an online account which would be relatively low cost, and providing access to Midata over the telephone which could be more cost intensive; but for some responses it was unclear which option cost estimates related to.

154. One large supplier had already designed a process for data access for customers without online accounts during the original Midata programme of work, so costs would be minimal. However, costs would be incurred if the one off 30 minute limit was extended as the current process would not provide sufficient data protection. Another supplier explained that non-online customers would need to call customer care and perform security validation checks. They estimated this would take a 15 minute call from end to end and need an increase of call centre staffing to maintain quality of service. One supplier was able to provide a cost estimate of less than £100,000, in their view relatively low. This would cover developing a suitable registration tool and data sharing solution that is distinct from the existing online account solution.
155. One supplier stated that telephone Midata would need alternative methods for customer verification and consent, as it may not be appropriate for the customer to share security password information with the TPI. If this alternative verification process were to be conducted by some form of telephony solution then suppliers would need to build in separate, parallel process which would add considerably to costs. Tech firms stressed that there should be no barriers to providing all customers with their data.

Government Response

156. One of the key objectives of introducing Midata in the energy sector is to enhance competition, which is maximised if Midata is available to all consumers, including those without an online account. Given that there was no clear indication on costs and as mentioned previously all customers can access and port their data, online or via other media under the new data protection regime, we would expect that suppliers will provide Midata through non-online methods.

Question 23: Can you please provide any evidence of the costs likely to be incurred by suppliers for providing customer data to third parties for those without an online account?

157. There were six responses to this question. A couple of respondents reported that there would be no additional cost incurred (other than those reported in the previous question) for providing customer data to third parties for customers without an online account.
158. One supplier was able to estimate that costs for servicing requests from non-online accounts would depend on take-up, but would be about £5 a request, plus the cost of training call centre staff to process these requests, and the downtime whilst training was taking place, as a fixed cost, probably of several thousand pounds. It was assumed that TPIs would receive the data via a portal access, and data would not be provided to TPIs who requested it in other formats. Another supplier estimated development costs for the functionality to verify customers without an online account as approximately £105,000.
159. An Information technology company stated that information security and auditing of access should be a normal part of supplier operations and so long as TPI's were working inside an approved scheme where they were registered, serving

such demand would incur minimal costs given the number of data attributes involved.

Government Response

160. Responses indicate that the costs incurred to suppliers for this aspect are minimal. The Government will however be looking to work with Ofgem and stakeholders to consider how Midata can be implemented in as low cost way as possible ahead of implementation.

Question 24: Do you have any evidence to suggest that adding additional information such as meter type, Warm Home Discount Indicator, consumption data by time of use for those customers on Economy 7 or other time-of use tariff to the API specification will have a material cost involved for suppliers? If so, can you provide a cost estimate for adding this additional information to the API specification?

161. Nine stakeholders responded to this question. One supplier estimated that the cost of adding the meter type and WHD indicator would be minimal. However, displaying and calculating consumption data split by day and night usage would involve considerable cost and complexity. A supplier felt that costs would not be one-off and not significant as much of the information was held on company systems, however another felt it was difficult to estimate costs until clarity was received around the definition of 'meter type'.
162. One supplier suggested estimated development costs to include the additional information in to the API specification of approximately £155,000. This did not include a cost estimate to provide a WHD marker, as they believed they were prohibited from providing this information under the State Pension Credit (Disclosure of Information) (Electricity Suppliers) Regulations 2010 (2010 No. 227).
163. An Information technology company stated that there is little, or zero cost involved as these fields were already well defined within existing data models and processes for making applications for things like Warm Home Discount.

Government Response

164. Costs are not clear and we propose to introduce additional data fields in consultation with Ofgem and stakeholders after the initial data fields have been successfully introduced.

Question 25: Do you have an estimate of the cost that will be incurred by suppliers for introducing these additional data fields in time for the start of implementation and the cost if they were phased in over time?

165. We received eight responses to this question. A large supplier believed that much, if not all, of this information should already be within supplier systems and therefore the costs of introducing these fields in time for the start of implementation should be relatively low. However, if this was not the case at this

stage, then the costs would be lower to phase those in over time, as those changes could be aligned to changes which will already be required for the implementation of the CMA remedies.

166. Another supplier stated that a phased approach would present significant costs due to duplication of effort. For example, they would need to obtain sufficient project resource again to build, test and deploy the expanded API specification, undertake further rounds of testing with TPIs, as well as revisiting and potentially revising the security approach previously adopted.
167. Others agreed a phased approach would be expensive although a tech firm reasserted that the data should already be available on most supplier systems; if this was not the case or data was held in disparate systems, a small data integration and migration cost would be incurred.

Government Response

168. Costs are not clear and we propose to introduce additional data fields in consultation with Ofgem and stakeholders after the initial data fields have been successfully introduced.

Monitoring and Compliance

Question 26: Question 11 asked if the existing rules for dealing with the misuse of customers' energy Midata was sufficient. If you do not believe they are sufficient, and further protections are required, do you have a cost estimate for these additional protections. Please provide evidence to justify this cost estimate.

169. Seven stakeholders responded. The majority felt that existing rules were sufficient. One tech firm thought that the Data Protection Act and incoming GDPR would afford protection as long as there was a trust framework and scheme subject to independent approval and audit. The cost should be minimal to implement and maintain annually and mirror that which any modern organisation is already doing to demonstrate trust and standards compliance.
170. A supplier felt it was for the ICO to review and provide views whether any further protections were necessary.

Government Response

171. The Government believes preventing misuse of a customer's data is essential. The ICO is empowered by the Data Protection Act 2018 to deal with data misuse effectively where it concerns personal data, and for example, the rights of data subjects have been breached. However it is also important to develop trust between stakeholders and suppliers and we will work with Ofgem and stakeholders to develop options.

Question 27: Question 12 asked for your opinion on whether Ofgem is the most appropriate organisation to carry out monitoring and enforcement of fulfilment of Midata requests. If you do not believe Ofgem is the most appropriate organisation, do you have a cost estimate for another organisation taking on this responsibility? Please provide evidence to justify this cost estimate.

172. We received five responses to question 27. One supplier reiterated their point that responsibility for monitoring and enforcement should be given to an independent, pan-sectoral body which would have a remit to monitor the activities of both suppliers and TPIs and, where necessary, to tackle breaches in regulation. Although they could not provide a cost estimate they suggested using the £2m provided for the banking sector central coordinating body as a useful benchmark. Other suppliers felt that Ofgem were best placed to monitor and enforce supplier obligations.
173. An Information technology company asserted that the ICO should coordinate enforcement across industry regulators. A finance company added that the monitoring and management information required to manage the service and trigger enforcement could be carried out by a third party if Ofgem lacked the capability or cost effectiveness.

Government Response

174. We thank stakeholders for their responses to this question but believe that as the regulator, Ofgem are the most appropriate organisation to deal with monitoring and enforcement of requirements to provide energy Midata.

Question 28: Question 14 asked if it would be necessary to appoint an organisation to monitor the quality of Midata. Do you have an estimate of the cost that will be incurred if an organisation is appointed to carry out this activity?

175. Of the five responses received, none were able to provide a cost estimate for appointing a data assurance organisation, although a finance company, experienced in building data sharing groups, offered to supply high level information on associated costs subject to the consent of their stakeholders. A tech firm reiterated that such a function should sit inside a trust framework which it was experienced in developing.
176. Two suppliers felt that data quality issues should be picked up by Ofgem in its monitoring and enforcement role. Another added that monitoring should be light-touch and intelligence-led rather than requiring an onerous and expensive regular audit; this way would help to limit costs.

Government Response

177. It is important that data is good quality, and we agree that Ofgem ensure data quality as part of their monitoring and enforcement role. We also believe that Ofgem should work with stakeholders ahead of implementation to address issues with data quality.

Concluding questions

Question 29: Can you please provide any evidence of any other costs likely to be incurred by suppliers in implementing Midata that have not already been covered in the above questions?

178. We received nine responses to this question. One supplier explained that the principle phases would be design, build and test. As a rough estimate, each phase would take approximately 3-6 months, giving a total implementation range of between 9 – 18 months. Estimated costs of implementing this change would be in the order of 100s of £1000s. Another stressed that any deviation away from the original agreed specification would penalise suppliers who were proactive in investing resources and engaging with Government on the original project.
179. Another large supplier highlighted potential knock-on consequences leading to additional costs on suppliers if Midata did not work for a customer as intended from its launch. For example, customers would contact their supplier if they were unsure about the security of allowing a third party access to their data, or if there was any problem encountered in authorising them to do so. If sufficient testing was not built into launch plans problems were more likely to arise, with the consequent need for remedial action from suppliers to rectify any issues and also to deal with customer contacts and potentially complaints.
180. Another supplier identified the potential for coping with high volumes of requests. To address this uncertainty it might be helpful to have some restrictions on the volume of requests that TPIs could make, or some form of 'fair usage' policy.
181. An Information technology company called for a comprehensive communications and education programme to promote the benefits of Midata. It was not clear if the respondent was referring to suppliers or Government providing this communication programme. However for suppliers it would include changes to Customer Service scripts to be able to answer customer queries on Midata and promote Midata. Another firm added that key drivers of the costs would be the required response time and volumetrics, the responsibilities associated with validating the TPI and any liabilities on the misuse by the TPI of the data.

Government Response

182. The Government wants Midata to be implemented successfully and will work with Ofgem and stakeholders to ensure this, for example, to ensure there is sufficient lead time for testing the process, ahead of Midata launching to ensure any potential problems are identified and resolved.

Question 30: Can you please provide any evidence of costs likely to be incurred by TPIs in developing applications to use Midata?

183. Seven organisations responded to this question. One PCW felt that the cost of this project outweighed the benefits, which would only apply to a limited number of consumers. They estimated around £150,000 in hard development costs; this did

not take into account lost opportunity costs. Another highlighted that it was regular practice for TPIs to use APIs as a method of electronically transferring data, including customers' data but had not yet estimated the costs of developing applications to use Midata. They stressed the key was to avoid a repetition of the QR code situation where many TPIs had invested significant costs into developing apps which were subsequently shelved due to data quality issues.

184. Another PCW was unable to provide indicative costs until they had a clearer understanding of what data would be released and how it would be supplied but however would be willing to provide an estimate once this had been settled. A supplier felt Government should consider whether TPIs should also be mandated to offer Midata to customers, otherwise there was the risk that suppliers investing in developing systems and processes which were hardly used by TPIs. A tech firm felt that costs for TPIs would be low and could in most cases represent a cost saving over current methods. A finance company felt that costs were dependent on the agreed architecture of the solution and there would undoubtedly be unforeseen circumstances arising in the process at some stage.

Government Response

185. The Government wants Midata to be implemented successfully and will work with Ofgem and stakeholders to ensure this. The Government notes in particular the concerns of stakeholders over not repeating the problems encountered in the QR code SLC, particularly regarding data quality and enforcement.

Benefits

Question 31: Finally, do you have any evidence and estimates of the benefits that might accrue to consumers from these proposals?

186. We received 16 responses to this question. Most PCWs felt that moving entirely to an automated system would greatly benefit consumers, many of which found the energy market complex and confusing to navigate. If implemented well, Midata could eliminate many of the problems relating to the manual input of data by customers. Wider benefits included: fewer customers remaining on expensive Standard Variable Tariffs (SVTs); greater consumer engagement with switching energy tariffs; more targeted and comprehensive tariffs based on where the biggest savings could be made; TPIs and suppliers working together for more competitive deals; more competitive retention prices to stop customers leaving their current supplier; and longer Midata permissions should result in returning switchers.
187. An Information technology company added that having access to detailed consumption data would open up more applications to support the customer. Similarly having the widest set of consumers who could benefit from the data, for instance those with multiple meters or who do not have internet access, would maximise the benefit.

188. One PCW and a number of suppliers questioned whether Midata would provide additional benefit for the most disengaged customers as the route to consumer engagement. One supplier called for trials to understand if Midata would have a material impact on switching numbers, suggesting this could be incorporated in Ofgem's current trials to assess the effectiveness of various switching prompts.
189. A supplier flagged that the cost of this investment would ultimately fall on consumers' bills, so it was imperative that Government conducted a clear cost benefit analysis for Midata. Another did not feel Midata was the best way to reach disengaged SVT customers, which should be the priority. For Midata to be successful they urged Government to explore the reasons for lack of consumer engagement during Phase 1 of Midata and to resolve the data quality issues. They suggested Government takes a consumer focussed holistic approach to industry programmes and mandated changes and the associated customer benefits.

Government Response

190. We thank stakeholders for their response to the above question and note the positive outcomes Midata can have for the consumer We want energy Midata to be implemented successfully and will work with Ofgem and stakeholders to achieve positive outcomes for the consumer as part of the wider set of Ofgem and Government measures to improve customer engagement in the energy market.

Annex A: List of respondents to the Call for Evidence on Midata in the energy sector

1. Affect Energy
2. Bristol Energy
3. British Gas/ Centrica
4. Citizens Advice
5. Compare the Market
6. Cooperative Energy
7. Ctrl-Shift
8. E.ON
9. Economy Energy
10. Ecotricity
11. EDF Energy
12. Energy Helpline
13. Energy UK
14. Experian
15. First Utility
16. ICO
17. Make It Cheaper
18. Money Saving Expert
19. Money Supermarket
20. Mydex CIC
21. Npower
22. Ofgem
23. Ombudsman Services
24. Scottish Government
25. Scottish Power
26. SSE
27. Tech UK
28. Welsh Government
29. Which?

