UK Government

Non-Domestic Smart Meter Rollout Post-2025

Government response to a consultation on driving smart meter uptake in support of the clean power mission and protecting non-domestic consumers in the transition to smart-contingent contracts

Department for Energy Security and Net Zero (2026)

Contents

Executive Summary 6

Government Decisions 6

Introduction 10

Consultation proposals 12

Related measures 13

Consultation events (non-domestic smart meter rollout post-2025) 14

Consultation responses 15

Further stakeholder engagement exercise 15

Responses to further stakeholder engagement exercise 16

Overview of this document 16

Consultation Questions 17

Questions asked as part of the further stakeholder engagement exercise 19

Section One: Overall Policy Package- Non-Domestic Smart-Contingent Contracts 20

Questions 1-2 20

Summary of responses to Questions 1-2 20

Government response to Questions 1-2 27

Summary of government decisions in Section One 34

Section Two: Non-Domestic Consumer Protection Code 36

Question 3 36

Summary of responses to Question 3 36

Government response to Question 3 39

Questions 4-5 44

Summary of responses to Questions 4-5 44

Government response to Questions 4-5 46

Summary of government decisions in Section Two 48

Section Three: Driving smart meter uptake in the commercial private rented sector 49

Questions 6-7-8 49

Summary of responses to Questions 6-7-8 49

Government response to Questions 6-7-8 51

Question 9 55

Summary of responses to Question 9 55
Government response to Question 9 56
Summary of government decisions in Section Three 58
Section Four: Policy Scope 59
Question 10 59
Summary of responses to Question 10 59
Government response to Question 10 60
Question 11 60
Summary of responses to Question 11 60
Government response to Question 11 60
Question 12 61
Summary of responses to Question 12 61
Government response to Question 12 61
Question 13 62
Summary of responses to Question 13 62
Government response to Question 13 62
Question 14 63
Summary of responses to Question 14 63
Government response to Question 14 63
Question 15 63
Summary of responses to Question 15 63
Government response to Question 15 64
Summary of government decisions in Section Four 64
Section Five: Policy Engagement Strategy 65
Question 16 65
Summary of responses to Question 16 65
Government response to Question 16 67
Summary of government decisions in Section Five 70
Section Six: Providing flexibility to the non-domestic sector 72
Question 17 72
Summary of responses to Question 17 72
Government response to Question 17 72
Summary of government decisions in Section Six 74

Section Seven: Legal Drafting 75
Questions 18-19 75
Summary of responses to Questions 18-19 75
Government response to Questions 18-19 76
Question 20 76
Summary of responses to Question 20 76
Government response to Question 20 78
Summary of government decisions in Section Seven 80
Annexes 81
Annex A: List of respondents 82

Executive Summary

Smart meters are a crucial component of achieving a clean and flexible power system by 2030. They are being rolled out to ~3 million smaller businesses and public sector sites across Great Britain ("the non-domestic smart meter rollout") across a range of sectors, from retail and hospitality to schools. Energy suppliers are required to provide all small organisations with smart meters with free and regular information on their energy use. This can help organisations with monitoring and management of energy costs including identification of ways to reduce overall consumption, run operational processes more efficiently, upgrade equipment and choose the best energy deal/tariff to maximise bill savings.[1]

The government is committed to ensuring that all consumers can benefit from smart meters as soon as possible. In March 2026, we published a response to a consultation on measures to improve the customer experience of smart metering (for domestic and non-domestic consumers) and a 2030 obligation to complete the domestic rollout[2].

However, we consulted separately on measures to drive new non-domestic smart meter installations post-2025 in support of the Clean Power 2030 Mission and to protect non-domestic consumers in the transition to smart-contingent contracts.

Smart-contingent contracts are fixed term non-domestic energy contracts (which are significantly cheaper than alternatives) that require the installation of a smart meter. The government has observed the growing use of these contracts by non-domestic energy suppliers, who unlike in the domestic sector are under no obligation to supply premises when requested, and have started to use these contracts to drive smart meter uptake, particularly amongst smaller organisations who are more disengaged with smart metering.

The proposals set out in the October 2025 'Non-Domestic Smart Meter Rollout Post-2025' consultation aimed to support the development of this market in a way that protects non-domestic consumers from risks caused by inconsistent market-led implementation of smart-contingent contracts whilst driving additional consumer demand for smart meters. It included measures to standardise the rollout of smart-contingent contracts across non-domestic energy suppliers to ensure a phased transition for consumers over time and a requirement on suppliers to follow a legally binding consumer protection code with respect to the implementation and enforcement of smart-contingent contracts.

Government Decisions

We received 46 responses to the October 2025 consultation from a range of stakeholders including non-domestic consumers, energy suppliers and metering organisations. We thank them all for their invaluable feedback and the supporting information they provided.

[1] Maximising non-domestic smart meter consumer benefits, improving the data offer and enabling innovation - GOV.UK
[2] Smart metering policy framework post 2025 - GOV.UK

Most stakeholders signalled support for the policies in principle, including the benefits of government taking steps to regulate the practice of smart-contingent contracts to protect non-domestic consumers. Detailed feedback was received on some specific aspects of policy design, for which further engagement with stakeholders was needed to refine the implementation approach. These are covered in further detail in relation to the relevant consultation questions and responses below.

The decisions set out in this document reflect the responses received to the consultation, as well as the government's commitment to driving the non-domestic smart meter rollout post-2025 in a way that delivers a positive customer experience of smart metering and provides industry with certainty and flexibility.

The key decisions are as follows:

Section One (Overall policy package)

- The government is progressing with the smart-contingent contracts policy package. The scope of the policy will be limited to small and medium non-domestic sites ("designated premises") in the first instance.
- The universal implementation requirement will come into effect **from 1st September 2027**. After this date, if energy suppliers enter into new fixed term energy contracts with non-domestic customers, they must ensure the contract includes a term which provides that the customer has, or agrees to have, smart or advanced meters installed in their designated premises.
- The universal communication requirement will come into effect **from 1st January 2027**. After this date, suppliers must start to communicate the upcoming policy changes so that non-domestic consumers understand what is expected, why and when.
- Energy suppliers must be fully compliant with the legally binding consumer protection code **by 1st September 2027** (though we would encourage suppliers to ensure new fixed term contracts are compliant sooner, where feasible).
- We have published case studies alongside the government response (see Part 1 of Annex B: Supporting Policy Guidance) to drive further consistency and proportionality in supplier enforcement of smart-contingent contracts. These have been published as policy guidance (which the government expects suppliers to consider) but not as statutory guidance or a binding obligation.
- Some amendments have been made regarding supplier obligations with respect to TPIs, although key obligations regarding energy intermediaries (e.g. public sector framework providers) remain. The policy timelines confirmed in this government response allow more time for government to engage with TPIs and Ofgem regarding more specific longer-term alignment ahead of policy implementation.

Section Two (Consumer protection code)

- We have retained the provisions in the customer code regarding transparency of smart-contingent terms and conditions, ensuring customers are not penalised where the delay to the smart meter installation is outside of the customer's control and paying attention to the needs and circumstances of particular groups. These provisions remain necessary and principles-based.

- We have made some revisions to customer code provisions in response to feedback, including refining the definition of financial difficulty and simplifying the smart meter installation requirements and tenant protections to make them more flexible for industry and consumers. A protection has also been added for customers whose premises need additional works before their meter can be upgraded.
- The code will be introduced as a new schedule to the Retail Energy Code. Energy suppliers will be bound under licence conditions to comply with this REC schedule.
- We have revised the code governance arrangements to address feedback. This includes a clearer distinction of roles and responsibilities between the Retail Energy Code Company (RECCo) and Ofgem and plans for RECCo to redesign and consult on the reporting provisions to ensure they remain proportionate.

Section Three (Commercial Private Rented Sector)

- The government has published the DESNZ policy statement on commercial tenants' requests to install smart meters and the boilerplate commercial landlord/tenant communications (see Part 2A of Annex B: Supporting Policy Guidance). These have been updated to reflect feedback from the consultation and consumer message testing.
- We have also published guidance for commercial landlords and tenants on how they can cooperate to navigate the existing non-domestic energy data landscape and access smart meter data (see Part 2B of Annex B: Supporting Policy Guidance).

Section Four (Policy scope)

- The final policy package does not alter the existing policy framework governing SMETS versus advanced metering.
- We can confirm our intention to scope options for a new definition of designated premises in light of Market-Wide Half-Hourly Settlement (MHHS).

Section Five (Policy engagement strategy)

- We are maintaining the scope of the awareness raising requirement to all non-domestic consumers. To drive consistent supplier communications and maximise consumer engagement, we have published a supplier toolkit based on government's message testing with consumers (an accompanying research report has also been published)[3].
- To address feedback regarding government communications to support the policy changes, we have also published a non-domestic consumer guide to rights and expectations regarding smart-contingent contracts for use after 1st September 2027 (see Part 3 of Annex B: Supporting Policy Guidance).

Section Six (Industry flexibility)

[3] https://gov.uk/government/publications/communicating-the-rollout-of-smart-contingent-contracts-to-non-domestic-customers

- Non-domestic suppliers will not initially be required to provide deployment plans. Instead, we intend (alongside Ofgem) to issue one joint, annual non-domestic smart metering policy RFI (using existing powers) to scope suppliers' future resourcing plans, including how they intend to balance new installations against their 4G transitions. However, we reserve the scope to act if monitoring shows insufficient progress.

Introduction

Importance of the non-domestic smart meter rollout

Smart meters are being rolled out to smaller businesses and public sector sites (the non-domestic smart meter rollout) and are a crucial component of achieving a clean and flexible power system by 2030. The non-domestic smart meter rollout covers ~3 million meters in smaller-medium sites across a range of sectors, from retail and hospitality to schools. Smart meters are expected to reduce non-domestic energy consumption in smaller businesses and public sector sites by 2.8% (electricity) and 4.5% (gas), delivering customer bill savings and avoiding estimated bills.[4]

To support this, energy suppliers are required to provide all small organisations with smart meters with free and regular information on their energy use. This can help organisations with monitoring and management of energy costs including identification of ways to reduce overall consumption, run operational processes more efficiently, upgrade equipment and choose the best energy deal/tariff to maximise bill savings.[5]

Non-domestic smart meter data also facilitates energy system benefits such as demand-side response measures, industrial decarbonisation and Market-Wide Half-Hourly Settlement. It can be used to set emissions reduction targets and evidence progress against decarbonisation pathways. The Government’s vision for smart meters is to reach the highest levels of uptake in small businesses and public sector sites by 2030 in support of the Clean Power Mission, and to maximise access to, and engagement with, smart meter data across the energy system through a mix of policy, engagement and innovation.

Non-domestic smart meter rollout to date

The approach to the rollout of smart meters in the domestic and non-domestic sectors has, to date, been treated largely the same, though with increasing tailoring of the policy framework to sector-specific circumstances over time. This includes the extension of Smart Energy GB’s remit to require it to raise awareness of smart meters (and the associated benefits) amongst microbusiness consumers in 2019. In 2022, a series of policy changes were made to improve the data offer that non-domestic customers receive with their smart meter.

From 2022-2025, the Government introduced a four-year Smart Metering Installation Targets Framework under which energy suppliers were set individual annual smart meter installation targets. In Year 1 (2022) and Year 2 (2023) of the Targets Framework, mixed portfolio energy suppliers (suppliers of both domestic and non-domestic premises) had one single binding annual installation requirement (for electricity and gas separately), but for which the underpinning methodology reflected the domestic and non-domestic components of their portfolio (including a tailored non-domestic tolerance level to reflect complexities unique to the

[4] Smart Metering Implementation Programme - Cost-Benefit Analysis 2019

[5] Maximising non-domestic smart meter consumer benefits, improving the data offer and enabling innovation - GOV.UK

non-domestic rollout). However, in Year 3 (2024) and Year 4 (2025) of the Framework, this was amended such that all energy suppliers had separate, binding domestic and non-domestic targets with further tailoring of the respective methodologies.

As with the domestic rollout, the non-domestic rollout is now well established, and the majority of metered sites have smart or advanced meters installed (67% of smaller non-domestic sites at end Q1 2026). Despite positive progress, there is growing evidence that demand for smart meters among non-domestic consumers is becoming an increasing constraint to achieving the highest levels of uptake needed to support the government's Clean Power 2030 Mission.

In Q4 2024, the government procured a YouGov survey of the latest non-domestic attitudes to smart meters[6]. This survey concluded that whilst market-wide non-domestic consumer attitudes remain positive overall (79% either already had a smart meter or would seek/accept an installation in the next six months), non-domestic consumers that would reject a smart meter (also in the next six months) had become a larger proportion of the non-smart population. This suggests that those who have rejected smart meters in the past have predominantly remained rejectors and now make up a larger proportion of the non-smart population that needs to be converted by energy suppliers in future.

Growth in the use of non-domestic smart-contingent contracts

It's in this context that the government has been monitoring the growth in use of non-domestic "smart-contingent contracts" by energy suppliers, who unlike in the domestic sector are under no obligation to supply premises when requested. Smart-contingent contracts are fixed term non-domestic energy contracts (which are significantly cheaper than alternative contract types due to the nature of price differentials in the non-domestic market) that require the installation of a smart meter.

Suppliers have started to use these contracts to drive smart meter uptake, particularly amongst smaller organisations who are more disengaged with smart metering. This is based on the premise that the customer is motivated to access the cheaper rates for their energy and comply with the terms of their contract. In addition, general contract breaches in the non-domestic energy market (i.e. breaches associated with any clause, not particularly those associated with smart-contingent clauses) can be dealt with by suppliers by terminating customers' access to their fixed term contract (and moving them onto such deemed or out of contract rates), thus further incentivising contractual compliance.

The government considers that there are positive opportunities to be realised as a result of the increase in smart-contingent contracts, though there are also potential risks for non-domestic consumers caused by inconsistent market implementation. These risks include customer confusion over what action they need to take or suppliers implementing unfair or prohibitive enforcement action against consumers if they do not proceed with a smart meter installation

[6] Annex A: Analytical evidence (accessible webpage) - GOV.UK

after signing a smart-contingent contract (such as penalising the customer even if not having the smart meter installed was outside of their control).

Prompt policy action can therefore help to support the development of this market in a way that protects non-domestic consumers from these risks whilst driving the levels of smart meter coverage needed for Clean Power 2030.

Principles for the Non-Domestic Smart Meter Rollout Post-2025

Underpinning the consultation proposals were several overarching policy objectives. Firstly, we want to deliver a step change in the consumer experience of smart metering and ensure all smaller non-domestic organisations can access the full benefits of their smart meter data. Second, we intend to give suppliers confidence in future non-domestic consumer demand for smart metering and as a result provide certainty to industry to enable investment and underpin the transition to Clean Power 2030. Third, we aim to provide flexibility to the sector, allowing non-domestic suppliers to deliver new installations in a way that accounts for broader non-domestic commercial priorities beyond 2026, including the industry-led upgrade of advanced meter portfolios to 4G.

Consultation proposals

The proposals in the consultation published in October 2025 were therefore designed to maximise the opportunities from, and mitigate the risks of, the recent growth in use of smart-contingent contracts by non-domestic energy suppliers, as well as aligning with the broader principles for the smart meter rollout post-2025. The consultation sought views on the following requirements for energy suppliers:

- **A universal implementation requirement.** From 1st January 2027, energy suppliers cannot enter into new fixed term energy contracts with non-domestic customers unless the customer has, or agrees to have, smart or advanced meters installed in their premises. This ensures a phased transition for non-domestic customers over time as they reach the point of contract renewal after this date.
- **A universal communication requirement.** All suppliers must start to communicate these upcoming changes as soon as the licence modifications are made. This allows a period ahead of 1st Jan 2027 for the market to prepare for the step-change and for widespread awareness raising to customers so that they understand what is expected of them, why and when.
- **A legally binding customer code which suppliers must adhere to from 1st January 2027 to protect consumers from the risks of the smart-contingent contracts.** The code would contain provisions with respect to supplier fulfilment of customer appointments, ensuring suppliers are transparent, fair and proportionate in their implementation and account for small organisations in financial difficulty.
- **Measures to drive smart meter uptake in the commercial private rented sector.** This included a policy statement from the Department for Energy Security and Net Zero

(DESNZ) and boilerplate communication templates to help commercial tenants and landlords make use of these policy changes to support smart meter installations in rented premises.

Related measures

In addition to the core proposals in the consultation, we set out a number of measures which the government and Ofgem, working with key delivery partners, is overseeing to improve the consumer experience and availability of smart metering. These included:

Non-domestic consumer experience

Strengthened supplier obligations to ensure meters remain operational: In March 2026, the government published a response to a consultation on obligations for energy suppliers to improve smart meter operations and complete the domestic smart meter rollout by the end of 2030. This confirmed that several measures will apply to non-domestic smart meters, including an obligation on suppliers to take all reasonable steps to ensure smart meters operating in traditional mode are back working in smart mode for consumers as soon as possible and no later than 90 days from the date energy suppliers are first aware. Suppliers will also be required to take all reasonable steps to pre-emptively replace smart metering assets so that they continue to communicate when they will otherwise stop communicating as a result of Wide Area Network (WAN) services ending.

Guaranteed Standards of Performance: Ofgem has introduced new Guaranteed Standards of Performance (GSOP) for smart metering[7] to support faster appointment fulfilment, smoother installations, and quicker support and resolution of post-installation issues which, if not met, will result in automatic compensation for consumers. Ofgem has confirmed that microbusiness smart meter customers are in scope of the GSOPs.

Smart metering installation experience: In August 2025 we published a call for evidence to seek industry's views on how to enhance the consumer installation journey towards Clean Power 2030, including by looking at the potential to drive efficiencies or integration in both smart meter and low carbon technology (LCT) installations. We are currently reviewing all responses and will continue to engage with stakeholders over 2026 to explore the issues raised.

Improving the availability and reliability of smart metering services

4G in the CSP-North: The DCC now offers 4G communications in the CSP-north region. This enables suppliers to use either the 4G mobile network or the Long-Range Radio network in the CSP-north region, in support of improved first-time installation success rates.

DCC SMETS1 service contract extensions: The DCC has extended its contracts with key service providers to enable service provision for the majority of SMETS1 meters to 2033. This

[7] Statutory consultation on smart metering Guaranteed Standard of Performance (GSOPs) - Ofgem

will allow energy suppliers to maximise the asset life of installed equipment and reduce early replacements.

Virtual WAN: In 2026 the DCC launched a Virtual WAN (VWAN) service (initially with a limited number of Communications Hubs that can connect to the internet) so that, with consumer consent, broadband can be used to connect homes without WAN coverage to the national communications network for smart metering. This means that remaining consumers who do not have a WAN service, but have broadband, will be eligible for smart meters.

4G communications hub only exchange site visits arrangements: In August 2025, the government published its conclusions on 4G communications hub only exchange site visit arrangements, along with proposals on the DCC charging mechanism and legal changes[8]. In September, Ofgem and DESNZ launched a joint consultation on the methodology for calculating the centralised reimbursement price for these visits, the conclusion to which was published in February on the Ofgem website[9]. These arrangements provide for suppliers to be re-imbursed for the costs of a site visit where a 2G/3G Communications Hub is replaced by a 4G Communications Hub (and no new meters are installed as part of the replacement visit).

Consultation events (non-domestic smart meter rollout post-2025)

Following publication of the consultation in October 2025, the department conducted and took part in four stakeholder engagement events as well as a series of bilateral meetings during November and January 2026. Stakeholders involved included large and small energy suppliers covering the non-domestic sector, consumer groups, trade bodies, and other delivery partners. The stakeholder engagement events were organised to ensure attendees had the opportunity to understand the consultation proposals and their implications, and to address points for clarification. A summary of post-publication engagement is given in Table 1 below.

Table 1: Post-publication stakeholder engagement events

Date	Organisation Type
06/11/2025	Non-Domestic Working Group (NDWG): large/ medium non-domestic energy suppliers and Smart Energy GB
13/11/2025	Industrial and Commercial Shippers and Suppliers (ICoSS)
13/11/2025	The Federation of Small Businesses (FSB)

[8] Smart Metering Implementation Programme: DESNZ conclusions on 4G Communications Hub only exchange site visit DCC charging mechanism and legal changes
[9] 4G Communications Hub only exchange site visits: proposed methodology for calculating a centralised price

24/11/2025	Citizens Advice
25/11/2025	Ofgem-led Third-Party Intermediary (TPI) forum
04/12/2025	Retail Energy Code Company
08/12/2025	Energy UK bilateral
13/01/2026	Energy UK facilitated workshop with non-domestic suppliers

Consultation responses

The closing date for the consultation was 16 January 2026. A total of 46 responses were received. A list of individual respondents can be found in Annex A of this document. Table 2 below provides a summary of respondents by type.

Table 2: Summary of consultation responses (by respondent type)

Organisation Type	Number of respondents	Percentage of total
Energy supplier or representative	22	47.8%
Non-domestic consumer or representative	14	30.5%
MOP/MAP/manufacturers	5	10.9%
Third party intermediary	2	4.3%
Code body	2	4.3%
Other	1	2.2%
TOTAL	46	100.0%

Further stakeholder engagement exercise

Following the initial consultation, most stakeholders signalled support for the policies in principle, including the benefits of government taking steps to regulate the practice of smart-contingent contracts to protect non-domestic consumers (see Section One).

Detailed feedback was received on some specific aspects of policy design, for which further engagement with stakeholders was needed to refine the implementation approach. Therefore, between 31 March 2026 and 29 April 2026, consultation respondents[10] were invited to provide further views in writing and through additional stakeholder engagement activity on a targeted, further sub-set of questions.

Responses to further stakeholder engagement exercise

A total of 28 written responses were received to the further engagement exercise. A list of individual respondents can be found in Annex A of this document. Table 3 below provides a summary of respondents by type.

Table 3: Summary of responses to further engagement exercise (by respondent type)

Organisation Type	Number of respondents	Percentage of total
Energy supplier or representative	19	67.8%
Non-domestic consumer or representative	5	17.8%
MOP/MAP/manufacturers	1	3.6%
Third party intermediary	1	3.6%
Code body	2	7.2%
Other	0	0
TOTAL	28	100.0%

Overview of this document

This document provides high-level summaries of the responses to each of the 20 consultation questions, alongside feedback from the further engagement exercise where relevant for each topic. Feedback specifically from the further engagement exercise is clearly signposted.

It sets out the government's response to each of the questions and confirms our intentions for the Non-Domestic Post 2025 Smart Metering Policy Framework.

[10] Defined as those who had substantively engaged with the questions asked during the 12-week public consultation and who had provided contact details in their response.

Section One covers Questions 1-2. Section Two covers Questions 3-5, Section Three covers Questions 6-9, Section Four covers Questions 10-15, Section Five covers Question 16, Section Six covers Question 17 and Section Seven covers Questions 18-20. There is an overall conclusion summarising the government decisions at the end of each section.

Consultation Questions

Question	Questions as consulted on in October 2025
Q1	Do you agree with the proposed policy package with respect to non-domestic smart-contingent contracts set out in Section One? Please provide rationale and evidence to support your answer.
Q2	Are there any specific elements of the policy package where you agree/disagree? Please provide rationale and evidence to support your answer.
Q3	Do you have comments or views on the proposed consumer protection code of practice provisions, including: a) whether they achieve the right balance between protecting consumers from the risks of inconsistent treatment from the market whilst minimising risks of misuse by stakeholders that may wish to avoid smart metering installations for other reasons, and b) their alignment with other consumer protections? Please provide rationale and evidence to support your answer.
Q4	Do you have comments or views on the proposed governance arrangements for the consumer protection code? Please provide rationale and evidence to support your answer.
Q5	Do you agree that the code of practice best sits within the Retail Energy Code? Please provide rationale and evidence to support your answer.
Q6	Do you have views on the interactions between the policy proposals in Section One and commercial tenants' rights to arrange for the installation of smart meters in their premises? Please provide rationale and evidence to support your answer.
Q7	Do you agree with the proposals to publish a DESNZ policy statement regarding interactions between the policy and commercial tenants' requests, alongside boilerplate letters for commercial landlords and tenants to support each other with the smart meter installation process? Please provide rationale and evidence to support your answer.
Q8	Do you have comments or views on the draft DESNZ policy statement and boilerplate commercial landlord/tenant letters included in Section Two? How could they be adapted or utilised to maximise smart meter uptake in the commercial private rented sector? Please provide rationale and evidence to support your answer.

Q9	Do you have views on the ideas for managing the interaction between these policy proposals and cases of remedial works needed in non-domestic premises? Please provide rationale and evidence to support your answer.
Q10	Do you have views on whether the policy proposals should apply only with respect to designated premises, or all non-domestic premises? Please provide rationale and evidence to support your answer.
Q11	Do you have views on the interactions between the policy proposals and meter type (i.e. arrangements with respect to the installation of SMETS versus advanced meters). Please provide rationale and evidence to support your answer.
Q12	Do you have any early views on future options for how designated premises could be defined post-MHHS or any comments on interactions with the proposals set out in this consultation? Please provide rationale and evidence to support your answer.
Q13	Do you have views on whether the proposals in this consultation could be suitable for other specialist forms of energy contracts available in the non-domestic market? Please provide rationale and evidence to support your answer.
Q14	Do you have any additional evidence on the nature and types of non-domestic organisations who remain permanently outside of fixed term energy contract, including the nature of customers on evergreen contracts? Please provide rationale and evidence to support your answer.
Q15	Do you have any other views on policy scope that may inform policy design decisions? Please provide rationale and evidence to support your answer.
Q16	Do you have views on, or suggestions to inform, the policy engagement strategy set out in Section Four? Please provide rationale and evidence to support your answer.
Q17	Do you have views on the proposals in relation to maintaining industry flexibility to manage the nuances of the 4G transition in the non-domestic sector, including with respect to installer capacity? Please provide rationale and evidence to support your answer.
Q18	Do you agree that the draft amendments to energy supplier licence conditions set out in Annex B implement the policy intentions proposed in Section One of this document? Please provide rationale and evidence to support your answer.
Q19	Do you agree that the draft amendments to energy supplier licence conditions set out in Annex B reflect the policy options with respect to scope set out in Section Three? Please provide rationale and evidence to support your answer.
Q20	Do you agree that the draft Retail Energy Code schedule set out in Annex C implements the policy intentions proposed in Section One of this document. Please provide rationale and evidence to support your answer.

Questions asked as part of the further stakeholder engagement exercise

Question	Questions asked in further engagement exercise in March 2026
Q1	Do you agree with the revised consumer code governance arrangements set out in the amended Section 5 (Attachment B)? Please provide reasoning to support your answer.
Q2	Do you agree that the draft and revised Section 5 of the Retail Energy Code schedule (Attachment B) implements the policy intentions proposed in this document?
Q3	What are your views on the proposal that government could publish case studies as guidance for energy suppliers?
Q4	What scenarios (e.g. with respect to supplier enforcement of smart-contingent contracts) would it be useful to see included in such guidance/case studies and why?
Q5	What are your views on the proposal that government could require suppliers to consider those case studies in making their enforcement decisions, within the consumer code?
Q6	Do you have views on the proposal that government could publish a non-domestic consumer guide to rights and expectations?
Q7	What would you like to see included in such a consumer guide for non-domestic consumers?
Q8	Do you agree with the proposal of adding a protection on remedial works to the consumer protection code?
Q9	Do you have any comments on the details of the proposed provision, including the fact that it would refer to all works in general, rather than specifying a particular type of works?
Q10	Do you agree with, or have comments on, the proposal to add some guidance for consumers into the consumer guide to rights and expectations?
Q11	What operational factors could impact suppliers’ abilities to drive timely smart meter installation appointments following peaks in demand driven by contract renewals?
Q12	What operational systems and processes would need to change, or be developed, to implement the proposals consulted upon?
Q13	What information do suppliers have access to, with respect to a non-domestic customer’s financial circumstances and ability to pay their energy bills?

Section One: Overall Policy Package- Non-Domestic Smart-Contingent Contracts

Questions 1-2

Summary of responses to Questions 1-2

Question 1: Do you agree with the proposed policy package with respect to non-domestic smart-contingent contracts set out in Section One? Please provide rationale and evidence to support your answer.

	Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No Response	Total
Respondents	3	28	2	6	7	0	46

All 46 respondents responded to this question. The majority of these (31 of 46) agreed, or agreed with caveats, with the proposed policy package with respect to non-domestic smart-contingent contracts set out in Section One of the consultation. Two responses were neutral. 13 out of 46 disagreed or disagreed with caveats. Agreement or neutrality came from non-domestic consumers (or their representatives), metering organisations (such as MOPs, MAPs and manufacturers), code bodies, TPIs and some energy suppliers. Disagreement (or disagreement with caveats) came from some energy suppliers and one member of the public.

Question 2: Are there any specific elements of the policy package where you agree/ disagree? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 27 respondents provided a response to this question by giving specific areas of agreement/disagreement.

The analysis below summarises themes of responses to Questions 1 and 2. Where a theme relates to a later consultation question, this is summarised briefly in this section and covered in more detail later.

Broad areas of agreement

Support for driving non-domestic uptake/ the Clean Power Mission

Many respondents across all sectors, including non-domestic consumers (or their representatives), energy suppliers, TPIs, industry/metering organisations and code bodies, expressed clear support for the ambition to increase smart meter uptake in the non-domestic sector. Many emphasised that greater uptake is essential to realising wider system objectives, such as the benefits of half-hourly settlement, supporting efficient grid operation as renewable generation increases and realising the Clean Power 2030 Mission.

Energy suppliers, in particular, welcomed the move away from numeric installation targets in light of varied rollout challenges post-2025. This broader “direction of travel” support was evident even among respondents who disagreed with aspects of the overall proposed package, reflecting a shared view that driving uptake and maintaining rollout momentum is necessary to enable the full range of smart meter benefits.

Support for realising the benefits of smart meters for non-domestic customers

Respondents stressed that increased smart uptake is also pivotal for realising consumer benefits, including enabling accurate billing, providing granular energy consumption insights that help businesses and public sector sites reduce and control costs, facilitating access to more innovative products/services and allowing consumers to participate in future flexibility markets.

Several respondents noted that less-engaged non-domestic customers are currently missing out on these benefits, and that a unified, tailored non-domestic smart metering policy framework post-2025 is key to helping them realise these.

Driving consistent implementation of smart-contingent contracts

Many respondents across all sectors, including many non-domestic consumers and representatives, some energy suppliers, TPIs and industry/metering organisations, welcomed the shift away from supplier-led implementation of smart-contingent terms, viewing a universal approach as a way to reduce inconsistent practices, improve clarity for consumers regarding contractual expectations and create a level playing field across industry. They considered this consistency important for minimising distortions and avoiding consumer detriment arising from uneven implementation or enforcement across the market.

Support for the consumer protections under the policy

Most consumer groups and other non-supplier stakeholders broadly supported the proposed consumer protections. These respondents viewed the protections as a necessary binding framework to maintain rollout momentum, build trust, and ensure fairness and protection for consumers during the transition to smart-contingent contracts. They considered that the code would provide greater clarity and consistency across the market, with some explicitly agreeing that the code “strikes the right balance” between consumer protection and supplier obligations. There was also support from some consumer groups and a small number of suppliers noting that the code aligns with other existing protections.

In addition, some consumer groups highlighted that the code would help prevent unfair penalisation where reasons for an installation not proceeding are outside of a customer’s control. Some also explicitly noted support for the provisions aimed at protecting businesses in financial difficulty and domestic residents in non-domestic premises.

Caveats to agreement, or areas of disagreement

Feedback on policy implementation timelines

Several suppliers suggested that the proposed policy implementation timings would be challenging and may not allow sufficient time for industry actors to prepare.

These highlighted a combination of operational pressures, including more time needed to develop processes associated with contract renewal, complete legal due diligence on new contract terms and conditions, familiarise themselves with code requirements and source resource to meet the demand created for new installations.

Therefore, several suppliers, suggested instead that the framework should come into effect only after a minimum 12-month transition period following publication of the Government Response, cautioning that without sufficient lead-in time this could undermine the policy's broader objectives.

Risks of inconsistent supplier enforcement of smart-contingent contracts

Some energy suppliers highlighted perceived risks of requiring suppliers to include a smart-contingent clause in their contracts but not taking accompanying steps to standardise enforcement of those clauses (e.g. standardise the consequences for customers of not proceeding with a smart meter installation after signing a smart-contingent contract). However, there were a variety of views put forward for whether, and how, such a risk could be mitigated.

For instance, some suppliers suggested that their organisation is unlikely to end a fixed term contract in the event of a customer not complying with a smart-contingent contract but called for government to establish a universal 'in-contract' consequence (e.g. a universal, market-wide uplift in costs if the installation doesn't proceed). They argued this would avoid some energy suppliers avoiding enforcement of smart-contingent clauses to attract customers that do not wish to enable a smart meter installation. Alternatively, some energy suppliers called for further guidance from government to guide enforcement decisions but opposed the establishment of a universal consequence. In addition, some suppliers emphasised the importance of suppliers retaining complete flexibility to establish their own contractual consequences for smart-contingent clauses.

Obligations related to TPIs

Some consumer groups supported provisions recognising the role of third-party intermediaries (TPIs), emphasising that these play an important role in the non-domestic energy market.

However, many suppliers and some TPIs opposed placing obligations on suppliers to influence TPI behaviour in the licences and code, noting that TPI obligations should instead fall under Ofgem's planned regulation of TPIs. Some respondents therefore recommended aligning policy timings with the forthcoming TPI regulatory framework and/or removing TPI-related obligations from the smart-contingent policy altogether.

Some respondents also opposed the introduction of an All Reasonable Steps licence obligation with respect to energy buying organisations/ framework providers, instead calling for direct mandation of smart meters in public sector buildings. While most did not provide detailed justification, a small number indicated that public sector leadership could help accelerate progress, reduce reliance on indirect contractual mechanisms and support the delivery of net zero objectives by enabling the public sector to lead by example.

One respondent indicated that it may be helpful to reflect relevant TPI requirements in RECCo's voluntary TPI code of practice.

Feedback on the consumer code governance arrangements and provisions

Despite broad support for the consumer protections (particularly from non-domestic consumers and other non-supplier stakeholders), respondents overall were evenly split in terms of whether the code should be housed in the Retail Energy Code, with some concerned about the risks of duplication in responsibilities for enforcement between RECCo and Ofgem. Energy suppliers also raised concerns about the risks of burdensome or duplicative obligations, including risks of constraining innovation.

More detailed feedback on the consumer code (and the government's response) is provided in Questions 3, 4 and 5.

Minimising risks to consumers

Some stakeholders called for guidance on proportionate, consistent supplier enforcement measures to minimise disproportionate cost impacts of smart-contingent contracts on consumers. A few respondents also requested targeted exemptions (e.g. contracts already agreed or under negotiation ahead of the policy implementation date) to avoid unintended financial or operational impacts on these consumers. Some stakeholders stated the necessity of transparency regarding policy cost and benefit impacts on consumers if it proceeds and commented on the need to maintain consumer trust and engagement during the transition to smart-contingent contracts.

Some stakeholders queried whether including a smart-contingent clause in all fixed term contracts could reduce price certainty for firms. One consumer group therefore suggested limiting the policy to a subset of innovative tariffs (e.g. time of use tariffs). Some stakeholders commented that the policy will have limited impacts on customers who prefer non-fixed arrangements.

Considering, or aligning with, alternative policy frameworks

Some respondents, particularly energy suppliers, proposed alternative policy frameworks to drive the smart meter rollout in the non-domestic sector post-2025. Suggestions included mandatory installation requirements for commercial landlords (including at change of tenancy/ownership or when vacant), public sector buildings and new build premises. A few stakeholders called for the approach to mirror that taken in the domestic sector (where suppliers will have an obligation to take all reasonable steps to complete the rollout by 2030, supported by binding deployment plans from 2027). Some suggested regulation to drive new installations in the non-domestic sector post-2025 is not necessary in light of incentives created by Market-Wide Half-Hourly Settlement.

Some stakeholders called for alignment of the proposed regulations with other policy frameworks. For example, alignment with Ofgem's plans to regulate Third Party Intermediaries (as noted above) and queries on how the proposed protections align with those under Maximum Resale Price obligations e.g. for domestic residents on non-domestic supply contracts.

Other areas of feedback

Questions 1 and 2 also consisted of several respondents sharing views on interactions with proposed installation timelines in the consumer code, remedial works, and landlord and tenant dynamics. These themes have been covered in Questions 3, 9 and 6-8 respectively.

Questions 1 and 2: Further Stakeholder Engagement Exercise

Changes to process needed to implement the policy: Further stakeholder engagement exercise

Following supplier feedback regarding perceived challenges in implementing the policy to the proposed timelines, as part of the further engagement exercise, we invited further clarification on the operational systems and processes that suppliers would need to change, or develop, to implement the proposals as consulted upon.

Changes to process needed to implement the policy: Summary of responses to the further stakeholder engagement exercise

19 out of 28 respondents to the further engagement exercise provided views on the operational systems and processes that would need to change to implement the proposals.

Most suppliers highlighted the need for contractual and legal changes, alongside material IT and system updates to support eligibility checks, exception handling and delivery obligations. Many also identified the need to redesign customer journeys and communications, supported by new monitoring and reporting frameworks to evidence compliance. Some suppliers noted internal change impacts, including staff training and resourcing. A few suppliers, or representatives, specifically suggested alternative timelines for the universal implementation requirements to come into effect. Suggestions included Spring or Summer 2027, with several respondents stating that a minimum of 12 months' notice post government response is needed to carry out the relevant changes to processes.

Risks of inconsistent supplier enforcement of smart-contingent contracts: Further Stakeholder Engagement Exercise

As part of the further stakeholder engagement exercise (and in response to energy supplier feedback regarding the perceived risks of inconsistent supplier enforcement) we outlined that we were not minded to set a universal consequence for customers that sign a smart meter contingent contract but do not proceed with the installation. We re-emphasised that a key objective of the policy proposals is to protect non-domestic consumers from the risks of clauses which are already being rolled out by the market. Following an updated review of such existing clauses (as of March 2026) we noted that:

- We had identified smart-contingent clauses being used in some capacity by many non-domestic energy suppliers.
- The consequences of not proceeding with a smart meter installation after signing the contract tend to fall into two categories: suppliers reserving the right to move customers off of fixed contracts onto out of contract rates; or to pass down any losses incurred resulting from contract breaches within contract. We also noted our awareness of some suppliers considering interactions with Market-Wide Half-Hourly Settlement charges (e.g. the cost of manually reading meters).
- We had identified cases of existing clauses which risk penalising the customer for factors outside of their control. This was supported by some stakeholder responses to the consultation.
- Some suppliers that opposed the policy due to concerns about enforcing these contracts had provided insight in other forums that they intend to pass down costs to at least some groups of non-domestic customers.

In addition, we noted that costs passed down within contracts need to be proportionate to losses incurred to avoid being deemed contractually punitive and therefore did not agree with suggestions by suppliers that it would be feasible for government to establish a universal consequence through energy supplier licence conditions. This is because the additional costs to serve legacy traditional meter customers as the rollout reaches higher levels of uptake will vary by supplier (including by customer base and/or levels of uptake).

In addition, we noted that suppliers had not presented quantitative evidence in their consultation responses for their claim that, in the context of a universal implementation and communication requirement on suppliers and proposed consumer protections, non-domestic customers that are aware of the policy changes in advance and clearly understand the consequences of not proceeding with an installation after signing a smart-contingent contract would deliberately breach their contractual agreements.

Nevertheless, we acknowledged that the policy proposals accepted a key role for smart-contingent contracts in driving non-domestic smart meter uptake to the levels needed to deliver the Clean Power Mission. In addition, some consumer groups also queried how further consistency could be achieved with respect to ensuring protections for higher risk groups and/or customers that cannot have smart meters installed due to circumstances outside of their control (see responses to Question 3).

Therefore, we noted that government acknowledgement of situations that might occur with respect to supplier enforcement decisions could be a helpful tool for both suppliers and consumer groups to drive a level of consistency and proportionality across the market. On that note we invited views on the following:

- Government could publish a set of hypothetical case studies of supplier enforcement behaviours with respect to smart-contingent contracts which may act as guidance for suppliers on when any consequences for not proceeding with the smart meter installation may be considered disproportionate.
- Alongside this, government could establish an obligation on suppliers within the consumer protection code to consider these case studies/ this guidance in making enforcement decisions.

Risks of inconsistent supplier enforcement of smart-contingent contracts: Summary of responses to the further stakeholder engagement exercise

We received 26 responses to the proposal that government could publish case studies. A majority (20 stakeholders) were supportive, including consumer groups, energy suppliers and TPIs, while a small number were neutral and two stakeholders opposed the proposal.

Those in agreement considered that case studies could improve proportionality, transparency and consistency in supplier enforcement decisions, provide clarity on what is reasonable, and reduce the risk of overly punitive or inconsistent behaviours. Some highlighted consumer benefits, including supporting fair treatment and improving understanding of expectations. Case studies were also seen as offering practical guidance without setting prescriptive exemptions which may not be suitable for the diverse circumstances that occur in the non-domestic market.

Respondents suggested a range of scenarios for inclusion, including landlord-related issues, remedial works, harder-to-reach sites, technical barriers, resistance to powering down, seasonal or sensitive business considerations, and cases involving third-party obstruction. Some suppliers also noted that case studies could be used to raise awareness of the additional costs needed to serve traditional meters and therefore situations in which suppliers may reasonably seek proportionate cost recovery.

Those opposed expressed broader concerns with the underlying framework, arguing that case studies would not address more fundamental issues or achieve intended outcomes.

Some stakeholders supported the proposal with caveats, including that case studies should reflect sectoral diversity, recognise that not all scenarios can be captured and be kept under review and updated over time.

24 responses were received to the question of whether an obligation should be built into the consumer code requiring suppliers to consider the case studies, with varying views provided. Some stakeholders (9), including consumer groups and a small number of suppliers, supported a requirement, noting it could reduce the risk of inconsistent enforcement, while emphasising the need to retain flexibility. However, a larger number of stakeholders (11 energy suppliers)

opposed a requirement, arguing that it could blur the distinction between non-binding guidance and enforceable obligations, constrain discretion in complex cases, and create uncertainty around how compliance would be evidenced. A few suppliers (4) were neutral.

Government response to Questions 1-2

Overall policy package, scope & timings

We confirm that we are proceeding with the proposed policy package with respect to non-domestic smart-contingent contracts (a universal implementation and communication requirement, supported by a legally binding customer code). A clear majority of consultation respondents from a range of sectors agreed with the proposals to drive consistent implementation of smart-contingent contracts to protect consumers and support the Clean Power 2030 Mission.

We agree that tailored policies to drive high levels of non-domestic smart meter uptake are now necessary to deliver the anticipated benefits for non-domestic consumers and the energy system. We remain of the view that regulation of smart-contingent contracts can both drive high levels of non-domestic consumer demand for smart meters and smart meter coverage and mitigate the risks of inconsistent market implementation. There remains significant uncertainty about the extent to which all energy suppliers will make the commercial decision to implement and/or enforce contracts without policy intervention. Standardising the rollout of these contracts therefore ensures a phased transition for non-domestic consumers over time, with consumer protection central to policy design.

We have noted the significant feedback from energy suppliers regarding the time needed to update systems and processes to implement the proposals, including the consumer protections. Ultimately, we consider it in the interests of consumers and industry that there is sufficient time to transition to the new framework, including suppliers carrying out due diligence to ensure full compliance with the consumer code provisions and upgrading their consumer journeys.

We also acknowledge that the government's decision to carry out additional engagement with stakeholders has had implications for timing of the government response and therefore the anticipated amount of time for consumer awareness raising.

We can therefore confirm that the policy timelines have been amended to allow sufficient time for delivery and consumer awareness raising. We can also confirm that the scope of the policy will be limited to smaller businesses and public sector organisations ("designated premises") in the first instance (more details can be found in Section Four). Timings/scope are therefore as follows:

- The universal implementation requirement will come into effect **from 1st September 2027**. After this date, if energy suppliers enter into new fixed term energy contracts with non-domestic customers they must ensure the contract includes a term which provides that the customer has, or agrees to have, smart or advanced meters installed in their designated premises.

- The universal communication requirement will come into effect **from 1st January 2027**. After this date, suppliers must start to communicate the upcoming policy changes so that non-domestic consumers understand what is expected, why and when.
- Energy suppliers must be fully compliant with the legally binding consumer protection code **by 1st September 2027** (though we would encourage suppliers to ensure new fixed term contracts are compliant sooner, where feasible).

The 1st September 2027 date for the universal implementation requirement and consumer code compliance gives suppliers a full year's notice post government response to build the relevant systems and processes to comply with the consumer code, ensure they have secured sufficiently skilled field force and amended terms and conditions for new contracts accordingly. It also ensures industry have one month of preparation time ahead of peaks in contract renewals in October 2027[11].

The 1st January 2027 date for awareness raising ensures a full eight months of awareness raising ahead of the universal implementation requirement and gives suppliers flexibility to tailor communication timing to their customers' needs ahead of September. As outlined in the consultation, it remains key that non-domestic consumers fully understand what is expected of them regarding smart-contingent contracts, why and when (with our engagement suggesting that businesses value advance-notice of, and certainty, regarding contractual changes). More details on the policy engagement strategy, including details of a toolkit to support suppliers to deliver the awareness raising requirement (based on message testing with non-domestic consumers) published alongside this government response[12], can be found in Section Five.

Driving consistent implementation of smart-contingent contracts

We have carefully considered the varied views put forward by suppliers regarding the role of government in driving consistent supplier enforcement of smart-contingent contracts. Following the further stakeholder engagement exercise, and in noting the strong levels of support received from all stakeholder types including consumer groups and suppliers (20 out of 26 respondents), we confirm we have published a set of case studies alongside this government response (see Part 1 of Annex B: Supporting Policy Guidance) to drive additional consistency and proportionality in non-domestic supplier enforcement decisions regarding smart-contingent contracts.

The objective of the case studies is to illustrate hypothetical scenarios that could occur when a supplier is deciding whether to enforce smart-contingent contracts, and to note situations in which it may be unreasonable to implement consequences if the customer does not have a smart meter installed after signing a smart-contingent contract. One case study also demonstrates the steps, as per the consumer code, suppliers should take before progressing with enforcement action. The case studies can therefore support fair outcomes for non-domestic consumers (including those with higher risk circumstances) by driving supplier compliance with the consumer protections and raising customer awareness of a) the types of

[11] Non-domestic contract renewals tend to peak twice a year; in April and October.
[12] https://gov.uk/government/publications/communicating-the-rollout-of-smart-contingent-contracts-to-non-domestic-customers

consequences a supplier may implement in enforcing a smart-contingent contract and b) in what circumstances these could, reasonably, be implemented.

We can also confirm that these case studies have been published as policy guidance (there is no binding obligation in the code to account for them). Following consideration of stakeholder views, and in noting that more stakeholders opposed an obligation than supported it, we agree that a code provision risks blurring boundaries with statutory guidance (which was not the intention). In particular, we acknowledge that the wide diversity in non-domestic sectoral circumstances means that case studies could not serve as a definitive tool for every situation; rather they must instead act as principles-based guidance.

Nevertheless, it should be noted that the government does expect suppliers to consider the case studies in making their own enforcement decisions regarding smart-contingent contracts. In addition, Ofgem can refer to the case studies in making principles-based, overarching assessments about a supplier's compliance with the licence conditions and consumer code (both in terms of whether the supplier is adequately protecting customers and reasonably driving smart meter uptake under the policy).

Furthermore, we note some stakeholders' interest in feeding into the case studies further. The scenarios published reflect feedback received during the further stakeholder engagement exercise on the types of scenarios stakeholders wished to see represented. Nevertheless, we are committing to ensuring these evolve over time to maximise utility. Therefore, we welcome any further stakeholder feedback on these (via the smart metering mailbox referenced on page 86 of this document) and are committed to an update in Spring 2027 where required ahead of the universal implementation requirement coming into effect.

Obligations related to TPIs

We do not agree with some stakeholders' suggestions that it would be necessary or proportionate to delay the smart-contingent policy package until TPI regulations are fully in place. This would mean delaying important protections for non-domestic consumers and negatively impact smart meter uptake by 2030. In addition, the government's response to Regulating Third-Party Intermediaries (TPIs) in the retail energy market notes that firms in the immediate scope for regulation under the policy will be "people or organisations (other than energy suppliers) with a role in arranging energy supply contracts on behalf of energy consumers". Given this wide definition, any future proposed measures with respect to smart-contingent contracts would not necessarily be applicable to all types of TPI organisation in any case.

Nevertheless, we acknowledge the crucial role that TPIs have to play in delivering the smart-contingent policy package. Following implementation, we expect many non-domestic consumers will continue to prefer fixed term contracts to the alternatives. We therefore expect this to motivate TPIs to support their customers with smart meter upgrades to maintain access to the best deal. TPIs also have a role to play in raising awareness amongst consumers of the policy timeline and of smart-contingent contract terms and conditions. They can also help support and facilitate smart meter installations on behalf of their customers. The government's intent for TPI regulation is for energy brokers and other TPIs to consistently act in the best interest of the customers they serve. This should naturally include giving the information and support their customers' need around smart-contingent contracts. The policy timelines confirmed in this government response (including the universal implementation requirement coming into effect from 1st September 2027) will allow more time for government to engage with TPIs and Ofgem regarding more specific longer-term alignment ahead of policy implementation. We also note RECCo's shorter-term plans to explore scope to emulate TPI levers within the RECCo voluntary TPI code of practice.

We have also re-reviewed the TPI-related supplier obligations throughout the smart-contingent policy package and made some amendments to reflect stakeholder feedback. In particular, we have removed the proposed obligations on suppliers in the consumer code to take all reasonable steps to a) make arrangements with TPIs to facilitate smart meter installation appointments (where the TPI has facilitated the contract in any way) and b) ensure that TPIs relay smart-contingent contract terms and conditions. We acknowledge that the former departed from precedent (where historically, engaging with brokers is implicit within supplier All Reasonable Steps installation obligations rather than explicit). Regarding the latter, suppliers will need to continue to meet their supply licence conditions that relate to the selling of their contracts (SLC 0A and 7A). The planned regulation of TPIs will offer further opportunities to regulate the communications a TPI has with their customers.

Nevertheless, we have retained several provisions where we consider it remains important that suppliers take additional steps to influence the role of TPIs in delivering these policies. In particular:

- We have retained the code provision to take all reasonable steps to make TPIs aware of the existence and terms and conditions of smart-contingent contracts, including the consequences for the customer of not proceeding with the smart meter installation after signing the contract. This concerns suppliers' relationship with TPIs directly and it remains key that TPIs are made fully aware of changes to contract terms by suppliers.
- We have retained the overarching obligation in the licence on suppliers to take all reasonable steps to include provisions in new contracts with energy intermediaries (e.g. framework providers) to require that the intermediary makes their new fixed term energy contracts with non-domestic customers smart-contingent. Alongside this, where the supplier enters into a smart-contingent contract with such an energy intermediary we have retained the obligation in the code to take all reasonable steps to schedule installation appointments/install the smart meter[13]. More detail on install code obligation timeframes can be found in Section Two.

The latter obligations (with respect to energy intermediaries) have been retained as these remain key to ensuring a level playing field in the way the policy is implemented in the public sector (e.g. that the rollout of smart-contingent contracts is coordinated and consistent for both consumers that procure energy directly or via a framework agreement). In addition, we consider there are existing examples of energy suppliers taking steps in the market that would

[13] within 3/12 months (respectively) of the date from which the supply of energy to each designated premises pursuant to the arrangements under that contract commences.

meet these obligations. For example, working with public sector framework providers to include smart-contingent terms in framework agreements, co-branding letters to target framework customers and conducting regular meetings with framework providers to drive customer engagement.

Nevertheless, as per the consultation, these provisions remain subject to All Reasonable Steps in recognition of the fact that this provides suppliers some flexibility to manage the smart-contingent obligation where there are unexpected barriers in negotiating these arrangements with energy intermediaries (and in noting that energy intermediaries are not in scope of energy supplier licence conditions directly). Some amendments to legal drafting with respect to these obligations have also been made to better reflect policy intent; these are explored in our response to Questions 18-20.

We agree with those respondents that noted public sector organisations have a key role to play in championing smart metering and the benefits for the energy system. However, with regard to the suggestion from a small number of suppliers that stronger measures are needed in the public sector, we do not consider this to be proportionate at the present time. Instead, the government intends to engage directly with other government departments, framework agreement providers and local bodies to raise awareness of the policy changes including that moving forward, the Business As Usual expectation is that all supplier bids and tenders will be smart-contingent as industry transitions to smart metering as the default. We also intend to develop tailored public sector communications to complement those published alongside the government response and Smart Energy GB's communications to raise public sector awareness, and to continue our engagement with energy suppliers to facilitate conversations with public sector bodies where specific operational barriers have occurred.

However, our data suggests that there are only an estimated 100,000 remaining public sector meters needing an upgrade to smart metering. These are not distributed evenly across the market, and many suppliers have relatively few remaining non-smart public sector meters. In addition, some public sector sites host critical national infrastructure. Suppliers did not provide evidence in their responses as to how stronger measures in the public sector would help to achieve market-wide uptake of smart meters, or as to how situations regarding sensitive public sector sites would be overcome under a more assertive model. Therefore, the government remains of the view that the smart-contingent policy package, which leverages contractual and framework agreements to drive smart meter uptake whilst also accounting for public sector nuances and sensitivities via the consumer protection code, remains the most proportionate means for converting the remaining ~100,000 sites.

Minimising risks to consumers

We agree that smart-contingent contracts must be rolled out in a way that minimises risks to consumers, which is a key part of the overarching rationale for the policy package including the consumer code. Regarding calls for guidance on proportionate and consistent supplier enforcement measures, as noted above, we have published a set of case studies alongside this response to drive further supplier consistency in their implementation of the universal implementation requirement and consumer code. These highlight illustrative scenarios where supplier enforcement may be disproportionate for particular groups and how customer non-compliance may be approached proportionately. As outlined we expect the case studies to be relevant in Ofgem's overall assessments of supplier compliances with licence conditions and the consumer code.

Regarding calls for contracts already agreed or under negotiation ahead of the policy implementation date to be out of scope to avoid unintentional financial/operational impacts on consumers, we can confirm these are out of scope. This was always the policy intention, however we note some feedback from stakeholders that this was not entirely clear in the legal drafting consulted upon, as this initially referred to contracts which 'take effect' after the policy implementation date (which could have been negotiated in advance). Therefore, the final legal drafting has been amended to be clear that the policy will not retrospectively apply; i.e. it will only apply to contracts entered into after 1st September 2027. More detail can be found in our response to Questions 18 and 19.

We also agree with the need for analysis and transparency regarding the policy's costs and benefit impacts. A full final impact assessment has been published alongside this government response (see Annex C: Final Impact Assessment). This shows that the policy will generate a Net Present Value (NPV) of between £135m and £384m, which accounts for total benefits of £171m-£473m and total costs of £36m-£89m. In response to consultation feedback and in line with final stage impact assessment best practice, the costs to suppliers of familiarising themselves and ultimately implementing the policy have been accounted for within the NPV. Overall, the policy package delivers significant net benefits once these costs have been accounted for (full details on these costs can be found within the associated impact assessment). In particular, the final policy package is expected to generate average annual non-domestic bills savings of £10m-£29m over the appraisal period (2026 prices, undiscounted).

We do not agree with the suggestion made by one respondent to limit the scope of the policy to a subset of innovative tariffs (e.g. time of use tariffs). A key objective of the policy is to protect consumers from the risks of implementation of contract clauses already being observed in increasing numbers in the market, including those noted earlier (e.g. suppliers reserving the right to move customers off of fixed contracts onto out of contract rates or pass down any losses incurred resulting from contract breaches within contract). In addition, by coordinating smart-contingent (fixed-term) contracts the impact assessment anticipates the policy will deliver 88% smart meter uptake by 2030. We are not currently observing a parallel growth in similar contract clauses with respect to innovative non-domestic tariffs, and therefore limiting the policy scope would both lack a clear case for intervention and limit the impact of the policy on overall smart meter uptake.

Finally, we also agree with the need to monitor smart meter uptake amongst consumers who prefer non-fixed term arrangements, given the policy's focus on smart-contingent contracts. We will therefore seek to embed this within planned policy monitoring (see our response to Questions 4-5 and 17). It should be noted that for microbusinesses in this situation that would still like a smart meter installed, they will be in scope of Ofgem's recently announced smart metering Guaranteed Standards of Performance[7], whereby they may be eligible for compensation if their supplier cannot offer them a smart meter installation appointment within 12 weeks. This ensures that suppliers are still incentivised to meet requests for smart meters for microbusiness consumers.

Considering, or aligning with, alternative policy frameworks

We agree with the need for the smart-contingent policy proposals to align with broader policy frameworks to maximise outcomes. As outlined above, the policy timelines confirmed in this government response (including the universal implementation requirement coming into effect from 1st September 2027) will allow more time for government to engage with TPIs and Ofgem regarding more specific longer-term alignment ahead of policy implementation. Regarding interactions with maximum resale price (MRP) arrangements, we can confirm we are proceeding with the proposed additional protection in the consumer code for domestic residents at non-domestic premises (more detail is found in Section 2). This boosts protections for domestic residents regarding disproportionate energy supplier enforcement action. In addition, resellers themselves (as customers of the energy supplier) will benefit from the protections under the consumer protection code, further mitigating risks for them and their end-users. In addition, Ofgem's call for input (issued in October 2025) sought views on whether the MRP adequately protects consumers, including how to improve transparency of costs from resellers to end consumer. Ofgem's planned consultation (building on this call for input) will aim to further drive these outcomes and we will continue to engage to understand opportunities for alignment as this process evolves.

Regarding alignment with domestic rollout policy, the government remains fully aligned in its overarching objectives for the smart meter rollout as set out in the Introduction. In particular, non-domestic meters have been confirmed as in scope of several measures announced in the broader government response to the smart meter policy framework post-2025 to improve consumer experience, including the obligation to take all reasonable steps to ensure smart meters operating in traditional mode are resolved within 90 days and to pre-emptively replace smart metering assets ahead of WAN services ending.

Nevertheless, we were also clear in the consultation that the policy framework post-2025 needs to account for nuances specific to the non-domestic sector. In particular, the growth in use of smart-contingent contracts by non-domestic energy suppliers, who unlike in the domestic sector are under no obligation to supply premises when requested and who often negotiate bespoke arrangements with non-domestic customers rather than apply standard tariff rates. In addition, we also set out that binding metrics with respect to SMETS meter replacements or Communications Hub exchanges (e.g. in deployment plans) are not currently appropriate for the non-domestic market context at this stage given the possible shorter-term focus on advanced meter upgrades. The 4G transition is further explored in our response to Question 17.

We also acknowledge that, whilst the smart-contingent package will contribute significantly to driving non-domestic smart meter uptake (by virtue of it driving market-wide demand for smart meters and establishing smart as the default non-domestic metering arrangement at contract renewal), supplementary policy levers will still be explored in parallel where particular groups may benefit from targeted, additional intervention. For example, as part of the Future Homes and Buildings Standards (FHBS) Government Response published in March 2026[14], the government published updated voluntary guidance for the construction industry on designing and constructing new buildings to support the installation and commissioning of smart meters[15]. The guidance includes technical changes to address connectivity and meter placement issues and, in response to stakeholder feedback, has been extended to cover non-domestic buildings. References to the guidance have also been included in Approved Documents L (Volume 1: Dwellings and Volume 2: Buildings Other Than Dwellings), which provide statutory guidance for compliance with Part L of Schedule 1 to the Building Regulations. In addition, Ofgem's new Guaranteed Standard of Performance (GSOP)[7] requiring suppliers to offer microbusinesses an installation appointment within twelve weeks ensures that microbusinesses that want a smart meter are entitled to a timely installation appointment or receive compensation.

We also continue to monitor opportunities to embed smart metering into broader industrial decarbonisation policies and schemes. In recent years this has included including smart meters as a requirement for participation in government-funded non-domestic energy audit pilot schemes and energy and carbon reduction assessments, as well as guidance for energy auditors on recommending smart meters/use of smart meter data. Interactions with commercial landlords/tenants are explored in our response to Questions 6, 7 and 8. Interactions with the public sector are explored earlier in this section.

Summary of government decisions in Section One

- The government is progressing with the smart-contingent policy package. The supplier awareness raising requirement will come into effect on 1st January 2027 and the universal implementation requirement and consumer code obligations will come into effect on 1st September 2027.

- The scope of the policy will be limited to small and medium non-domestic sites ("designated premises") in the first instance.

- The government has published case studies alongside the government response (see Part 1 of Annex B: Supporting Policy Guidance) to drive further consistency and proportionality in supplier enforcement of smart-contingent contracts. These have been published as policy guidance (which the government expects suppliers to consider) but not as statutory guidance or a binding obligation.

- Some amendments have been made regarding supplier obligations with respect to TPIs, although key obligations regarding energy intermediaries (e.g. public sector framework providers) remain. The policy timelines confirmed in this government response

[14] The Future Homes and Buildings Standards: 2023 consultation - GOV.UK
[15] Design and construct new builds to enable smart meter installations - GOV.UK

allow more time for government to engage with TPIs and Ofgem regarding more specific longer-term alignment ahead of policy implementation.

• The policy will only apply to new contracts entered into after 1st September 2027. Contracts entered into ahead of the 1st September 2027, but which take effect after 1st September 2027, are out of scope.

• A full impact assessment (see Annex C: Final Impact Assessment) has been published alongside this government response setting out costs and benefits. This shows that the policy package is anticipated to deliver 88% non-domestic smart meter uptake by end 2030 and that it delivers significant net benefits once these costs have been accounted for.

Section Two: Non-Domestic Consumer Protection Code

Question 3

Summary of responses to Question 3

Do you have comments or views on the proposed consumer protection code of practice provisions, including:

a) whether they achieve the right balance between protecting consumers from the risks of inconsistent treatment from the market whilst minimising risks of misuse by stakeholders that may wish to avoid smart metering installations for other reasons; and

b) their alignment with other consumer protections? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 41 respondents provided an answer to this question. The responses reflected a range of views from different stakeholder groups, including consumer groups, energy suppliers, MOPs/MAPs and TPIs.

Benefits of the proposed consumer protections

Most non-domestic consumer representatives and industry stakeholders (aside from suppliers) broadly supported the proposed consumer protections in the code, viewing them as a necessary binding framework to maintain rollout momentum, build trust and ensure fairness and protection for consumers during the transition to smart-contingent contracts. These respondents argued that the code will create clarity and consistency in the market, improve customer experience of smart metering and drive future uptake of smart meter enabled products and services. Some also asserted that smart-contingent contracts without safeguards could lead to consumer detriment and undermine trust in the rollout. Several agreed that the code “strikes the right balance” between protecting consumers and minimising risks of misuse by those wishing to avoid smart meter installations.

Some consumer groups also viewed the code as a positive step to prevent unfair penalisation by suppliers where the smart meter installation is outside of the customer’s control (such as where the installation is prevented by landlords or third parties or where technical or communications constraints exist).

Alignment with other protections

Most consumer groups and a few energy suppliers were of the view that the code aligns with other existing consumer protections. These respondents agreed that the code aligns with the Consolidated Metering Code of Practice (CoMCoP), New and Replacement Obligation (NRO), SLC 0A with regards to treating non-domestic customers fairly and SLC 7A regarding making microbusinesses aware of the principal terms of their contract.

However, several energy suppliers argued that the proposed code provisions duplicated existing protections across licence conditions and other regulations. For example, they suggested that code requirements regarding fairness duplicated licence condition 0A to treat non-domestic customers fairly. They also suggested that code requirements regarding communication and transparency duplicated requirements in the licence to communicate contractual principal contract terms and that proposed installation requirements risked duplicating Guaranteed Standards of Performance. Across themes, several suppliers therefore argued that overlapping regulations conflict with Ofgem’s move toward principles-based, outcomes-focused regulation and government’s objectives to reduce regulatory burden.

In addition, some respondents stressed the need for clear alignment with existing REC arrangements and assurance frameworks, the new TPI regulatory regime and Ofgem’s Consumer Outcomes work.

Protections for specific customer groups (domestic residents at non-domestic premises, critical national infrastructure sites, organisations in financial difficulty)

Some consumer groups indicated support for the proposed protections regarding organisations in financial difficulty and for those who live in premises under non-domestic supply contracts (“domestic residents at non-domestic premises”); e.g. park homes, stating that these create added protection for premises facing affordability pressures and/or where vulnerable consumers may be present.

However, several energy suppliers argued that protections based on customer-type (especially financial difficulty and residents in designated premises) are burdensome and/or not practical, as they stated they may not collect the relevant information to identify these customers.

In particular, several suppliers argued that including financial difficulty as a standalone category risks misclassifying normal commercial circumstances (e.g. start-ups) and may be gamed by consumers to delay smart meter installations or interpreted differently by different suppliers. A few suppliers sought a narrower and more prescriptive definition.

Defining circumstances outside of the customer’s control

Despite broad support for the proposal that suppliers shouldn’t implement consequences (i.e. enforce) smart-contingent contracts if the customer cannot have a smart meter installed for reasons outside of their control, some suppliers and consumer groups suggested this should be further defined although with mixed views on how. For instance, some suppliers recommended a single exceptions framework covering all circumstances to mitigate risks of inconsistent supplier enforcement. On the other hand, some consumer groups supported a broader principle that enforcement should not occur where a customer has made all reasonable efforts to have a smart meter installation.

Need for signposting of redress mechanisms

Some consumer groups raised risks regarding suppliers being the sole decision makers with respect to whether a customer has breached their smart-contingent contract and highlighted the need for redress mechanisms and signposting of third-party support in cases of dispute.

Proposed requirements to drive timely smart meter installations and appointments

Consumer groups generally supported defined and fixed timeframes to support rollout momentum. They asserted that prompt installation appointments soon after contract signing are key to sustain the rollout momentum and reach higher levels of smart meter uptake. They also considered fixed and prompt timelines to be important for ensuring consumer confidence and market consistency.

Most energy suppliers disagreed with the proposed timeframes citing that they are difficult to achieve considering the sectoral nuances in the non-domestic sector, and that they could divert resources away from the domestic sector. Suppliers also pointed to peaks in workload in April and October (due to peaks in non-domestic contract switching) which, when combined with a three-month timeline for installation appointments, may place constraints on installer capacity rather than provide more flexibility. Some suppliers recommended extending installation windows to 12 months while no other timeframes were proposed across other responses. Some respondents also felt the distinction in requirements by number of sites was too complex to implement and departs from traditionally used classifications (e.g. microbusinesses vs non-microbusinesses).

Reflecting real-world constraints, tenants' rights and remedial works

Some consumer groups said the code should do more to encourage suppliers to address barriers to installation e.g. power down and out of hours appointments. Some consumer groups queried whether defining the protection for tenants in the code with respect to written landlord refusal is too burdensome on tenants who may be disadvantaged by disengaged landlords. Many stakeholders said the code should provide more protection for customers with remedial works. These themes are explored in in the government's responses to Questions 6-8, 9 and 16.

Question 3: Further Stakeholder Engagement Exercise

Defining Financial Difficulty: Further stakeholder engagement exercise

Following supplier feedback regarding perceived challenges in having information relating to their customers' financial circumstances, as part of the further engagement exercise, we invited further feedback regarding the information that suppliers have access to with respect to a non-domestic customer's financial circumstances and ability to pay their energy bills.

Defining Financial Difficulty: Summary of responses to the further stakeholder engagement exercise

15 suppliers, out of 28 respondents, provided views to this question. Responses suggested that ongoing information about a customer's financial circumstances can be more limited. Instead, suppliers may have information regarding the customer being in energy debt (i.e. owing money to the supplier) or undertake a credit risk assessment at the start of the contract.

Driving timely smart meter installation appointments: Further stakeholder engagement exercise

Following some suppliers' concerns about their ability to fulfil smart meter installation appointments within three months of contract renewal and/or manage peaks in demand e.g. in April and October, we invited further clarification on what operational factors could impact suppliers' abilities to fulfil timely smart meter installation appointments following peaks in demand driven by higher volumes of non-domestic contract renewals.

Driving timely smart meter installation appointments: Summary of responses to the further stakeholder engagement exercise

18 suppliers and representatives out of 28 respondents provided views. All respondents re-raised concerns about the level of complexity and prescription in the proposed code, including factors which could place constraints on arranging installations within the proposed timeline of three months from contract start. Reasons given primarily related to: resources pressure / installer availability; customer availability/site readiness, including customer preferences for installs outside of business/seasonal peaks; third-party dependencies (landlords, managing agents, site contractors); and interactions with other smart metering obligations or activities.

Some suppliers suggested alternative installation requirements in the code, ranging from removing a fixed timeline in the code altogether (and reverting to more general principles around 'timely' appointments) to six month or 12-month timelines. Several suppliers highlighted that they manage installer resource, capacity or staffing levels on an annual basis. Lastly, one supplier flagged that the additional obligation proposed in the code to take all reasonable steps to install the meter by the end of the contract is confusing and could lead to some installations being delayed for many years.

Government response to Question 3

As outlined in our response to Questions 1 and 2, we can confirm we are proceeding with introducing a legally binding consumer protection code that suppliers must follow regarding their implementation of smart-contingent contracts. The code remains a key component of the overall policy package, ensuring that non-domestic consumers are not unfairly penalised or subject to inconsistent practices. We also agree that the code is crucial for maintaining consumer trust during the next phase of the rollout and for providing clarity to consumers on what their rights are with respect to smart-contingent contracts (more discussion on the non-domestic consumer guide to rights and expectations- which has been published alongside this government response- can be found in our response to Question 16). The code will be introduced as a new schedule to the Retail Energy Code (REC); this is further explored in our response to Questions 4-5.

Alignment with other protections, defining circumstances outside of customer control & paying attention to the needs and circumstances of particular groups

Following stakeholder feedback, we have reviewed the code provisions to ensure they remain complementary to existing provisions. In particular:

- We have retained requirements regarding transparency of smart-contingent terms and conditions. These add a layer of protection specific to smart-contingent terms and also apply to all designated premises (whereas standard Licence Condition 7A only applies to microbusiness energy consumers).
- We have also retained protections to ensure that customers are not penalised where the delay to the smart meter installation is outside of the customer's control, and that suppliers pay attention to the needs and circumstances of domestic residents at non-domestic premises, critical national infrastructure sites and organisations in financial difficulty. These provisions remain necessary, particularly in light of government's updated review in March 2026 which identified some contract clauses being deployed in the market that risk penalising customers for not having a smart meter for factors outside of their control. In addition, we maintain that it is not unreasonable to expect suppliers, at this stage in the rollout, to be able to identify the type of organisation they are supplying with energy, nor to take into account their circumstances when making enforcement decisions.
- In addition, by virtue of the code giving examples of situations outside of the customer's control (without exhaustively defining this in legislation), and by virtue of requiring suppliers to pay attention to the needs/circumstances of particular groups, these are principles-based provisions that enable suppliers to adapt to the diverse circumstances of the non-domestic customer base, whilst also ensuring a heightened level of legal protection for consumers compared to existing, less specific provisions. These provisions are also complemented by the case studies published alongside the government response (see Part 1 of Annex B: Supporting Policy Guidance), to help suppliers understand how these provisions might apply in practice.

Nevertheless, we have made some amendments to these provisions, where these do not undermine the principal protections. In particular:

- We have amended the definition of financial difficulty to refer to a supplier's awareness of the customer having difficulty in paying charges due to the supplier. In particular, following the further engagement exercise we note that suppliers may not have ongoing access to an organisation's financial circumstances in a broader sense, nor was the policy intention to create the expectation of establishing novel ways of accessing potentially sensitive commercial data. The purpose of the protection is to ensure that, where an energy supplier is already aware of financial constraints, or they are made aware (e.g. during a conversation with the customer about why they have not yet proceeded with the smart meter installation), that these are considered when making enforcement decisions. In addition (and as per the point above), the protection is principles-based. This is directly in recognition of the diverse circumstances that might occur, and that ultimately a supplier (and Ofgem when making enforcement decisions) will need to consider the relevance of this information in the round when considering a specific situation.

- The proposed obligation in the code to treat customers fairly in making decisions relating to contract termination has been removed. To be clear, energy suppliers are already required under Standard Licence Condition 0A to treat non-domestic customers fairly. The additional code provision would have been to enable RECCo to undertake monitoring in respect of fairness. In light of the revised governance arrangements for this code (whereby RECCo's monitoring will remain solely factual, and Ofgem will undertake investigations/assessments of compliance), we propose Ofgem is better placed to make overarching assessments of fairness with respect to this code, including with the information provided to them by RECCo. Therefore, removing this provision does not impact the level of customer protection itself.
- The obligation to take all reasonable steps to investigate smart meter installation delays in a timely manner has been removed. This was a matter of legal drafting and not an intended aspect of policy design. We accept this risks being superfluous and departs from previous smart metering policy precedent.
- We have made some amendments to the provisions with respect to TPIs- these are outlined further in response to Questions 1 and 2.
- We have also made a number of minor adjustments to legal drafting in response to stakeholder feedback, which do not change the nature of the provisions consulted upon but provide additional clarity – these are further explored in response to Question 20.

Need for signposting of redress mechanisms

We agree with consultation respondents that it is useful to signpost non-domestic consumers to redress mechanisms if they do not agree with their supplier's approach to enforcement. We also consider it key that consumers understand the obligations that suppliers need to follow under the binding consumer protection code. Therefore, we have included information on this within the non-domestic consumer guide to rights and expectations published alongside this government response (see Part 3 of Annex B: Supporting Policy Guidance). We also consider it important to communicate to customers what an energy supplier might reasonably expect of them during the smart-contingent customer journey, including that they would need to facilitate a smart meter installation appointment after signing a smart-contingent contract, provided there are no factors outside of their control identified. This has therefore also been included, to help consumers contextualise any conversations with their energy supplier ahead of making a redress claim.

Fulfilling timely smart meter installation appointments

The intention of the provisions as consulted on was:

- To ensure that the onus is on the supplier to arrange the smart meter installation appointment on behalf of the customer.
- To support customers to comply with their contracts and avoid accidental breaches, maximising consumer protection.

- To provide suppliers with an opportunity to align customer message with the contract renewal process to drive demand for smart meters.
- To provide industry flexibility to balance new installations alongside other obligations including adapted provisions depending on the number of sites that need installations.

We acknowledge that, based on feedback received via the consultation and further stakeholder engagement exercise, not all of these objectives were achieved. In particular, we note the feedback that requirements based on number of geographic sites that need converting risks added unnecessary complexity and prescription in the code. We also recognise that the requirement for the installation appointment to take place within three months of contract inception lacks flexibility for both suppliers and consumers (suppliers as this may drive peaks in demand for resource at key points in the year, and consumers as this reduces flexibility to choose appointment times in and around seasonal business patterns). Finally, we also note feedback that an added obligation on suppliers to take all reasonable steps to install the meter by the end of the contract adds further complexity.

Taking these points together, we have significantly simplified the code provision, by creating one universal obligation for all sites in scope of the policy. This obligation is that suppliers will need to take all reasonable steps to schedule the smart meter installation appointment within 3 months of energy supply to the premises starting under the contract and install the smart meter within 12 months of energy supply starting.

This delivers on the original objectives because:

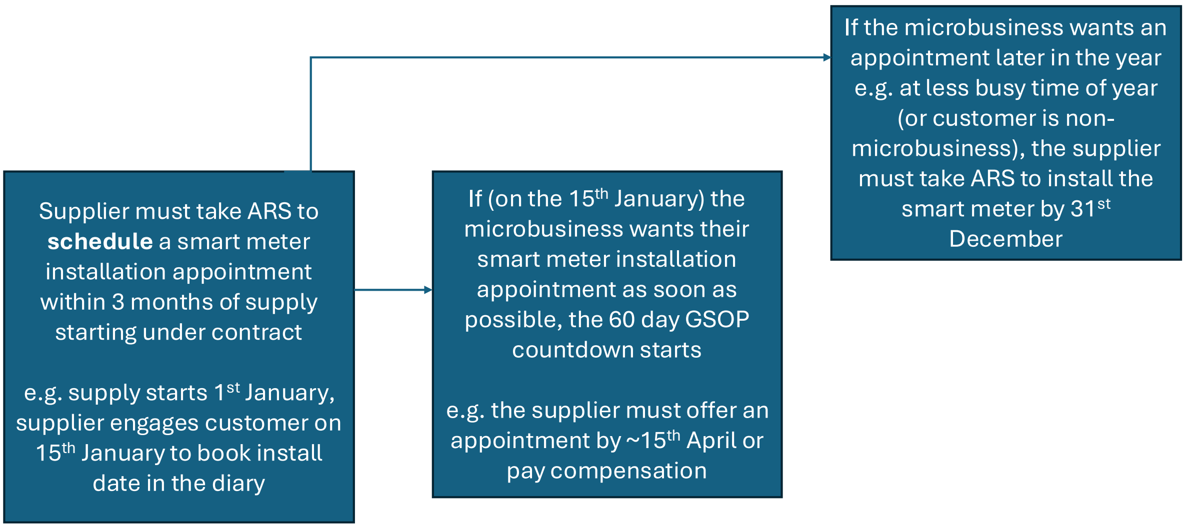
- It ensures that the onus remains on the supplier to schedule an installation appointment with the customer within three months of the supply starting under the contract, supporting customers to meet the terms of their contracts. It also ensures that messaging regarding booking the appointment remains tied to the contract renewal process, when energy is more front of mind for non-domestic customers.
- However, rather than the appointment needing to take place within this window, it just needs to be scheduled/booked in diaries. The appointment itself can take place anytime within a year of the supply of energy under the contract starting. This maximises flexibility for customers to choose an appointment time that works for their organisation, in and around seasonal variations in business patterns.

In particular, the final code provision has been designed to further complement the new smart metering guaranteed standards of performance (the requirement on suppliers to offer microbusinesses a smart meter installation appointment within three months or pay compensation). This is because the GSOP is triggered on the day a microbusiness seeks, or agrees to, a smart meter installation. Therefore, if (as part of the code obligation to take all reasonable steps to schedule the installation appointment within 3 months of supply start), the microbusiness wants a smart meter installation appointment as soon as possible, the supplier must offer this option or pay compensation.

However, if the microbusiness would prefer an appointment later in the year, the GSOP would not apply but the supplier must take all reasonable steps to install the meter within 12 months of supply start as a backstop. This means that suppliers can respond to customer preference over a 12-month period, giving suppliers more flexibility to balance demand for new installations alongside other activities (and aligning with supplier feedback regarding managing resource on an annual basis). The interaction between the final code provision and the GSOP is visualised in the diagram below.

Finally, we do not agree with some suppliers that the existence of the GSOP negates the need for a code provision altogether. Firstly, the GSOP applies to microbusinesses whereas the code provision applies to all designated premises in scope of the policy. Secondly, the GSOP is triggered on the day the microbusiness seeks or accepts the smart meter installation appointment. Without the code provision (and the emphasis on the supplier to contact the customer) if the customer forgets to contact their supplier to arrange the appointment it is possible the GSOP would not be triggered. This would mean the policy fails to meet its objectives to support customers to meet the terms of their smart-contingent contract and to ensure the installation appointment happens in a timely manner following contract renewal.

Diagram A: How the code provision & GSOP combined will support policy outcomes



Questions 4-5

Summary of responses to Questions 4-5

Question 4 - Do you have comments or views on the proposed governance arrangements for the consumer protection code? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 29 respondents provided an answer to Question 4.

Question 5 - Do you agree that the code of practice best sits within the Retail Energy Code? Please provide rationale and evidence to support your answer.

	Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No Response	Total
Respondents	10	5	1	11	4	15	46

Of a total of 46 respondents, 31 responded to Question 5. Around half of the respondents (15 of 31) agreed, or agreed with caveats, with the REC housing the code of practice. The other half (15 of 31) disagreed or disagreed with caveats. 1 response was neutral.

The analysis below summarises themes of responses to Questions 4 and 5.

A range of stakeholders supported placement within the REC including most non-domestic consumers or their representatives, code bodies, TPIs and some energy suppliers. These stakeholders considered it an appropriate and logical home given existing governance structures, including established change management processes and monitoring and reporting mechanisms.

These respondents noted that embedding the code in the REC would enable requirements to evolve through change proposals, rather than frequent licence modifications, enabling flexible adaptation over time and proportionate refinement of reporting as evidence accumulates.

They also noted support for maintaining Ofgem’s regulatory oversight, resulting in a proportionate and efficient framework that aligns with existing provisions (e.g. CoMCoP and wider consumer protection rules). Some also highlighted operational benefits, including access to established data sources, and improved transparency through REC systems.

In contrast, those that disagreed or disagreed with caveats with the proposal, mainly energy suppliers, argued that the code should instead sit within the licence, or that compliance and enforcement should remain with Ofgem even if the code is hosted in the REC. A key area of concern was related to RECCo’s role in compliance, monitoring and investigation, with many suppliers highlighting the risk of overlapping governance/ duplication with Ofgem's existing functions or risks of weakening regulatory oversight. Some therefore argued that licence-based obligations provide clearer accountability and a more proportionate, principles-based approach to enforcement. Some raised concerns that RECCo may not have exposure to broader supplier considerations to contextualise investigations of suppliers.

In addition, suppliers raised concerns about the scale and proportionality of the proposed monitoring and reporting requirements, including risks of duplicative reporting between RECCo and Ofgem. Respondents stressed the importance of aligning monitoring arrangements with existing processes and taking a holistic approach to oversight of the smart meter rollout to minimise additional burdens.

Some consumer groups, even if more broadly supportive, also flagged the need for a clear delineation of responsibilities with respect to compliance, and highlighted the need for mechanisms to submit evidence of non-compliance. They also called for clear routes for consumer input into REC processes, e.g. change proposals, should the code remain housed in the REC.

Questions 4 and 5: Further Stakeholder Engagement Exercise

Code governance arrangements: Further stakeholder engagement exercise

Following the diverse views received regarding housing the code in the REC, we used the further stakeholder engagement exercise to invite views on a refined set of governance arrangements intended to address the feedback received.

Whilst we proposed to retain the code in the REC overall (the rationale for which is set out in our response to Questions 4-5), we proposed a revised Section 5 of the REC schedule ("Monitoring and Reporting") in which:

- Supplier reporting requirements were removed. Instead, these would be reconsulted on in slower time by a Smart-Contingent Contract Monitoring Body established by RECCo. Both industry and consumer groups could feed into that consultation process.
- Roles were clearly distinguished between RECCo and Ofgem, with RECCo's role being factual monitoring of the provisions. All investigations of, or assessments of, compliance and enforcement with both the licences and code would sit with Ofgem and not RECCo.
- Regarding future changes to the code, consultations would sit on an open access area of the portal (i.e. anyone can register and respond). Any interested party could also raise a modification. The Monitoring Body could help shape who is consulted by running an inclusive process consistent with cross-code good practice (CACoP), which explicitly promotes outreach to consumer representatives.

In addition, we noted that efforts would be made to streamline supplier reporting between RECCo, Ofgem and DESNZ to ensure data collection is complementary and does not duplicate. In particular, Ofgem and the non-domestic smart meter team (DESNZ) would commit to running one joint, annual non-domestic smart metering policy RFI in place of existing ones issued under existing powers.

We also sought feedback on whether the revised legal drafting reflects the policy intentions. This is covered under Question 20.

Code governance arrangements: Summary of responses to the further stakeholder engagement exercise

We received 26 responses to the question of whether stakeholders agreed with the revised consumer code governance arrangements. 18 agreed or agreed with caveats with the revised arrangements, 7 stakeholders disagreed/disagreed with caveats, and 1 remained neutral.

The main areas of agreement across respondents were support for the clearer delineation of roles between Ofgem/RECCo (with Ofgem solely responsible for compliance and enforcement) and support for efforts to reduce duplication in reporting and join up between different bodies. Consumer groups especially supported Ofgem being the sole body for investigations. They were also pleased to see stronger consumer input into supplier monitoring and reporting requirements via the proposed RECCo consultation.

The common areas of disagreement or caveats were concerns about the potential cost of a new monitoring body and the extent to which it would be value for money over existing structures. Given that reporting requirements would be subject to further consultation, there was also uncertainty about what these would look like and an emphasis on ensuring final arrangements are proportionate. Some suppliers also emphasised the need to avoid RECCo monitoring drifting into de facto enforcement.

Government response to Questions 4-5

We can confirm we are proceeding with establishing the consumer protection code as a new schedule to the Retail Energy Code. Energy suppliers will be bound under licence conditions to comply with this REC schedule. We are also proceeding with the revised governance arrangements set out above. Ultimately, we maintain that the REC is the most appropriate home for the code for the following reasons:

- The structure of the smart-contingent obligations is consistent with the Consolidated Metering Code of Practice (CoMCoP) and other code provisions; i.e. the high level proposed obligations and consumer protections are set out in the licence (an overarching obligation to make new fixed term contracts smart-contingent, communicate that to customers and follow a legally binding consumer protection code) whilst the detail of how to operationalise those requirements (e.g. enforcement and installation considerations e.g. for sub-groups of non-domestic consumers) will be set out in a REC schedule.
- Keeping the provisions in the REC allows provisions to be more responsive to change as smart-contingent contracts evolve and become the default. The proposed Smart-Contingent Contract Monitoring Body will oversee consultations on changes to the provisions in the longer-term as the market evolves under existing change management processes. This aligns with the government’s priorities for code reform, which is to set a framework that is more forward looking, agile, and responsive to change, supporting innovation and consumer benefits.

- The REC remains a suitable home for provisions which deliver better outcomes for consumers. Under code reform, the REC is being reshaped to more directly support consumer outcomes through market assurance and oversight. In particular, the REC is taking responsibility for tariff data specification and a consumer consent solution. This is in addition to CoMCoP's role in ensuring microbusiness consumer outcomes are considered during the meter installation process.

In addition, the majority of stakeholders (18 out of 26) signalled support for the revised governance arrangements through the further stakeholder engagement exercise. By creating a clearer distinction of roles and responsibilities between RECCo and Ofgem (with RECCo playing a factual monitoring role and overseeing changes to the code longer-term) this can support Ofgem's sole role in investigating and assessing supplier compliance. Ofgem will, via the annual policy RFI, also have the contextual information (e.g. on the 4G transition) to make more overarching assessments.

We also agree that it is important that reporting obligations are simplified wherever possible to maximise supplier resource efficiency and avoid duplication. We expect RECCo can undertake and conclude its consultation on the code monitoring requirements ahead of the universal implementation requirement and consumer code compliance obligations coming into effect on 1st September 2027. As part of this process, they will have an obligation to ensure reporting requirements are complementary to the annual policy RFI as it is developed and drafted and to conduct an impact assessment on the monitoring approach where proportionate. We expect to continue to collaborate with RECCo and Ofgem on an ongoing basis regarding minimising duplication and supplier burden and remain open to feedback as monitoring evolves. In line with cross-code good practice, the Monitoring Body will also promote outreach to consumer representatives to ensure sufficient input into the design of monitoring of the consumer protections to ensure the final proposal is a balanced reflection of stakeholder feedback. In addition, Ofgem has final authority on the reporting requirements developed by RECCo.

We can also confirm that Ofgem will not be launching a formal consultation on separate reporting against smart-contingent licence and code requirements, as data will be obtained largely via RECCo's monitoring, complemented by the joint annual policy RFI. Nevertheless, suppliers will have an opportunity to comment and provide feedback on the draft RFI before it is issued.

Regarding costs of the RECCo Monitoring Body, these have been accounted for within the Impact Assessment. We expect that many of the additional responsibilities placed on the RECCo as a result of this policy (including the creation of a Monitoring Body) would be delivered through a change to existing service provider contracts, rather than established as a standalone role. RECCOs future consultation will also seek to minimise costs to suppliers of complying with reporting requirements by scoping opportunities to reuse existing datasets, reporting cycles and governance forums; and applying proportionate, risk-based monitoring.

Summary of government decisions in Section Two

- The government is proceeding with introducing a legally binding consumer protection code that suppliers must follow regarding their implementation of smart-contingent contracts.

- We have retained provisions regarding transparency of smart-contingent terms and conditions, ensuring customers are not penalised where the delay to the smart meter installation is outside of the customer's control and paying attention to the needs and circumstances of critical national infrastructure sites, domestic residents at non-domestic premises and organisations in financial difficulty. These provisions remain necessary and principles-based.

- We have revised some provisions, including the definition of financial difficulty, some provisions with respect to TPIs and removal of the obligation which would have had the effect of requiring RECCo to monitor fairness (with Ofgem instead assessing fairness under licence condition OA).

- The code will be introduced as a new schedule to the Retail Energy Code. Energy suppliers will be bound under licence conditions to comply with this REC schedule.

- We are proceeding with the revised governance arrangements proposed as part of the further stakeholder engagement exercise. This includes a clearer distinction of roles and responsibilities between RECCo and Ofgem and RECCo undertaking a consultation on the code reporting provisions.

Section Three: Driving smart meter uptake in the commercial private rented sector

Questions 6-7-8

Summary of responses to Questions 6-7-8

Question 6 - Do you have views on the interactions between the policy proposals in Section One and commercial tenants' rights to arrange for the installation of smart meters in their premises? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 31 responded to Question 6.

Question 7 - Do you agree with the proposals to publish a DESNZ policy statement regarding interactions between the policy and commercial tenants' requests, alongside boilerplate letters for commercial landlords and tenants to support each other with the smart meter installation process? Please provide rationale and evidence to support your answer.

	Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No Response	Total
Respondents	14	10	1	0	2	19	46

Of a total of 46 respondents, 27 responded to Question 7. Overall, most respondents (24 of 27) agreed or agreed with caveats with the proposals.1 respondent was neutral. 2 respondents disagreed with the proposals.

Question 8 - Do you have comments or views on the draft DESNZ policy statement and boilerplate commercial landlord/tenant letters included in Section Two? How could they be adapted or utilised to maximise smart meter uptake in the commercial private rented sector? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 20 responded to Question 8.

Support for tenant protections and proposed communications

Respondents broadly supported the aim of strengthening commercial tenants' ability to obtain a smart meter. There was consensus across many responses that suppliers should not enforce smart-contingent contracts where a commercial landlord has refused a tenant's request for installation, alongside support for protections within the binding consumer code. Stakeholders emphasised that these protections should be clearly defined and communicated to consumers.

Many respondents also noted support for the proposal to publish a DESNZ policy statement and landlord/tenant boilerplate communications. Across a wide range of stakeholders, many suppliers, non-domestic consumer representatives and several MOPs/MAPs, TPIs and code bodies, this was seen as having the potential to improve communication and cooperation between landlords and tenants, make it easier for tenants to request landlord permission, and help reduce delays or reluctance to installation.

Several respondents emphasised the importance of a strong communication strategy and awareness-raising campaign to support the proposed statement and letters, including targeted engagement by government and energy suppliers, to drive their use.

Detailed feedback on drafting of the communications

Some respondents suggested that aspects of the draft wording of the policy statement/boilerplate communications may be unclear, reducing willingness to engage. Suggestions for improvement included signposting of further information and clearer articulation of roles and cost responsibilities.

Some respondents emphasised the importance of ensuring these materials remain proportionate and advisory in tone, and of ensuring the final communications are equally applicable for all of Great Britain, including Scotland and Wales.

Some expressed an interest in further consultation on, or supporting with further refining, the communications ahead of their use and with aiding disseminating them upon publication to maximise landlord/tenant engagement.

Evidence requirements for landlord refusal

Some respondents have stressed that requiring written landlord refusal (as proposed in the consultation) in order for the tenant to be protected from supplier enforcement of smart-contingent contracts is impractical as consent timelines can be long (three-six months) creating deadlocks and disputes, and tenants ultimately often only receive informal refusals rather than formally written letters. Alternative suggestions included:

- Suppliers could accept a tenant attestation/declaration as evidence of request made to landlord (rather than needing formal written landlord refusal)
- Acceptance of no landlord response within a set timeframe

Several stakeholders also suggested that guidance for suppliers on what is acceptable evidence of refusal would be useful, with a few pointing to challenges in suppliers obtaining documentation from a third party (e.g. written landlord refusal) who is not the supplier’s customer.

Landlord awareness narrative

Several commercial landlord organisations challenged the assumption that landlord refusal is a significant barrier, stating that landlords are generally aware of and supportive of smart meters. These respondents instead pointed to technical and operational barriers as the main constraints to installation. Additionally, these stakeholders also called for commercial tenants to be mandated to provide landlords with access to their energy data and expressed interest in being consulted on the planned data guidance for commercial landlords and tenants noted in the consultation.

Limits of the consultation approach

Many stakeholders (including those who broadly supported proceeding with the publication of the proposed statement/letters) queried whether broader legislative change in parallel could further support outcomes, e.g. regarding tenants' rights and/or landlord obligations. These argued that the letters would not compel landlords to consent to smart meter installations or engage with requests, and that lease terms may still prevent compliance. Some respondents therefore proposed alternative policy frameworks, including mandatory installation requirements for commercial landlords (including at change of tenancy/ownership, when vacant or as a criteria to meet other energy efficiency standards).

Government response to Questions 6-7-8

Publishing the boilerplate communications with amendments

We confirm that we have published, alongside this government response, the DESNZ policy statement on commercial tenants' requests to install smart meters and the boilerplate commercial landlord/tenant communications (see Part 2A of Annex B: Supporting Policy Guidance). Most consultation respondents supported these materials as practical tools to drive communication and cooperation between commercial landlords and tenants, supporting greater smart meter uptake.

We have updated both the policy statement and the boilerplate letters to reflect consumer feedback (from the message testing research further explored in Question 16) and consultation responses. In particular:

- We have amended the tone of the boilerplate communications to be less formal and more concise (with an option to add more formal language cross-referencing the policy statement as useful to users, for example in cases of disputes). This reflects feedback that the initial drafting risked being seen as overly formal for many tenants given the broadly positive nature of the relationship they have with their landlord.
- The policy statement has been updated to reflect the protection in the consumer code for customers where remedial works are required (further information can be found in our response to Question 9).
- Signposts to the published government non-domestic consumer guide to rights and expectations have been added to help tenants/landlords further understand the policy context and what to expect during the customer journey.

- Roles/responsibilities with respect to next steps have been set out more clearly.

We can also confirm that, given these are intended to be helpful tools to be utilised or adapted on a voluntary basis and which reflect the Department's position with respect to a reserved matter (smart metering), that these templates can be used by stakeholders across Great Britain (including Scotland and Wales).

We also note some stakeholders' interest in supporting to refine the boilerplate communications further. Whilst these have already been subject to consultation and consumer feedback, as per other guidance published alongside this government response, we are committing to ensuring these evolve over time to maximise stakeholder use and engagement. Therefore, we welcome any further stakeholder feedback on these documents (via the smart metering mailbox referenced on page 86 of this document) and are committed to updating the documents further in Spring 2027 where required ahead of the universal implementation requirement coming into effect.

Regarding awareness raising of policy outputs, this is further explored in our response to Question 16.

Proceeding with the protection for tenants within the binding consumer code (with amendments to provide more flexibility where landlords are disengaged)

We can also confirm that we are proceeding with the protection for tenants in the binding consumer code. This reflects the broad support received for clear protections for tenants, including stakeholder agreement that suppliers should not enforce smart-contingent contracts where landlords refuse tenants' requests to install smart meters.

We are also making this protection more flexible such that tenants do not need the written refusal of their landlord to be in scope of the protection. We agree with the feedback that written evidence of landlord refusal could disadvantage tenants where landlords are unresponsive and may be impractical given the landlord may not be a direct customer of the energy supplier.

Instead, customers (including tenants) will be protected where they provide the energy supplier with a signed declaration stating that a third party (e.g. landlord) with control or influence over the metering arrangements has not agreed to permit the smart meter installation. This covers situations where the landlord is disengaged (e.g. hasn't put refusal in writing) and means that suppliers only need to obtain evidence from their customer directly (rather than steering tenants to provide any potentially personal data regarding their landlord).

Box 1 below sets out what information energy suppliers might seek to obtain from their customers with respect to a signed declaration. This is voluntary guidance only and intended to drive a level of consistency. Suppliers may therefore wish to adapt to their own circumstances.

We are aware that by making this protection more flexible, there is an increased risk of gaming by those that seek to avoid the smart meter installation. We expect this risk to be low, and that most tenants will act in good faith with respect to their landlord's position. Nevertheless, Box 1 also suggests how this could be mitigated (i.e. by building a statement into the signed declaration acknowledging any implications of making false statements under contract).

Box 1: *Information that energy suppliers may seek from a signed tenant declaration*

A signed declaration from a commercial tenant may provide confirmation that they have:

1. Requested their landlord's agreement to a smart meter installation.
2. Received a refusal or non-response with details of -
3. Who refused (landlord / agent).
4. Reasons for refusal given if relevant (verbally or in writing).
5. Dates the landlord was contacted.
6. Method of contacting (email / managing agent / broker / verbal).
7. Understood any implications (e.g. for their contract) if later found to have made false statements in a signed declaration. Suppliers may wish to consider interactions with existing contract clauses regarding providing false information under contract.

Guidance for commercial landlords and tenants on how to access smart meter data

Government does not agree that commercial tenants should be mandated to provide their landlords with access to half-hourly data from smart meters in the premises they are renting. More granular smart meter data may provide information about the tenant's commercial operations. In addition, whilst smart meter data from a commercial tenant is unlikely to be personal data under the UK GDPR (as the data is unlikely to relate to an identifiable individual), there are some factors which make it more likely that a commercial tenant's energy consumption data could be personal data, such as if there only a small number of individuals present at the premises (for example, in the case of a sole trader). Furthermore, consultation respondents did not provide quantitative evidence in their responses to demonstrate that the scale of commercial tenant refusal to grant access to the data is significant (e.g. where the mutual benefits have been clearly explained to them), or evidence that existing avenues to obtain data access have been exhausted.

Nevertheless, we appreciate, given the diversity in non-domestic organisation types and metering arrangements, that navigating the existing landscape to identify existing routes to access data (with a tenant's cooperation) can be challenging. We also recognise that feedback from commercial landlords in this space is driven by a positive appetite to use energy data to decarbonise their premises; an objective that we share.

Therefore, we can confirm that alongside this government response we have published guidance for commercial landlords and tenants on how they can cooperate to navigate the existing non-domestic energy data landscape and access smart meter data (see Part 2B of

Annex B: Supporting Policy Guidance). The guidance explores a number of routes, including via energy suppliers, third party service providers and use of green lease clauses. We have considered feedback from stakeholders in developing the guidance for publication. As with other guidance documents published alongside this government response, our intention is to update this guidance in Spring 2027 where required, ahead of the introduction of the universal implementation requirement. Therefore, we welcome any stakeholder feedback on the guidance (via the smart metering mailbox referenced on page 86 of this document).

Alternative levers to drive smart meter uptake in the commercial rented sector

We maintain that the overall smart-contingent policy package will support smart meter uptake specifically in the commercial private rented sector. In particular, non-domestic customers of energy suppliers (whether landlords or tenants) that wish to renew fixed term contracts will be motivated to agree to smart meters. In addition, such customers may not have previously contacted their respective landlord/tenant to engage them with arranging a smart meter installation in the premises. The boilerplate communications we have published alongside this response will support them to do this in an efficient way. The DESNZ policy statement is also intended in part to motivate landlords to agree to tenant requests.

Nevertheless, we accept that in more complex cases (such as in cases of dispute) the broader question of rights and responsibilities of commercial tenants and landlords may be relevant. Commercial tenancies are complex and varied. Factors which might be relevant in determining commercial tenant and landlord rights might be whether the lease allows alterations and whether the installation is considered an overall improvement to the premises. We remain open to further discussing with industry the nature of remaining barriers in the commercial private rented sector and to monitoring developments. In particular, we are aware of a review by the Law Commission of the Landlord and Tenant Act 1954 which has a view to modernising commercial leasehold legislation. One of the objectives of the review is to make current legislation fit for today's commercial market, taking into account other government priorities such as net zero[16].

[16] Business tenancies: the right to renew – Law Commission

Question 9

Summary of responses to Question 9

> Do you have views on the ideas for managing the interaction between these policy proposals and cases of remedial works needed in non-domestic premises? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 24 responded to this question.

Most respondents welcomed the recognition of remedial works challenges in non-domestic settings and the opportunity to provide views.

Support for consumer protections in the code

Most consultation respondents agreed that cooperative customers should not be disadvantaged under smart-contingent contracts if they have works needed to their premises, including where delays arise from factors beyond their control. Many respondents highlighted that in some remedial works cases, customers and suppliers may have limited control due to external factors such as landlord constraints, inherited infrastructure and dependencies on other third parties such as Distribution Network Operators (DNOs) and other delivery bodies, which can delay installations.

Most respondents therefore supported the idea of an additional protection in the consumer code for these cases. Stakeholders noted such provisions must be clear and operationally workable. In this context, some flagged the practicality of the proposed installation timelines in the code where remedial works are required, suggesting greater flexibility is needed. Others suggested that guidance could help avoid inconsistent treatment of remedial works cases across the sector, including on roles, responsibilities, sequencing and timelines in remedial works cases.

Broader considerations regarding more complex works

The consultation invited views on other indicative and exploratory ideas for managing instances of more complex works. There were varied views on options for longer-term works resolution. Some stakeholders emphasised the financial constraints faced by small businesses and/or suggested industry stakeholders could absorb costs. Others highlighted potential risks associated with placing responsibility on suppliers or wider industry, including limited control over third-party arrangements and potential credit or cost socialisation impacts. Some stakeholders supported exploration of financing options. Others welcomed improvements in the quality of industry data to inform longer-term scoping.

Question 9: Further Stakeholder Engagement Exercise

Remedial Works: Further stakeholder engagement exercise

Following the consultation responses received, we invited further stakeholder views on the proposal to add an additional provision into the consumer protection code, which could state that where the delay to the smart meter installation has occurred due to the need for works to be undertaken at the premises before the meter can be exchanged, the supplier must take all reasonable steps to ensure that the other party to the smart-contingent contract retains the benefit of the fixed term contract while any works remain outstanding.

This acknowledges that in many cases, the need for works at a premises can be temporary as these may be resolved over time in any case. However, it would be unreasonable for a customer to be found in breach of their contractual agreement to have smart meters if the reason was the need for additional works at the premises which may often depend on the actions of a third party (e.g. landlord). This also avoids complexities which could occur if the landlord/tenant cannot agree responsibility for the cost of works. We also noted that we considered the risk of a non-domestic customer deliberately avoiding works to avoid having a smart meter low on the basis that non-domestic customers tend not to be hard rejectors of smart meters (as set out in the consultation).

Regarding the importance of clear guidance on roles and responsibilities, we also proposed there may be benefit in building in some guidance for consumers on remedial works into the proposed non-domestic consumer guide to rights and expectations (explored in our response to Question 16).

Remedial Works: Summary of responses to the further stakeholder engagement exercise

Of the 27 respondents to this section, 25 agreed/agreed with caveats to adding an additional protection for remedial works into the consumer protection code.

Many shared views on the scope of the protection. The majority supported a broad protection of all works, while a few argued for tighter scoping, suggesting limiting the scope to third-party works or including defined categories of works and/or differing expectations per works type. Additionally, some raised concerns regarding the risk of consumers gaming the protection to avoid the smart meter installation. Some stakeholders suggested mitigations to address this risk. Two respondents proposed introducing a timeline for the protection, one suggested establishing a fixed time limit after which suppliers could enforce the contract, while another proposed a ‘review point’ for the protection at which customers would need to reconfirm the status of the works. Other respondents suggested defining thresholds for eligible works, including specifying that works must be necessary to facilitate the smart meter, or excluding cases where access to the metering area is obstructed by products or moveable items.

Government response to Question 9

We agree with most consultation respondents that cooperative customers should not be disadvantaged under smart-contingent contracts if they have works needed to their premises. We can therefore confirm that we are proceeding with introducing an additional protection in the consumer code for non-domestic customers whose premises need additional works before their meter can be upgraded to smart.

Scope of the protection

We confirm that the additional protection will remain flexible to all works and apply to all situations where the works remain outstanding. This reflects many respondents' views that a broad, principles-based approach is more flexible and better able to ensure the protection operates effectively across the wide variation in circumstances in non-domestic premises.

We will not limit the scope to defined categories of works or introduce a time limit to the protection, as suggested by some consultation respondents since we consider that this risks excluding legitimate scenarios and introducing unnecessary complexity. For instance, there may be reasons for indefinite delay to works (i.e. cases of landlord refusal) that the supplier's customer (tenant) has limited control over. In addition, limiting the provision to situations where the customer has taken reasonable steps to progress the works or where the works are necessary to progress the installation would introduce subjectivity and likely drive more inconsistency in treatment across the market.

Use of a consumer declaration

Some consultation respondents raised concerns regarding the risk of a non-domestic customer using the code protection to avoid having a smart meter. We maintain this risk to be low as a) non-domestic customers tend not to be hard rejectors of smart meters (as set out in the consultation) and therefore have no incentive to be untruthful, and b) because many remedial works are likely to be first identified by installers on site on the day of the installation (and therefore verifiable by the energy supplier). Nevertheless, we propose this risk can be mitigated in any case through the signed declaration approach outlined in the Government's response to questions 6, 7 and 8. In particular, where the customer has identified works needed to the premises that the supplier has not been able to verify, the supplier can opt to seek a signed declaration that this is the case, including that the customer has understood any implications (e.g. for their contract) if later found to have made false statements.

To further support consistency in application of this protection (and such use of a signed declaration), we have included the scenario of a tenant whose landlord has not agreed to the smart meter installation due to the need for additional works at the premises within the case studies published alongside this government response (see Part 1 of Annex B: Supporting Policy Guidance).

Guidance to support consistency

To address stakeholder feedback that additional guidance on roles, responsibilities and sequencing in remedial works cases (alongside raising awareness of the code protection) can further drive consistency in treatment of remedial works cases, we have included relevant information within the non-domestic consumer guide to rights and expectations published alongside the government response (see Part 3 of Annex B: Supporting Policy Guidance).

Interaction with proposed installation timelines

Installation timelines in the customer code have been addressed in the Government Response to Question 3.

Summary of government decisions in Section Three

- The government has published, alongside this government response, the DESNZ policy statement on commercial tenants' requests to install smart meters and the boilerplate commercial landlord/tenant communications (see Part 2A of Annex B: Supporting Policy Guidance). These have been updated to reflect feedback from the consultation and consumer message testing. These templates can be used by stakeholders across Great Britain (including Scotland and Wales).

- We are proceeding with the protection for tenants in the binding consumer code. This protection has been made more flexible such that tenants do not need the written refusal of their landlord.

- Customers (including tenants) will be protected where they provide the energy supplier with a signed declaration stating that a third party (e.g. landlord) with control or influence over the metering arrangements has not agreed to permit the smart meter installation.

- We have set out guidance in this section on what information suppliers might seek from their customers with respect to a signed declaration.

- Alongside this government response we have published guidance for commercial landlords and tenants on how they can cooperate to navigate the existing non-domestic energy data landscape and access smart meter data.

- We remain open to further discussing with industry the nature of remaining barriers in the commercial rented sector and to monitoring developments, including a review by the Law Commission of the Landlord and Tenant Act 1954.

- We are proceeding with introducing an additional protection in the consumer code for non-domestic customers whose premises need additional works before their meter can be upgraded to smart. We confirm that the additional protection will remain flexible to all works and apply to all situations where the works remain outstanding.

- The signed declaration approach may be relevant to implementing this protection. A case study of a scenario of a tenant whose landlord has not agreed to the smart meter installation due to the need for additional works at the premises has been included within the case studies published alongside this government response (see Part 1 of Annex B: Supporting Policy Guidance).

Section Four: Policy Scope

Question 10

Summary of responses to Question 10

> Do you have views on whether the policy proposals should apply only with respect to designated premises, or all non-domestic premises? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 28 responded to this question.

Around half of the respondents to this question favoured universal application to all non-domestic premises and the other half argued to limit scope to designated premises.

Arguments for extending the policy scope to all non-domestic premises

These arguments came mainly from consumer representatives and TPIs, stating that extending scope ensures a clear, simple, and consistently communicable framework for suppliers and customers, further drives benefits realisation and net zero innovation e.g. demand-side response and is more future proof as the concept of profile class becomes obsolete i.e. due to MHHS.

Arguments Supporting Limitation to Designated Premises Only

Arguments in favour of limiting scope to designated premises came mostly from suppliers who focused on unique technical and operational factors as the reason for some legacy traditional meters at the largest end of market (e.g. high voltage/large gas configurations, high installation costs, remote/constrained locations). Some suppliers highlighted that larger non-domestic sites require bespoke planning, specialist installation resources, and longer lead times, making uniform application operationally difficult and disproportionately costly.

Several suppliers asserted that larger non-domestic sites are already covered by advanced meter requirements. Some suppliers stated that given the low number of larger non-domestic site meters that remain to be converted to advanced meters, any incremental benefit should be carefully weighed against the added complexity in communication, reporting, assurance, and compliance, and supported by robust cost-benefit evidence, which they felt was currently not sufficient. Some suppliers also noted the risk of duplicating existing regulation at the large end of the market and a lack of clear case for intervention. Some respondents also questioned the need for additional consumer protections at the larger end of the market, noting that these customers already report high satisfaction levels and that increased regulatory intervention could add burden without clear benefit to customer experience.

Government response to Question 10

We can confirm that the scope of the policy package will be limited to designated premises in the first instance.

Following further review and consideration of consultation responses, we have not, to date, identified a parallel growth in use of smart-contingent contracts at the very largest end of the market, or parallel consumer protection risks that would require regulatory intervention.

Nevertheless, we propose to continue monitoring policy scope over time as the market evolves and to further consider in the context of scoping a new definition of ‘designated premises’ in supplier licence conditions post-MHHS (see government response to Question 12).

Question 11

Summary of responses to Question 11

> Do you have views on the interactions between the policy proposals and meter type (i.e. arrangements with respect to the installation of SMETS versus advanced meters). Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 19 responded to this question.

The majority of respondents, 16, expressed support for maintaining the existing policy framework governing SMETS versus advanced meter installations. These stakeholders agreed that the smart-contingent policy should not alter the current advanced meter consumer choice policy. Some suppliers noted that retaining current rules provides continuity, operational certainty and avoids unnecessary disruption to ongoing rollout activity.

Several respondents noted that advanced meters remain a valid solution in the non-domestic sector, particularly in complex, high-load, or multi-site portfolios and/or where a SMETS installation is technically challenging. A few respondents reiterated that SMETS meters should remain the default where technically feasible, consistent with current licence obligations. On the other hand, a few stakeholders suggested that the advanced meter consumer choice policy could be made more flexible on installing advanced meters.

Government response to Question 11

We can confirm that (as per the views of the majority of stakeholders), the final policy package does not alter the existing policy framework governing when SMETS versus advanced meters should be installed. This means that if energy suppliers enter into new fixed term energy contracts with non-domestic customers they must ensure the contract includes a term which provides that the customer has, or agrees to have, smart or advanced meters installed in their designated premises (with the meter type to be installed needing to be compliant with the existing AMR consumer choice policy). We agree with the need to maintain continuity, consistency and operational certainty for suppliers, while avoiding unnecessary disruption to rollout activity alongside implementation of smart-contingent contracts.

Question 12

Summary of responses to Question 12

> Do you have any early views on future options for how designated premises could be defined post-MHHS or any comments on interactions with the proposals set out in this consultation? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 15 responded to this question.

Several respondents asserted the continued need for a definition and distinction between the small-medium and largest end of the market. Some stakeholders suggested a consumption-based definition, while others warned against consumption thresholds that fluctuate over time, thereby increasing costs as a result of needing to continuously monitor those moving in and out of scope of obligations which use this definition. Some respondents also suggested using ‘non-Current Transformer metered’, measurement class or connection type as the basis of any definition.

Some stakeholders warned against arbitrary distinctions that divide customers with similar characteristics into categories with different regulations. Some energy suppliers and representatives also noted the importance of ensuring that any data needed to determine if a site is a ‘designated premises’ or not is easily accessible, clear and easily verifiable.

Some respondents called for the use of working groups or industry forums to discuss any definitions that may be proposed in the future.

Government response to Question 12

In the consultation, we had stated that the government intends to conclude its consultation on non-domestic smart-contingent contracts before considering whether any technical changes to the definition of designated premises in supplier licence conditions are required.

Now that we have published this government response, which confirms that the scope of the smart-contingent policy package will be limited to designated premises in the first instance (and in noting industry’s feedback that the distinction between designated premises and the largest end of the market remains relevant post-MHHS), we can confirm our intention to scope options for a new definition of designated premises.

We agree, given the technical nature of the current definition and the licence conditions to which the definition is relevant, that this needs to be thoroughly considered and developed in close collaboration with industry. We will therefore use industry forums such as the Non-Domestic Working Group (NDWG) to consider options and progress next steps.

Question 13

Summary of responses to Question 13

Do you have views on whether the proposals in this consultation could be suitable for other specialist forms of energy contracts available in the non-domestic market? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 16 responded to this question.

Overall, feedback was cautious, with respondents highlighting potential risks and limited benefits rather than opportunities for expansion.

A common theme was that extending the smart-contingent contract policy to other contract types would bring complexity or add limited value, particularly where contracts are designed to meet specific customer or supplier needs, for instance customers on AMR contracts, customers with multi-site contracts and vacant sites. Other points made were:

- One respondent suggested that ongoing variable arrangements could be made smart-contingent to encourage smaller businesses to engage more actively with their energy use.
- One respondent proposed that suppliers could be required to periodically prompt micro and small businesses on ongoing variable arrangements to switch to smart-contingent fixed-term contracts.
- One respondent suggested that Ofgem monitors non-fixed term arrangements going forward, to ensure these contracts are not used to circumvent smart-contingent obligations.

Government response to Question 13

We can confirm that the final policy package only applies to fixed term energy contracts, as consulted upon (the definition of which can be found in the amendments to energy supply licence conditions published alongside this response). Stakeholder feedback has not identified a case for regulation at this stage regarding other specialist forms of energy contracts available in the non-domestic market such as evergreens. We agree with the assessment that non-fixed term arrangements should be monitored to avoid deliberate supplier circumvention of their smart-contingent obligations (including consumer protections) and therefore intend to include this within future monitoring. Communications regarding customer switching will be a matter for individual energy suppliers. However, suppliers will need to ensure that any communications relating to the policy (e.g. the awareness raising requirement) remain compliant with rules on direct marketing; this is further explored in the government’s response to Question 16.

Question 14

Summary of responses to Question 14

> Do you have any additional evidence on the nature and types of non-domestic organisations who remain permanently outside of fixed term energy contract, including the nature of customers on evergreen contracts? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 11 responded to this question.

Several suppliers said that customers who remain permanently outside of fixed term energy contracts are often disengaged and do not see energy as a priority. Views varied as to what customer types fall into this category, with several responses suggesting these customers tend to be small businesses that consume low amounts of energy and others suggesting these are often landlords with vacant premises or short-term supply arrangements. Landlords/vacant premises were often stated to be on deemed rates although others had observed use of evergreen contracts among this group. Stakeholders provided limited robust quantitative data in response to this question.

Government response to Question 14

Our approach to modelling impacts of the policy is set out in the impact assessment (see Annex C: Final Impact Assessment) published alongside this government response. As outlined in our response to Question 13, the government intends to monitor the use of non-fixed term arrangements in the market following policy implementation. In addition, we are aware of Ofgem work to refine data in this area. We will therefore scope opportunities to collaborate as part of ongoing monitoring.

Question 15

Summary of responses to Question 15

> Do you have any other views on policy scope that may inform policy design decisions? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 9 responded to this question.

Responses covered points already addressed in answers to other questions, for example comments regarding which customers should fall in scope of the obligations, on supplier enforcement and on ways to embed proportionality and fairness in the licence conditions and code.

Government response to Question 15

Our response to feedback regarding policy scope is addressed in Question 10. Our response to feedback regarding proportionality in enforcement is addressed in Questions 1-2.

Summary of government decisions in Section Four

- The government can confirm that the scope of the policy package will be limited to designated premises in the first instance. However, we will continue monitoring policy scope over time as the market evolves.

- The final policy package does not alter the existing policy framework governing SMETS versus advanced meter installations.

- We can confirm our intention to scope options for a new definition of designated premises in light of MHHS.

- We agree that this needs to be thoroughly considered and developed in close collaboration with industry. We will therefore use industry forums such as the Non-Domestic Working Group (NDWG) to consider options and progress next steps.

- We can confirm that the final policy package only applies to fixed term energy contracts, as consulted upon.

- We intend to monitor the use of non-fixed term arrangements in the market following policy implementation.

Section Five: Policy Engagement Strategy

Question 16

Summary of responses to Question 16

> Do you have views on, or suggestions to inform, the policy engagement strategy set out in Section Four? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 29 responded to this question.

Overall, the majority of these respondents supported the need for clear and consistent communications, with co-ordinated, multi-channel engagement and clear advance notice, to support implementation and maximise consumer understanding, engagement and minimise risks to consumers of inconsistent market-led communications.

Centralised messaging

Some respondents across sectors favoured a centrally co-ordinated approach, overseen by government and delivered through Smart Energy GB or trusted partners, rather than relying solely on individual supplier-led strategies. They argued this could ensure consistent messaging and clarity on consumer rights, protections and responsibilities.

In addition, some flagged risks that inconsistent framing of smart-contingent contracts could undermine consumer trust and explicitly supported central templates or toolkits to ensure consistent supplier communications.

Some respondents also suggested partnerships with trusted business and industry bodies to support dissemination and emphasised that responsibility for explaining the policy should not rest solely with suppliers.

Tailored communications

Several respondents also emphasised the importance of targeted communications for groups more likely to face specific barriers to installation or where there is more scope to influence behaviour, for example aimed at the public sector, landlords and TPIs. Additionally, some respondents stressed that messaging should focus on the benefits of smart meters, warning that messaging focusing overly on contractual enforcement could drive disengagement. They noted such messaging could include incentives such as flexibility services and time of use tariffs. Some respondents also noted that messaging could address potential concerns businesses have about smart meter installations to help build trust and support uptake.

Additionally, respondents also noted that messaging should address potential concerns, including delays to installation and perceptions of being forced to adopt smart meters, to help build trust and support uptake.

Clarity on consumer rights and redress pathways

Several respondents emphasised that consumer communications should clearly set out how customers can engage with suppliers and understand their rights and protections under the policy framework. Some suggested that communications and supporting materials should indicate clear pathways to redress, to help consumers navigate issues where installation is not straightforward or where disputes arise.

Scope of awareness raising

A couple of respondents cautioned against blanket communications to all non-domestic consumers, preferring targeted messaging to traditional meter customers only, to limit costs and avoid confusing customers that already have smart meters.

Question 16: Further Stakeholder Engagement Exercise

Non-Domestic Consumer Guide to Rights and Expectations: Further Stakeholder Engagement Exercise

As outlined in the consultation, we have previously publicly committed in the consultation on the Smart Metering Policy Framework – Post 2025 (August 2025)[17] to work with suppliers to tailor the domestic 'Guide to consumers' rights and expectations' to a non-domestic context.

In addition, following publication of the consultation, DESNZ commissioned qualitative message testing research with non-domestic consumers between December 2025 and January 2026. This research tested how different communications variables (such as policy framings, design features and messenger effects) influence consumers' understanding of the roll-out of smart-contingent contracts. A key finding from this research is that non-domestic consumers would expect to be signposted to government communications about the policy changes in addition to receiving communications from their energy supplier. This includes government signposting dispute resolution services to support consumers in cases where they disagree with the approach (e.g. to contractual enforcement) taken by their energy supplier.

Therefore, as part of the further stakeholder engagement exercise we invited stakeholder views on the proposal that government could publish a non-domestic consumer guide to rights and expectations that focuses explicitly on customer protections and expectations regarding the rollout of smart-contingent contracts. We tested the idea that the guide could raise consumer awareness of their protections under the smart-contingent code, as well as access to dispute resolution services and broader rights and expectations regarding the smart metering customer experience (such as entitlement to compensation under Guaranteed Standards of Performance).

Non-Domestic Consumer Guide to Rights and Expectations: Summary of responses to the further stakeholder engagement exercise

Almost all respondents (except one stakeholder) supported the proposal to publish a non-domestic consumer guide to rights and expectations focused on consumer rights and

[17] Smart metering policy framework post 2025 - GOV.UK

expectations regarding smart-contingent contracts. Agreement related to scope to improve transparency, consistency, and consumer understanding of rights.

Many stakeholders noted the guidance would need to engage with the diversity of the non-domestic market and be clear if rights or expectations only apply to some customer types. Several respondents supported the signposting of dispute resolution routes and services. Some respondents argued that the guide must not introduce new rights but rather consolidate existing ones. Several respondents asserted the importance of wide and targeted dissemination of the guide to consumers and other stakeholders to ensure realisation of the benefits from the guide.

Several stakeholders emphasised the need for the guide to set out the respective roles and expectations of customers in addition to suppliers. This may include facilitating access to premises to enable a smart meter installation to take place and noting that once customers have decided to sign a smart-contingent contract they would be expected to facilitate the smart meter installation, provided there are no barriers outside of their control to doing so. Some also noted the need to include the government's role in setting the policies regarding smart-contingent contracts.

Some respondents expressed a desire to be further engaged with the drafting of the consumer guide to rights and expectations.

Government response to Question 16

We can confirm we are proceeding with a multi-channel policy engagement strategy, reflective of stakeholder feedback via the consultation and consumer message testing. This strategy consists of:

- Awareness raising by energy suppliers.
- A key role for Smart Energy GB.
- Government communications.
- Targeted engagement/communications for specific stakeholder groups.

Awareness raising by energy suppliers

As outlined in our response to Questions 1-2, we are proceeding with the obligation on suppliers in licence conditions to raise customer awareness of the policy changes in advance, so that they understand what is expected, why and when. In line with stakeholder feedback, to drive consistency in supplier communications and support customer awareness and understanding, we have also published a voluntary toolkit for suppliers alongside this government response (Energy Supplier Toolkit), which draws directly on insights from our message testing research with non-domestic consumers[18]. The toolkit outlines four broad principles which evidence suggests should be applied to effectively communicate the policy, in addition to an example communication template (based on these principles) that suppliers

[18] https://gov.uk/government/publications/communicating-the-rollout-of-smart-contingent-contracts-to-non-domestic-customers

could use or adapt to drive awareness of the policy among their customers. These principles are:

- **Frame the rollout as beneficial to organisations and as part of a wider national upgrade:** providing benefits to organisations and reinforcing that smart meters are part of a broader modernisation of national infrastructure, provides an intuitive and meaningful rationale for the rollout of smart-contingent contracts and accompanying policy changes.
- **Address customers' needs around cost and convenience:** e.g. reassure customers that meter exchange(s) will be offered at a time convenient to them and at no additional cost.
- **Build trust:** signpost the government's oversight of the policy changes and be transparent by referencing the wider benefits of smart meters to suppliers and to Britain's energy system.
- **Make further information easy to find:** signpost where organisations can find more information on the policy, such as nuances for particular groups.

Scope of the awareness raising requirement

We can also confirm that we are maintaining the scope of the awareness raising requirement to all non-domestic consumers[19]. This reflects strong stakeholder support for widespread awareness raising and a coordinated, multi-channel approach. It also maximises opportunities for word-of-mouth dissemination, ensures awareness in instances where customers move to a new premises and widens opportunities to signpost the non-domestic consumer guide to rights and expectations. We also consider that limiting the scope to traditional meter customers may be harder to operationalise and less cost efficient, as communications would need to reflect a shifting pool of traditional meter customers.

Interactions with direct marketing

We expect energy suppliers to communicate the policy (including the awareness raising requirement and use of the voluntary template) in ways that are compatible with other legislation, such as the Privacy and Electronic Communications Regulations 2003 (PECR). Neutrally and factually communicating that agreeing to a smart meter is a condition of contract is generally going to be a service message[20] and therefore unlikely to count as direct marketing. However, a communication that also encourages the customer to renew their contract or advertises a particular service would likely fall into the definition of direct marketing.

We would expect the majority (though not all) non-domestic customers within scope of the policy to be "corporate subscribers" as per PECR definitions. PECR does not apply to electronic communications to corporate subscribers. However, where energy suppliers are communicating with customers via other means, or those that are not corporate subscribers, they may need to adapt communications to be neutral in tone.

[19] At designated premises
[20] Identify direct marketing | ICO

Key role for Smart Energy GB

Smart Energy GB is responsible for communicating the smart meter rollout to microbusinesses and has built a range of experience and expertise in communicating energy-related policies and initiatives via tailored messaging and channels appropriate to a business audience.

Smart Energy GB has objectives in licence conditions to build microbusiness confidence in the installation of smart meters by suppliers, build microbusiness awareness and understanding of the use of smart meters and increase the willingness of microbusinesses to use smart meters to manage their energy use (e.g. through data provision).

In light of the support received via consultation for centralised communications to support supplier communications, there remains an essential role for Smart Energy GB to support messaging regarding these policy proposals to microbusinesses. In addition, we remain of the view following consultation that Smart Energy GB's objectives remain relevant to communicating the transition to smart-contingent contracts to microbusinesses and that Smart Energy GB can continue to carry out these activities without updating Supplier Licence Conditions.

We also continue to share learnings with Smart Energy GB, including findings from our consumer message testing which suggests that conveying the benefits of smart meters to organisations and the wider energy system remains key to driving consumer acceptance of the rollout of smart-contingent contracts.

Government communications

Given strong stakeholder support via the further engagement exercise, and in noting findings from the consumer message testing, we can confirm we have published a non-domestic consumer guide to rights and expectations regarding smart-contingent contracts alongside this government response (see Part 3 of Annex B: Supporting Policy Guidance). We can confirm this has been drafted to reflect varied stakeholder feedback including;

- Setting out the government's role in the policy changes.
- Setting out non-domestic consumer rights and signposting where these are grounded in existing obligations.
- Being clear and explicit where something is industry good practice (rather than having basis in a particular obligation).
- Being clear where particular supplier obligations only apply to particular groups e.g. microbusinesses.
- Signposting dispute resolution services that consumers can refer to in cases of disagreement with their energy supplier.
- Setting out areas where it is helpful for customers to be aware of their own role in the process e.g. facilitating access to premises on the day to enable installations to avoid failed installation attempts.

- Linking to other protections outside of the smart-contingent code, where these are relevant to the overall smart-contingent customer journey (e.g. microbusinesses' entitlement to compensation under smart metering Guaranteed Standards of Performance and the non-domestic smart meter customer data offer).

As with other guidance documents published alongside this government response, our intention is to update this guide in Spring 2027 where required ahead of the introduction of the universal implementation requirement. Therefore, we welcome any stakeholder feedback on the drafting (via the smart metering mailbox referenced on page 86 of this document).

Targeted engagement/communications for specific stakeholder groups

We remain committed to engaging targeted groups with the policy proposals and engaging Smart Energy GB regarding scope for targeted interventions.

In particular we intend:

- To work alongside Smart Energy GB to scope how to best raise commercial landlord/tenant awareness of the DESNZ policy statement and boilerplate communications in the private rented sector.
- To engage TPIs directly with the policy changes, including signalling our intention to work with Ofgem regarding longer-term alignment with TPI regulation.
- To carry out tailored public sector engagement with the policy changes (e.g. other government departments, framework providers and local bodies) and develop tailored public sector communications to complement those published alongside the government response and Smart Energy GB's communications. This is further explored in our response to Questions 1-2.

Research published alongside this government response

Underpinning the engagement strategy, across stakeholder types, is findings from the message testing undertaken with non-domestic consumers. In addition to the communications toolkit, the government has therefore published a research report summarising key learnings from the project which stakeholders may wish to refer to in designing their own approaches[21].

Summary of government decisions in Section Five

• The government is proceeding with a multi-channel policy engagement strategy, consisting of; awareness raising by energy suppliers, a key role for Smart Energy GB, government communications and targeted engagement/communications for specific groups.

[21] https://www.gov.uk/government/publications/communicating-the-rollout-of-smart-contingent-contracts-to-non-domestic-customers

• We are proceeding with the obligation on suppliers in licence conditions to (from 1st January 2027) raise customer awareness of the policy changes in advance, so that they understand what is expected, why and when.

• We can also confirm that we are maintaining the scope of the awareness raising requirement to all non-domestic consumers.

• To support energy suppliers to meet this awareness raising obligation we have published a voluntary toolkit for suppliers alongside this government response, which is based on our message testing with non-domestic consumers[22].

• We expect energy suppliers to communicate the policy (including the awareness raising requirement and use of the voluntary template) in ways that are compatible with other legislation, such as the Privacy and Electronic Communications Regulations 2003 (PECR).

• There remains an essential role for Smart Energy GB to support messaging regarding this policy to microbusinesses.

• Regarding government communications, we have published a non-domestic consumer guide to rights and expectations regarding smart-contingent contracts alongside this government response (see Part 3 of Annex B: Supporting Policy Guidance).

• We remain committed to engaging targeted groups with the policy proposals and engaging Smart Energy GB regarding scope for targeted interventions.

[22] https://gov.uk/government/publications/communicating-the-rollout-of-smart-contingent-contracts-to-non-domestic-customers

Section Six: Providing flexibility to the non-domestic sector

Question 17

Summary of responses to Question 17

> Do you have views on the proposals in relation to maintaining industry flexibility to manage the nuances of the 4G transition in the non-domestic sector, including with respect to installer capacity? Please provide rationale and evidence to support your answer.

Of a total of 46 respondents, 23 responded to this question.

Flexibility

Many respondents agreed that suppliers should be given the flexibility to balance the nuances of the non-domestic 4G transition against the proposed obligations regarding smart-contingent contracts. These respondents agreed that introducing additional 4G obligations (beyond those flagged in the consultation) would not be appropriate. A few added that any further regulatory measure in this space should only be considered if monitoring indicates insufficient progress. Contrastingly, one respondent raised concerns that the absence of further regulatory measures could delay 2G/3G replacement activity and suggested that targeted intervention may be needed to ensure timely upgrades.

Monitoring Framework

A few respondents supported the proposal to use existing requests for information to monitor supplier 4G delivery (e.g. rather than binding deployment plans). Two added that any future monitoring should be considered in the round and with suppliers' wider smart meter rollout obligations, and should include clear milestones and transparent reporting, to ensure early identification of risk and facilitate timely intervention if needed.

Concerns regarding installer capacity

Many respondents raised concerns about installer capacity to manage peaks in demand created by the installation requirements in the code (e.g. the proposed three-month obligation alongside 2G/3G replacement and wider upgrade activity). This has been covered in detail in Question 3 above.

Government response to Question 17

Flexibility

We can confirm that the final policy package relating to smart-contingent contracts does not contain further regulations with respect to the 4G transition at this time. This means that:

- As per the government's response to its consultation on the broader smart metering policy framework post-2025, non-domestic suppliers (with respect to their SMETS portfolios) will be required to take all reasonable steps to resolve smart meters operating in traditional mode as soon as possible and no later than 90 days from the date energy suppliers are first aware. Suppliers will also be required to take all reasonable steps to pre-emptively replace smart metering assets so that they continue to communicate when they will otherwise stop communicating as a result of Wide Area Network (WAN) services ending.
- Ofgem (as part of its final decision on smart metering guaranteed standards of performance) has confirmed microbusinesses in scope of £40 compensation when they report a problem with their smart meter, but the supplier does not complete an initial assessment to identify the cause of the fault within five working days of the report.
- Suppliers will not initially be required to provide Deployment Plans with respect to activities in their non-domestic premises. Instead, utilising existing powers, we intend (alongside Ofgem) to merge existing RFIs into one joint, annual non-domestic smart metering policy RFI which will be used to monitor progress against the smart-contingent contract policy objectives.
- We continue to engage with industry, DCC, Elexon and Ofgem regarding industry's 4G transition plans to understand implications for the smart meter rollout. This engagement is helping to build a clearer picture of the scale and nature of the transition across both non-domestic SMETS and advanced meter portfolios.
- Through this engagement, we are also seeking to facilitate the sharing of emerging best practice across industry, including approaches to risk management, customer engagement, and delivery planning, in order to support a consistent and effective transition.

Combined, these measures support the overarching principle of delivering a positive non-domestic customer experience of smart metering post-2025. The absence of specific new regulatory obligations here allows suppliers to manage the non-domestic nuances of their 4G transitions, particularly their upgrade of around 1.2 million advanced meters in addition to SMETS replacements and Communications Hub exchanges.

We recognise that mobile network operators (MNOs) have announced plans to switch off legacy communications technologies, including Circuit Switched Data (CSD), Public Switched Telephone Network (PSTN) and 2G/3G networks, with switch-off dates confirmed and published on GOV.UK[23]. This has implications for advanced metering assets that rely on these technologies for communications, with impacts expected to materialise ahead of the switch off of SMETS meters 2G communications hubs[24].

Nevertheless, we will continue to monitor supplier progress in these areas. If our analysis presents new risks or issues, we reserve the scope to act if needed to ensure non-domestic consumer access to the benefits of smart meters are maintained.

[23] Telecommunications Modernisation - GOV.UK
[24] DCC Communication Services Availability Statement

Installer capacity

As outlined in our response to Question 3, code provisions regarding installation timelines have been simplified and made more flexible partly in response to supplier feedback regarding managing installer capacity on annual basis.

Overall, our analysis (which includes the revised code provision that suppliers must take all reasonable steps to schedule an installation appointment for all customers within three months of the start of supply under a smart-contingent contract and install the smart meter within 12 months), shows that the final smart-contingent policy will not cause unmanageable peaks in installer workload. Additionally, any increases in installer capacity should be deliverable within the timeframes available both at a market-wide and supplier level. It remains key that energy suppliers continue to invest in non-domestic installers post-2025, including the relevant specialist skillsets.

Summary of government decisions in Section Six

- The final policy package relating to smart-contingent contracts does not contain further regulations with respect to the 4G transition at this time.

- Previously announced policies (e.g. the requirement on suppliers to take all reasonable steps to ensure smart meters operating in traditional mode are resolved as soon as possible and no later than 90 days from the date energy suppliers are first aware) and Ofgem’s smart metering GSOPs remain important components of the overall policy package to drive a positive non-domestic customer experience of smart metering.

- Suppliers will not initially be required to provide deployment plans with respect to activities in non-domestic premises. Instead, utilising existing powers, we intend (alongside Ofgem) to issue one joint, annual non-domestic smart metering policy RFI.

- Nevertheless, we will continue to monitor supplier progress in these areas. If our analysis presents new risks or issues, we reserve the scope to act if needed to ensure non-domestic consumer access to the benefits of smart meters are maintained.

- Overall, our analysis shows that the final smart-contingent policy will not cause unmanageable peaks in installer workload.

Section Seven: Legal Drafting

Questions 18-19

Summary of responses to Questions 18-19

Question 18 - Do you agree that the draft amendments to energy supplier licence conditions set out in Annex B implement the policy intentions proposed in Section One of this document? Please provide rationale and evidence to support your answer.

	Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No Response	Total
Respondents	8	4	9	0	6	19	46

Of a total of 46 respondents, 27 responded to this question. 12 out of 27 respondents agreed, or agreed with caveats, that the draft amendments to energy supplier licence conditions set out in Annex B implemented the policy intentions proposed in Section One of the consultation. 9 responses were neutral. 6 respondents disagreed or disagreed with caveats.

Question 19 - Do you agree that the draft amendments to energy supplier licence conditions set out in Annex B reflect the policy options with respect to scope set out in Section Three? Please provide rationale and evidence to support your answer.

	Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No Response	Total
Respondents	9	3	7	0	2	25	46

Of a total of 46 respondents, 21 responded to this question. 12 respondents agreed, or agreed with caveats, that the draft amendments to energy supplier licence conditions set out in Annex B reflected the policy options with respect to scope set out in Section Three of the consultation. Seven responses were neutral. Two out of 21 respondents disagreed.

Respondents who agreed to the questions generally found the legal drafting to be aligned with the policy intent. Across both questions, many of the respondents who were neutral or disagreed were doing so on the basis of disagreement with, or suggestions regarding, the overarching policy proposals rather than the legal drafting itself. These are addressed in summaries and responses to other questions throughout this document.

However, suggestions specifically made regarding the legal drafting of the licence conditions included:

- Altering the definition of TPI in the licence conditions to more accurately reflect scope.
- A few respondents suggested the current drafting of the licence conditions risked inadvertently applying retrospectively, as some contracts are signed years in advance. They suggested that the legal drafting of the licence condition may be amended so that it doesn't refer to contracts "which take effect" after the universal implementation date. Another respondent recommended reviewing all drafting to ensure clarity on whether rules relate to contract agreement date, signature date or start date.

Government response to Questions 18-19

We have carefully considered all stakeholder feedback on the proposed licence condition changes, and where appropriate we have made several clarificatory edits to better reflect policy intent and improve consistency and coherence. These include:

- Relabelling "TPI contract" to "Energy Intermediary Contract" to better reflect the fact that the ARS licence obligation does not apply to all TPIs (e.g. brokers are out of scope).
- Amending the definition of Energy Intermediary Contract to better reflect policy intent, in particular that the ARS obligation applies to intermediaries that purchase (and are liable for charges for) the supply of energy to designated premises and organisations that procure energy to designated premises for public sector organisations subject to the Procurement Act 2023 (e.g. under framework agreements). This better reflects the diversity in contract structures that that may exist under public sector frameworks or reseller arrangements. The provision remains subject to All Reasonable Steps, reflective of potential limits on supplier influence.
- Removing any reference to contracts which "take effect" after the policy implementation date or suppliers "offering" to enter into contracts. As outlined in Section One, the policy will not apply retrospectively and will only apply to contracts entered into after 1st September 2027.

These full changes are detailed in Annex D: Amendments to Electricity Supply Standard Licence Conditions and Gas Supply Standard Licence Conditions published alongside this government response. We intend to lay these changes in Parliament in October 2026. To note, responses relating to policy have been discussed in the relevant chapters.

Question 20

Summary of responses to Question 20

> Do you agree that the draft Retail Energy Code schedule set out in Annex C implements the policy intentions proposed in Section One of this document. Please provide rationale and evidence to support your answer.

	Agree	Agree with caveats	Neutral	Disagree with caveats	Disagree	No Response	Total
Respondents	7	5	6	0	7	21	46

Of a total of 46 respondents, 25 responded to this question. 12 out of 27 respondents agreed, or agreed with caveats, that the draft Retail Energy Code schedule set out in Annex C implemented the policy intentions proposed in Section One of the consultation. Six respondents were neutral. Seven respondents disagreed or disagreed with caveats.

As per Questions 18-19, respondents who agreed to the question generally found the legal drafting to be aligned with the policy intent. Across both questions, many of the respondents who were neutral or disagreed were doing so on the basis of disagreement with, or suggestions regarding, the overarching consumer code provisions rather than the legal drafting itself. These are addressed in summaries and responses to other questions throughout this document.

However, suggestions or queries made specifically regarding the legal drafting of the Retail Energy Code schedule included:

- A request for clarity on whether the legal drafting necessitated active contract negotiations and was incompatible with autorenewal of fixed term contracts (as a result of it proposing that suppliers take all reasonable steps to communicate smart-contingent terms and conditions in a form separate from the contract itself).
- A suggestion that the requirements on suppliers to take all reasonable steps to arrange installation appointments within a timeframe were drafted with respect to contract inception, whereas they should relate to the start of the supply of energy (given that contracts can be signed years in advance and the installation appointment will only be relevant once the supply has started).
- A suggestion to amend the phrase ‘domestic residents at non-domestic premises’ to ‘domestic end users’ to better reflect the role of intermediaries such as landlords in managing relationships with suppliers.
- Suggestions to amend the definition of TPI in the code to more closely align with the definition used in the government’s response to its consultation on regulating TPIs.
- A suggestion to agree the legal drafting of the code with industry in slower time.

Question 20: Further Stakeholder Engagement Exercise

Revised Section 5 of code: Further Stakeholder Engagement Exercise

As outlined in our response to Question 5, when inviting stakeholder views on the revised REC governance arrangements as part of the further stakeholder engagement exercise, we also sought stakeholder feedback on whether the revised legal drafting of the REC schedule (Section 5, “Monitoring and Reporting”) reflected the policy intent with regards to the revised governance arrangements.

Revised Section 5 of code: Summary of responses to further stakeholder engagement exercise

We received 23 responses to the question of whether stakeholders agreed that the draft and revised Section 5 of the Retail Energy Code schedule implements the policy intentions. All stakeholders (except one) that responded to the question agreed or agreed with caveats that the revised drafting of the code governance arrangements implemented the policy intentions. Only one stakeholder disagreed.

The stakeholder that disagreed did so on the basis of overall disagreement with governance arrangements, rather than the drafting itself.

However, suggestions or queries made specifically regarding the legal drafting of Section 5 included:

- A suggestion to write an explicit role for consumer statutory advocates in the planned consultation on monitoring requirements into the drafting itself.
- A suggestion that drafting should be amended to require RECCo to ensure that suppliers be given appropriate lead-in time before the monitoring comes into effect or ensure monitoring is targeted.
- Requests for clarity on:
    - Whether limits on REC/Performance Assurance Board (PAB) investigation and enforcement will apply only to new smart-contingent contract obligations and not override existing REC or CoMCoP mechanisms.
    - If factual outputs from existing CoMCoP or other REC assurance activity should be usable as inputs to the monitoring or shared with Ofgem where relevant.
    - If the Monitoring Body should be able to ask clarificatory questions where supplier data is incomplete, unclear or inconsistent, limited to confirming facts and not assessing compliance.
    - Whether RECCo will (following consultation) establish the monitoring requirements as part of a standard change proposal.
- A suggestion that RECCo be given scope to review the Schedule in full through its industry change process, alongside stakeholder consultation, to enable more effective working-level engagement and development of provisions.

Government response to Question 20

We have carefully considered all stakeholder feedback on the Retail Energy Code schedule (consumer protection code), and where appropriate we have made several clarificatory edits to better reflect policy intent and improve consistency and coherence. In particular:

- We agree that installation requirements should be in reference to the start of supply of energy under contract (rather than contract inception) and have amended the drafting accordingly.

- We have quality assured the definition of TPI to ensure the correct definition is being used in the right place. In particular, the only code obligation which refers to TPIs in a broader sense (i.e. including brokers) is the requirement on suppliers to raise TPI awareness of smart-contingent terms and conditions. This uses the existing definition of TPI in the REC. All other provisions refer to energy intermediaries, defined in the licence as set out in our response to Questions 18-19.
- We do not consider that the initial drafting necessitated a need for active negotiation of contracts or was incompatible with autorenewal processes. Nevertheless, we have amended the requirement to communicate smart-contingent terms and conditions in a form “separate from the contract itself” to “with a reasonable degree of prominence” to better reflect the policy intent that the policy is compatible.
- We do not agree that the phrase ‘domestic residents’ should be redefined as domestic ‘end users’ as this may inadvertently capture end-users of any non-domestic services, which is not the policy intention.
- We do not agree that the legal drafting of the code should be developed with industry in slower time. The focus of the provisions is consumer protections. The legal drafting has been subject to a public consultation process, to which other stakeholder types (including non-domestic consumer groups) submitted responses. The final legal drafting reflects the varied feedback received.

Regarding the drafting of the revised Section 5 of the REC schedule (“Monitoring and Reporting”) we can confirm that:

- We do not consider it necessary to amend drafting to require RECCo to ensure that suppliers be given appropriate lead-in time or ensure monitoring is targeted as these phrases risk introducing ambiguity. The monitoring approach must be agreed with the SCC Monitoring Body, consulted on publicly, and approved by the Authority (Ofgem). We have also amended drafting to make it clearer that RECCo will need to undertake an impact assessment where proportionate as part of its consultation process. These procedural safeguards prevent disproportionate or irrelevant data requests. Suppliers will also have the opportunity to comment on timing via the consultation.
- We have not drafted an explicit role for consumer statutory advocates in the planned consultation on monitoring requirements. This is because RECCo will already be required to take reasonable steps to bring the consultation to the attention of consumers and their representatives. We would therefore expect RECCo to engage statutory advocates as part of that process.
- We can confirm that limits on REC/Performance Assurance Board (PAB) investigation and enforcement will apply only to new smart-contingent contract obligations and not override existing REC or CoMCoP mechanisms.
- We can also confirm that factual outputs from existing CoMCoP or other REC assurance activity should be usable inputs to monitoring of this REC schedule or shared with Ofgem where relevant. In addition, asking questions to verify incomplete or inconsistent data is part of the monitoring function itself.

- We can confirm that RECCo's consultation on the monitoring provisions will not be part of a standard change proposal but instead a self-contained procedural requirement imposed by the Schedule itself under the Energy Act 2023. By contrast, the change proposal route only applies to future amendments to the schedule's legal text (as distinct to the monitoring approach).

These full changes are detailed in Annex E: Retail Energy Code Schedule (Consumer Protection Code) published alongside this government response. We intend to lay these changes in Parliament in October 2026. To note, responses relating to policy have been discussed in the relevant chapters.

Summary of government decisions in Section Seven

• The government has published the final amendments to energy supplier licence conditions and the new schedule to the Retail Energy Code alongside the government response as Annexes D and E respectively.

• We intend to lay these changes in Parliament in October 2026.

Annexes

- Annex A: List of respondents (see below)
- Annex B: Supporting Policy Guidance (case studies, guidance for commercial landlords and tenants, non-domestic consumer guide)
- Annex C: Final Impact Assessment
- Annex D: Amendments to Electricity Supply Standard Licence Conditions and Gas Supply Standard Licence Conditions
- Annex E: Retail Energy Code Schedule (Consumer Protection Code)

Research published alongside this government response:

- Energy Supplier Toolkit and accompanying research report on communicating the rollout of smart-contingent contracts (and associated policy changes) to non-domestic customers[25].

[25] https://gov.uk/government/publications/communicating-the-rollout-of-smart-contingent-contracts-to-non-domestic-customers

Annex A: List of respondents

Consultation Responses

Organisation Type	Organisations
Energy supplier or representative	• British Gas (Centrica plc) • Brook Green Supply Ltd • Bryt Energy Ltd • Corona Energy • Drax Group plc • E E Solutions Limited t/a Yorkshire Gas and Power • E.ON UK plc • Ecotricity • EDF Energy Ltd • Energy UK • Engie UK • Fidelity Energy • Good Energy • Octopus Energy • Regent Gas Ltd • Scottish Power • Shell Energy UK Ltd • SmartestEnergy Limited and SmartestEnergy Business Limited • SQE Energy Group Ltd • SSE Energy Solutions • The Industrial and Commercial Shippers and Suppliers (ICoSS) group • TotalEnergies Gas & Power Ltd

Non-domestic consumer or representative	• Association of Real Estate Funds (AREF) • British Independent Retailers Association (BIRA) • British Property Federation (BPF) • Cambridgeshire County Council • Citizens Advice • Consumer Scotland • Energy Ombudsman Limited • European Association for Investors in Non-Listed Real Estate Vehicles (INREV) • Federation of Small Businesses (FSB) • Institute of Directors • Investment Property Forum • Melville Rodrigues Consulting LLP • The Caravan and Motorhome Club • United Utilities Water Limited
MOP/MAP/manufacturers	• BEAMA • Calisen • EDMI Europe Ltd • Northern Powergrid Metering Ltd • Stark Group
Third-party Intermediary	• Business Energy Direct • Utilities Intermediaries Association
Code body	• Retail Energy Code Company Ltd (RECCo) • Smart Energy Code
Other	• One member of the public

Responses to Further Stakeholder Engagement Exercise

Organisation Type	Organisations
Energy supplier or representative	• British Gas (Centrica plc) • Brook Green Supply Ltd • Bryt Energy Ltd • Corona Energy • Drax Group plc • E.ON UK plc • EDF Energy Ltd • Energy UK • Engie UK • Good Energy • Octopus Energy • Regent Gas Ltd • Scottish Power • Shell Energy UK Ltd • SmartestEnergy Limited and SmartestEnergy Business Limited • SQE Energy Group Ltd • SSE Energy Solutions • The Industrial and Commercial Shippers and Suppliers (ICoSS) group • TotalEnergies Gas & Power Ltd
Non-domestic consumer or representative	• British Independent Retailers Association (BIRA) • British Property Federation (BPF) • Citizens Advice • Consumer Scotland • Federation of Small Businesses (FSB)
MOP/MAP/manufacturers	• BEAMA

Third-party Intermediary	• Utilities Intermediaries Association
Code body	• Retail Energy Code Company Ltd (RECCo) • Smart Energy Code
Other	N/A

This publication is available from: https://www.gov.uk/government/consultations/non-domestic-smart-meter-rollout-post-2025

Any enquiries regarding this publication should be sent to us at: smartmetering@energysecurity.gov.uk

If you need a version of this document in a more accessible format, please email alt.formats@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.