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Meghna Tewari,
Head of Vulnerability and Consumer Policy
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

7th August 2019

Dear Ms Tewari,

Re: Draft Consumer Vulnerability Strategy 2025

We very much welcome this opportunity to comment on Ofgem's draft strategy on consumer vulnerability.

The smart meter rollout is transforming the consumer experience of the energy market, and in particular for those in more vulnerable circumstances. Recent independent research by Populus highlights that households on pre-payment and on low-incomes that have a smart meter are among the most likely to recommend them to others.¹

We are keen to ensure that the industry does not see the rollout of smart meters in isolation and recognises the wider opportunities that stem from digitisation, greater customer engagement and better data.

Smart meter data

For that reason, we are very pleased to see that this strategy sees 'particular potential for the use of smart meter data' (3.3). We have been active in exploring what the 'smart future' could look like with access to richer energy data, including detailed research on its use in health and social care to support vulnerable households.²

We have contributed to a number of industry discussions on how the regulation of smart meter data might develop so as to bring about better outcomes for those in vulnerable households, as well as those services and organisations that offer them support. **We hope that Ofgem will look closely at the recommendations of the recent Public Interest Advisory Group report on smart meter data (PIAG).**

Self-disconnection

With the rollout of SMETS2 smart pre-payment meters soon to commence, it does seem like a good priority for the first year of the strategy to focus on the challenge of self-disconnection and self-rationing.

We are pleased to see the advantages of smart pre-payment highlighted when it comes to identifying potential vulnerability and offering additional support (4.19). **We strongly support the call for suppliers to 'take up the challenge' of using smart functionality to offer the best possible service to pre-pay customers.**

¹ Populus for Smart Energy GB (March 2019) *Smart energy outlook*

² UCL Energy Institute for Smart Energy GB (May 2017) *Energising Health* available on <https://www.smartenergygb.org/en/resources/press-centre/press-releases-folder/energising-healthcare>



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Innovation and time-of-use tariffs

We are pleased to see smart metering recognised as one of the fundamental drivers of future innovation in energy products and services (6.8), and we agree that more work needs to be done to ensure that all energy consumers are able to benefit from new innovations.

A focus by Ofgem on time-of-use tariffs and the impact that they could have on different groups would be welcome in the coming years. This was also an important recommendation of the Project Inspire work led by Sustainability First in 2018.

In May we published research showing a growing appetite among consumers for tariffs that can both help them financially and reduce national energy demand and emissions.³ However, we also found that for take up to be successful, the offer to consumers will need to appeal to very different lifestyles, and communicated effectively.

One of the key recommendations from our time-of-use report is that there needs to be a trusted and independent voice/s to help all consumers understand new complexities and opportunities in the energy market.

There are a number of changes coming into effect within the energy market; the smart charging of electric vehicles, electrification of heat, battery storage, faster and automated switching, and potential to generate and trade energy locally, where vulnerable consumers could benefit from warmer homes and lower costs, but active support will be needed in navigating this emerging energy world.

Overall, we welcome the ambition of this strategy and the outcomes it seeks to achieve for the millions of vulnerable consumers who rely on the industry. We want the smart meter rollout to be the catalyst for a new wave of support and focus on vulnerable households that have not always been served well by the analogue energy system, but could see positive leaps in their experience thanks to the digital one.

If you would have any questions relating to our response or would like any further information, please contact Ben Miller on ben.miller@smartenergygb.org or on 0131 322 6202

Yours sincerely,

Rob Cheesewright
Director of Corporate Affairs

³ Smart Energy GB and Lightspeed, *Lifestyle Tariffs* (May 2019)