

Ofgem consultation on Radio Teleswitch Service (RTS): Electricity Supply Licence changes - Energy UK's response

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About Energy UK

Energy UK is the trade association for the energy industry with over 100 members - from established FTSE 100 companies right through to new, growing suppliers, generators and service providers across energy, transport, heat and technology.

Our members deliver nearly 80% of the UK's power generation and over 95% of the energy supply for 28m UK homes as well as businesses.

The sector invests £13bn annually and delivers nearly £30bn in gross value - on top of the nearly £100bn in economic activity through its supply chain and interaction with other sectors. The energy industry is key to delivering growth and plans to invest £100bn over the course of this decade in new energy sources.

The energy sector supports 700,000 jobs in every corner of the country. Energy UK plays a key role in ensuring we attract and retain a diverse workforce. In addition to our Young Energy Professionals Forum, we are a founding member of TIDE, an industry-wide taskforce to tackle Inclusion and Diversity across energy.

Introduction

Energy UK welcomes Ofgem's valuable involvement in and support for the coordination of activities to achieve the replacement of Radio Teleswitch Service (RTS) metering systems. This includes the recent campaign which appears to have driven increased awareness and engagement from customers in collaboration with energy suppliers.

However, Energy UK has serious concerns with Ofgem's proposals to introduce new RTS licence conditions under the Electricity Supply Licence.

While there is an urgent need to prevent customer detriment following the shutdown of the RTS from 30 June 2025, this proposal appears to be focused on improving the perception that Ofgem is rigorous on supplier compliance, particularly given the timing of this intervention (which will mean implementation will be after the RTS shutdown deadline and likely retroactive application).

Ofgem is aware of the various property, topographical and technological barriers that have hampered meter upgrades, as well as crucially, the difficulty in obtaining the

social licence required from customers to make the change. This proposal does not address these barriers or support suppliers to better tackle these issues. As such, introducing these new RTS licence conditions will not enable better outcomes for customers.

Moreover, this consultation is not in the collaborative spirit of the RTS Taskforce, of which Ofgem and the Government are parties. Indeed, in the RTS Taskforce's Call to Action, suppliers have already publicly committed to taking all reasonable steps to ensure customers have working heating and hot water after 30 June 2025.¹

Suppliers have worked with industry to overcome the technical barriers to replacements and are engaging with RTS customers to enable meter upgrades. Indeed, all customers have been contacted multiple times with a call to action. As such, this rigorous compliance initiative will not have a significant impact.

Energy UK recommends that Ofgem's resources can more valuably support the efforts of suppliers to replace RTS meters by working with DESNZ and other stakeholders to implement actions that expedite the rate of RTS meter upgrades:

- Direct, supportive messaging from the Government encouraging customers to switch to a smart meter.
- A funding pool for customers where there are costs involved for remedial work to enable RTS meter replacements, and a clear message to customers that this is available.
- Derogations to install cellular in the North Communication Service Provider (CSP) region.

Background

While the BBC's intention to transfer away from longwave radio has been known for some time, a finalised end date has not been available until much more recently, enabling a strong message when engaging with customers. Furthermore, because of various industry-wide events beyond the control of suppliers, key technology has not been available until more recently.

As such, the initial industry focus was on extending the arrangements required to continue to support the RTS for customers, whilst the technical solutions were developed. An Energy UK programme funded by energy suppliers has been in place for over six years to address these barriers.

In 2022, meter manufacturers began full production of the five terminal meters or twin element meters needed for switching out RTS meters, following the finalisation of the baseline models. It was also at this time that Ofgem first communicated with

¹ [Radio Teleswitch \(RTS\) Call to Action](#)

suppliers about its expectation to ensure all customers with traditional RTS meters are offered a smart meter prior to the cessation of RTS.²

An RTS Taskforce was set up in June 2024 to foster cross-industry collaboration among suppliers and other stakeholders to expedite efforts to replace RTS meters. This has been funded by suppliers at a cost of around £390,000. Suppliers have also funded Smart Energy GB's RTS campaign.

Expediting the rate of RTS meter upgrades is a top priority for suppliers. All customers have been contacted multiple times with a call to action, the Smart Energy GB campaign was launched in January, and suppliers are working with partner and local organisations to further ensure the message is coming from different trusted sources, particularly in key hotspot areas. Some supplier activity has also included door knocking and in-person pop-ups in community areas.

Key barriers to upgrading RTS meters

The main barrier for upgrading RTS meters continues to be customer engagement and acceptance of this change, an issue which these proposals do not to address. Suppliers need access to properties and cannot replace a customer's meter without their consent, and so are expending huge resources to secure and maintain this social licence. The smart rollout remains optional in the eyes of customers, and this leads to a lack of clarity about accepting the offer of a smart replacement in lieu of costly central heating replacements.

Further, in addition to the technical barriers discussed above, customers' properties can also be a barrier to uptake, if remedial work is needed. As with other smart meter upgrades, suppliers will pay for minor works at a customer's property when this is needed to switch out the RTS meter, such as meter box repairs. However, suppliers do not have a budget to fund major work required at a home or business. This is where alterations to the customer-side wiring or installation is needed, which could amount to thousands of pounds for service repositioning or other remodelling.

Responses to the specific consultation questions are in the section below.

For further information or to discuss this response in more detail please contact Isabella Darin, Policy Manager at isabella.darin@energy-uk.org.uk.

² [Open letter on Energy Suppliers' Delivery of the Rollout and Regulatory Obligations](#)

Energy UK Response

1. Do you agree with our proposed policy intention as set out under ‘what we are consulting on’?

An obligation on suppliers to no longer provide electricity to customers with an RTS Meter after the cessation of support for RTS meters (noting that this may not apply where the supplier is unable to install or arrange for the installation of a replacement meter despite taking all reasonable steps to do so).

Energy UK does not support this proposal. Given the timing of this intervention, the enforcement of these potential licence conditions will likely be retroactive and will not tangibly reduce customer detriment.

Ofgem states that in enforcing the potential licence conditions, it will seek to understand whether a licensee has adequately taken all reasonable steps to install an RTS meter replacement by a variety of means, including but not limited to:

- Beginning its RTS Meter replacement programme early enough.
- Having a comprehensive and adequate strategy for its RTS Meter replacement programme.
- Giving itself enough time to make use of lessons learned where things may have gone wrong.
- Implementing appropriate technical solutions.
- Having an appropriate consumer engagement strategy.

It is unclear if Ofgem believes that suppliers have not been doing this already. As discussed above, replacing RTS meters is and has been a priority for suppliers for some time. Indeed, in the RTS Taskforce’s Call to Action, suppliers committed to all the above activities.³ There have been several barriers that have curtailed supplier efforts to replace customer RTS meters, most crucially, engaging with customers themselves to allow these changes to happen.

Further, this proposal does not consider the issue of churn. Due to the competitive market, many suppliers are continuing to gain customers with RTS meters. For example, one supplier recently gained as many customers with RTS meters as they switched in one month.

While the consultation letter notes that some customers with RTS meters are no longer reliant on this infrastructure (such as customers with a gas connection), it does not accordingly narrow the scope of this proposal, instead noting an expectation that these meters are still replaced as part of supplier efforts to install smart meters. Such a requirement does not encourage suppliers to prioritise

³ [Radio Teleswitch \(RTS\) Call to Action](#)

replacing RTS meters still in use, and where there is a real risk that a customer's heating and hot water supply will be impacted following the shutdown of RTS infrastructure.

Energy UK also notes that Ofgem's wording for this policy intention is confusing. It states that the proposal is considering an obligation for suppliers to no longer provide electricity to consumers with an RTS meter after the cessation of support for this service (unless they have undertaken all reasonable steps to do so). It is not clear whether Ofgem expects suppliers to cut off electricity supply if an RTS meter remains at a customer's home or business, or whether the intent is that this meter is no longer a compliant meter type. Members have requested clarification on this issue but have not seen a response from Ofgem.

An obligation that when a customer with a RTS Meter changes supplier (after the cessation of support for RTS meters), the gaining supplier should replace the consumer's RTS Meter within thirty working days (noting that this may not apply where the supplier is unable to install or arrange for the installation of a replacement meter despite taking all reasonable steps to do so).

It is unclear why Ofgem has chosen a customer changing supplier as the starting date from which to measure how long a supplier has to replace their RTS meter. Given that replacing RTS meters requires a customer's consent and engagement in the process, a better starting date would be from when a customer requests this change. The proposal also does not account for the fact that a customer may have already had extensive contact with their former supplier and communicated that they do not want a meter replacement.

Further, the economic viability of these proposed licence conditions should also be considered. Introducing such requirements will increase costs for all customers and lead to inefficiencies. For example, meter operator providers would need to retain more available capacity unused to be able to deal with potential customers with RTS meters that have switched suppliers.

Members also note that the 30 working days timescale may not be achievable in some cases, given it is subject to both customer and engineer availability.

An obligation on suppliers to take all reasonable steps to provide a tariff that leaves the consumer 'no worse off' than their existing arrangements as a result of a RTS Meter Replacement

This proposal is not proportionate given the circumstances. Energy UK appreciates that customers may have concerns that they could be 'worse off' financially because of a meter upgrade. However, as the consultation letter notes, customers will certainly be 'worse off' if they do not allow this change given the real risks for their heating and hot water services following the switch off. Further, the current RTS tariff

a customer is on may not be necessarily best for the customer. Suppliers are keen to have a conversation with customers about what is best for their circumstances, rather than be required to ensure they are switched to the closest tariff equivalent.

Members also note that some RTS tariffs cannot be exactly replicated by smart time of use tariffs, for example, because of dynamic/weather dependent switching schedules, and where there may be a need to use pre-programmed smart meters. RTS meters have various different inputs, and there are several RTS tariffs that customers may be on currently.

Further, this proposal is not appropriate given that the supply licence allows for Dead Tariffs. Energy UK would not support a carve out for RTS meter tariffs.

2. Is there anything missing in the proposed policy intention as set out under ‘what we are consulting on’?

Please see the above response.

3. What are the consequences of a consumer retaining their RTS Meter following the cessation of support for RTS?

At a high level, it will result in unpredictable behaviours, and in the worst case, a complete lack of heating and hot water. More granularly, the impact on RTS customers’ heating and hot water will depend on the approach taken through the wind down plan. However, it is also suppliers understanding that a customer’s electricity supply will not be impacted, contrary to what Ofgem’s letter indicates.

4. What are the main barriers suppliers face in their RTS replacement programmes that we may not have considered?

Please see the response in the Introduction section, but in short, a combination of customer uptake and technical solutions are the most significant barriers. Suppliers are disappointed that Ofgem has not been able to aid further in this matter, by granting the appropriate derogations to support technical solutions given the critical nature of this replacement activity.

5. Are there any obstacles to suppliers not providing a similar tariff arrangement for consumers upgrading to smart from an RTS Meter?

Please see the response to Question 1.

6. Do you think the exception to the replacement of RTS meters appropriately covers some of these barriers? Do you have other views on how this exception should operate?

Please see the response to Question 1.

7. Do you think the exception to the replacement of RTS meters should only be applied when it would result in a consumer being off supply?

Please see the response to Question 1.

8. Is there anything else you would like to add in your response?

N/a.