

# Supplier smart meter guaranteed standards of performance – Energy UK response to Ofgem's consultation

11 September 2025

## About Energy UK

Energy UK is the trade association for the energy industry, representing companies investing billions of pounds to secure our country's current and future energy needs.

From growing start-ups to major electricity generators, grid and infrastructure developers and energy suppliers, our members are driving change across power, heat, transport and flexibility.

We provide a collective voice for the sector working with governments, regulators, charities and other organisations to provide crucial insight that shapes policy, offers solutions and promotes best practice.

Our broad view across the whole system supports evidence-based positions which are not tied to particular technologies, and are focused on delivering strategic benefits for people, businesses and the economy.

We champion initiatives such as our Vulnerability Commitment, which pushes suppliers to go beyond regulation to support customers with additional needs, and TIDE, the industry's drive for greater inclusion and diversity. Through our Young Energy Professionals Forum, we support the development of future leaders.

We are equally committed to our team and are proud to be recognised as a 'Gold' Investors in People employer.

## Executive Summary

We have previously advocated for smart Guaranteed Standards of Performance (GSOP) as a more effective policy package than hard targets, as they seek to drive positive customer experiences of smart meter installations. Energy UK supports obligations which address the root cause of issues in the energy market by incentivising positive customer outcomes on a proportionate basis.

However, we do not support unnecessary costs being added into the programme which end up on consumer bills. We are concerned that there could be considerable cost implied with meeting some of the standards, as well as in failing the expected levels of service. Ofgem's draft Impact Assessment underestimates the costs of meeting this set of obligations, particularly with regards to non-operating meter resolutions. Further, the proposals do not adequately consider how the measures will interact with DESNZ's post-2025 policy framework.

Given the post-2025 policy framework and GSOP proposals address similar issues, we recommend some key changes to the proposals in this response. In their current form, some of the proposals imply costly unintended consequences. For example, the cost of removing meters where it cannot be proven that they are unusable.

As such, some members suggest that implementing the GSOP proposals should be paused until the post-2025 policy framework has been embedded. At this point, it would be proportionate to assess whether there are any systemic industry-wide areas of underperformance, which need to be targeted.

Alternatively, some members suggest the proposals should align with the timing of DESNZ's proposals, to give suppliers sufficient time to adjust their processes. At the least, the GSOPs start should be pushed to 1 October 2026, to give suppliers six months from the final decision to substantially develop the systems that they will need to have in place to effectively deliver on them. Commercially, they cannot comprehensively begin this process until Ofgem has reached a final decision.

Further, although there are examples where suppliers are subject to enforcement under the licence as well as GSOPs (for example, switching timescales, erroneous switches, and issuing final bills), in those cases the requirements of both align. As noted later, the amount of time given to fix non-operating meters in this instance is not aligned, such that it would be confusing and complex for suppliers to manage.

If Ofgem is minded to proceed with the GSOP proposals, we have provided constructive feedback for necessary improvements in our following response, to ensure they minimise costs of delivery and result in better outcomes for consumers.

#### **Key points on specific GSOPs:**

- **The costs (meters not operating in smart mode):** we are concerned that the current proposals require costly and inefficient deployment of suppliers' limited workforce in a way that conflicts with the DESNZ post 2025 proposals.
- **Issues out of supplier control (meters not operating in smart mode):** we strongly recommend that scenarios outside of suppliers' control should be out of scope, such as where related to DCC. Members agree that such a measure could lead to an increase in costs for all parties relating to arbitrating fault, which industry is not set up to manage, and where currently it is difficult to accurately identify root causes and fixes for non-operating meters. This is not factored into Ofgem's draft IA.
- **Consumer engagement (meters not operating in smart mode):** we welcome that the proposals do not require a redress payment where the customer has requested that the meter not operate as smart, or where the customer has taken action that could have prevented a supplier from ensuring the meter operates as intended.
- **Repeat payments (meters not operating in smart mode, meter installation availability):** this inclusion conflicts with existing regulations, and would be more appropriate to reassess in the upcoming wider review on GSOPs.

- **Non-domestic application (meter installation availability):** while we welcome that the scope of non-domestic consumers has been limited to microbusinesses, we also recommend that microbusiness customers should be out of scope, or at the least, the timeframes extended to 120 days.

If you would like to discuss this response in further detail with Energy UK and its members, we would welcome further engagement.

Kind regards,

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## Consultation Response

### Clarification of regulations and other general points

#### 1. Do you have any comments regarding the drafting of the Statutory Instrument relating to the definition of electricity and gas meter?

No response.

#### 2. Do you have any comments on the draft Impact Assessment?

##### Concerns about cost

The draft Impact Assessment (IA) underestimates the costs of meeting this set of obligations, as well as failing them.

In some cases, paying GSOP penalties would simply become another cost of doing business. For example, for meters in remote areas where it may remain inefficient or impossible to station engineers in these areas, or where it is a DCC issue outside of suppliers' control. There is also a risk that the proposals might dissuade some suppliers from taking on customers (particularly microbusiness customers not covered by the duty of supply) where they risk incurring unavoidable costs as a result. In the IA itself, it notes that an uncertainty and risk is that suppliers may not improve their service standards if the unit cost of achieving higher standards is greater than the £40 redress.

The IA also underestimates the set-up and ongoing costs of these proposals, despite evidence supplied by suppliers in the initial RFI. It is unreasonable that such ongoing costs cannot be recovered through the price cap. These include costs on consumer journey implementation, identification of consumers that need redress, and reporting and issuing of payments. Given that consumer engagement is required for some of the GSOP elements, this will be a complex process, and not as simple as some of the other existing GSOPs.

There are also costs associated with non-operating meters that have not been considered. For example, the IA does not acknowledge the charges incurred by suppliers for removing SMETS1 meters, which can be several hundred pounds per meter. While a meter might not be communicating, this does not mean that a supplier can necessarily demonstrate that the meter is not working. Due to rental arrangements some suppliers have in place, this may mean they are required to pay out the whole 15-year rental cost (as because of firmware requirements, the meter is worthless once removed). This would also lead to avoidable electrical and other waste.

Meter asset provider (MAP) rental charges could also increase, as MAPs factor in the risk of increased early replacement, or disputed premature replacement charges.

There are also costs associated with suppliers holding latent capacity to meet potential demand for smart meter appointments within six weeks. In meeting these standards, suppliers may need to pay for underutilisation in areas with very limited demand, where keeping full time installers is not economically feasible.

Finally, we also note that Ofgem has not given sufficient time to suppliers to respond to the several RFI requests, which has led many being unable to share any or sufficiently robust data. This is a concerning way of working more broadly, but particularly in this instance, given the significance of the changes being proposed, and the associated costs.

### **The impact of, and interaction with the post-2025 policy framework**

We note that where the IA outlines the options it considered, it fails to consider what the impact of the post-2025 policy framework would have on the key customer moments the GSOP proposals are seeking to address. This is distinct from the 'Business as Usual' option considered. The more flexible approach proposed in DESNZ's consultation, compared to the previous framework, will enable suppliers to more effectively address both first-time installations and issues with existing smart meters.

While the GSOP proposals will also be implemented broadly alongside the post-2025 policy framework, the Draft Impact Assessment also fails to reasonably assess the cost and deliverability of doing so.

Further, we note that the IA does not consider the interaction with supplier RTS activities. While there will be an increasingly small number of RTS consumers that need meter replacements, given the potential detriment, these consumers will need to be prioritised, and this will impact suppliers disproportionately based on their customer portfolio.

### **Smart meter installation availability**

#### **3. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulation 3, rather than implement a new individual standalone regulation?**

Yes, this is a preferred approach.

#### **4. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?**

We reiterate that for some consumers, in geographically constrained areas, meeting the six-week timeframe will result in significant costs, which will be reflected on all consumers' bills.

### **Repeat payments should be out of scope**

We do not support that this GSOP could repeat at this time. As with all other guaranteed standards, this should be limited to a one-off backstop, to avoid

conflicting with existing regulations.<sup>1</sup> We suggest that it would be more appropriate to reassess this issue in the upcoming wider review on GSOPs.

### Smart meter installation failures

**5. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulation 3, rather than implement a new individual standalone regulation?**

Yes, this is the preferred approach.

**6. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard.**

Members have identified issues with the proposed drafting, which they will feed back in their own responses.

### Investigating smart meter operational issues

**7. Do you agree the correct approach for this Guaranteed Standard is to amend existing regulations 4 and 5, rather than implement a new individual standalone regulation?**

Given the standard is not related to payment mode, and is not an extension of the current GSOPs, some members suggest that it would make more sense to have a single new regulation for all smart meters.

**8. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?**

We welcome that Ofgem has clarified what “appropriate action” must be taken within the initial 5-day period, namely that that supplier has taken the first steps to determine what the root cause is and has relayed that to the consumer.

We note a drafting error in the draft Statutory Instrument for regulation 5 (5) Faulty prepayment meters, as the drafting has left in the timescale of 3 or 4 hours. This should be amended in line with the consultation proposal, to reflect the timescale of 5 working days.

### In-home display issues should be out of scope

We reiterate that IHDs should be out of scope, as most reasons for a malfunctioning device are not within suppliers’ control to resolve. We disagree with Ofgem’s view that doing so would exclude issues where a consumer first notices an issue with their IHD, if in fact it is the smart meter that is causing the issue and within the ability of suppliers to resolve.

Further, given ongoing digitalisation efforts, this inclusion is not future-looking. For example, apps and other innovative tools can support flexible tariffs.

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<sup>1</sup> [The Electricity and Gas \(Standards of Performance\) \(Suppliers\) Regulations 2015](#), reg 9 (1).

If Ofgem remains minded to proceed with the proposal, the definition of IHDs and non-functioning IHDs needs to be updated to reflect the function of an IHD. We suggest that the drafting of the Statutory Instrument is updated to:

"In-home display unit" means a device which is associated with or ancillary to a smart meter in a customer's premises that is designed to display accurate real-time information about that customer's energy consumption including tariff and information and expenditure, as help on the smart meter."

"(c) the in-home display unit is not displaying the relevant information held on the smart meter."

### **Smart meters not operating in smart mode**

#### **9. Do you agree this should be a new standalone regulation rather than an amendment to an existing regulation?**

No response.

#### **10. Do you agree providing additional 30 days to resolve smart meter issues relating to comms hub and WAN issues under the DCC, is the right approach?**

### **Issues out of supplier control should be out of scope**

We strongly recommend that scenarios outside of suppliers' control should be out of scope, such as where related to the DCC. While we appreciate that consumers may not understand who the relevant responsible party is for their issue, that does not justify suppliers having to pay redress for an issue which they cannot resolve. Ultimately this will not lead to the outcome that this GSOP is trying to address, that of getting the meter working.

We appreciate that there are often difficulties in determining who is responsible for the issue in such cases. However, keeping these issues in scope will not solve this problem. As there is nowhere to go for arbitration, in these cases it is likely that the meter will not end up being fixed, but there will be significant costs which a supplier will incur during this process, on top of the redress payment.

For example, we understand that DCC does not have the necessary visibility on all smart meter faults and fixes (which would require SEC regulatory change and testing of new solutions, including enhanced DCC diagnostic capability). Often, as a resolution, a site visit is recommended to further investigate. However, this often does not resolve the fundamental technical fault, and leads to a back and forth between the supplier, consumer and DCC. This not only fails to solve the issue, but also erodes customer trust in the process.

It is also likely DCC will find it challenging to resource and manage a dramatic increase in the number of No WAN service requests raised under the proposed GSOP. A consequence of this could be that suppliers are disincentivised to install smart meters where they have concerns about the stability of the WAN signal.

Given this context, it would be disproportionate for these issues to be in scope, as DCC currently does not have the appropriate operational tools to meet the proposed standards. We strongly recommend that Ofgem only considers bringing these issues into scope once it has fully assessed the shortfalls and costs, both for suppliers and the DCC, given that these costs will ultimately be passed onto consumers.

The consultation paper also makes the incorrect assumption that suppliers can influence DCC's performance on these issues, which is not accurate. Suppliers have no levers to apply to ensure that DCC, nor the entities with which they contract, have taken necessary actions. Ultimately, Ofgem as the regulator of DCC's licence should have an active role in managing and improving DCC performance, to ensure that consumers are able to achieve the benefits of having a smart meter.

We also note that Ofgem assumes that an incident being 'resolved' in time means that the problem has been fixed. However, members do not think this reflects what the Smart Energy Code (SEC) says. Under the SEC, DCC has full autonomy to decide when an incident is resolved, and the reason for non-communicating meters being addressed or resolved is not included as a service level agreement.

If Ofgem is minded to keep these issues in scope, we strongly recommend that the following changes or interventions are needed:

- There should be a mechanism for obtained visibility of historic DCC incident tickets associated with individual consumer premises. As the DCC holds this detail, it could be provided for a defined time-period through specific changes to DCC systems.
- There should be a requirement on third party MAPs, to respond to requests for Install Keys and issue them within 30 days; and a requirement on suppliers to ensure this forms part of the MAP agreement.
- DCC should be supported to enhance their diagnostic capability to help triage issues.
- Further consideration is needed as to how suppliers can recover these costs, for issues outside of their control. For example, some members would like a redress mechanism to be developed.

Further, industry overall will need adequate time to develop the necessary systems and capabilities to respond to this GSOP. Members recommend at least six months would be needed to do so, after Ofgem's final decision.

Separately, we also note meter manufacture firmware fixes are outside of supplier control, and should be out of scope. These typically take six to twelve months to develop, test, safe launch and fully deploy, depending on their complexity. Skipping steps to expedite timescales creates risks that could impact consumers. These timescales may also lead to suppliers preferring to replace assets over waiting for a solution.

**11. Do you agree with the proposal to implement this Guaranteed Standard over a longer timeframe?**

Given that this GSOP will require the most changes to supplier processes and controls, and related set-up and ongoing costs, we welcome a longer timeframe for implementation.

**12. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) on this standard?****Clarity of when the 90-days begins**

As noted in our response to Question 2, as currently drafted, Energy UK is concerned that there will be additional costs implied in meeting this set of obligations, as well as costs to failing them. We strongly recommend that Ofgem amend the drafting to clarify that a customer is required to take action before the clock starts ticking on the non-operating meter GSOP.

If the obligation requires that the supplier has to respond from the day the meter loses functionality:

- There is a risk of £40 being successively levied for no additional benefit to the customer, or otherwise paying engineers to sit idle in remote areas until demand materialises (with the costs of doing so needing to be recovered by suppliers).
- Suppliers will only be able to meet the service standards for individual customers where this fits with the scheduling of their engineers within their Post 2025 roll out plans.
- Where this isn't compatible, paying GSOP penalties may simply become another cost of doing business which will ultimately be added to the customer's bill - the IA erroneously assumes costs cannot be passed to customers – however the potential millions of pounds of redress in year one would likely end up on customers' bills.

**Eligibility – consumer engagement**

We strongly support that a consumer would not be eligible for a redress payment if they have requested for it to operate in that manner, or have taken action that have prevented a supplier from ensuring the meter operates as intended – and which should include where a customer does not engage with the supplier when an issue is identified.

Many consumers may not unlock the benefits of smart meters by obtaining smart metering services currently – if they were to have their meter removed prematurely and incur premature replacement charges, these charges could easily outweigh the benefits of having a smart meter, for their circumstances.

**Alignment with post-2025 policy framework**

While the consultation paper talks about the 90-day threshold, the Statutory Instrument says 60 working days for resolving non-operating meter issues, with 80 working days given for reasons involving or relating to the smart meter

communications device. We would like this to align with the post-2025 policy frameworks proposals, that of 90 calendar days, so that the requirements are clear for consumers and suppliers. The two proposals are meant to complement one another, so conflicting timescales adds unnecessary complexity and cost, as suppliers will have to track working and calendar days.

We emphasise that existing examples where suppliers are subject to enforcement under the licence as well as GSOPs (for example, switching timescales, erroneous switches, and issuing final bills), have aligned requirements across the licence and GSOPs.

### **Repeat payments should be out of scope**

We do not support that this GSOP could repeat at this time. As with all other guaranteed standards, this should be limited to a one-off backstop, to avoid conflicting with existing regulations. We suggest that it would be more appropriate to reassess this issue in the upcoming wider review on GSOPs.

### **Notification to DCC**

In the draft Statutory Instrument, the proposed requirement for suppliers to notify DCC the day after a smart meter is identified as 'not operating as intended' is impractical.

Smart meter installations are inherently complex, and determining the root cause of a meter not operating in smart mode is often complex. This may have the unintended consequence of suppliers having to notify the DCC where it is not yet clear if it is in fact a communications issue, to ensure that they have sufficient time to determine the issue before the time allowed elapses.

Suppliers should have the discretion to determine the appropriate timing of notifications, provided they remain within the absolute deadlines. Premature DCC notifications risk creating unnecessary administrative burden for both suppliers and the DCC, without delivering tangible benefit for customers.

### **Cases requiring site visits**

The draft Statutory Instrument does not sufficiently take into account the complexities involved when site visits are necessary. For example, a supplier may spend 8 working days investigating and trialling potential solutions before escalating the issue to DCC. If the DCC then takes 65 working days (in line with their SLA) to determine that an appointment is needed, the supplier is left with only 7 working days to consider DCC's response and arrange and complete the site visit. Even if suppliers can action such an appointment, the short timeline is likely unworkable for most customers.

### **Non-domestic**

**13. Do you agree with the smart meter Guaranteed Standards applying to smart meters and microbusinesses only?**

Energy UK welcomes Ofgem's decision to remove large non-domestic consumers from scope.

#### **Further consideration of microbusiness consumers being in scope**

While we welcome the scope of non-domestic consumers being limited to microbusinesses, we also reiterate that, like larger non-domestic consumers, there is no typical 'microbusiness' customer. They require specific engineers with non-domestic skills, of which they are fewer available. As such, some members recommend that microbusiness consumers should be out of scope.

Suppliers would only be able to campaign to customers where they are confident they can offer an appointment within 6 weeks, which means they will not market smart as widely as they do today. For one supplier, 72% of appointments this year were generated through proactive engagement. If they are disincentivised to campaign on smart, this will ultimately lead to less smart uptake.

At the very least, we recommend that the timeframes are extended to 120 days.

#### **14. Do you have any comments regarding the drafting of the Statutory Instrument (see appendix one) regarding microbusiness consumers?**

We would welcome drafting changes reflecting the recommendations made above.