



Alert - Ofgem consults on introducing GSOP for smart metering

Headline assessment	
Document:	Consultation
Consultation dates:	28/03/25 – 09/05/25
Impact classification:	High: Domestic Suppliers; Non-Domestic Suppliers Medium: Consumers, Metering Agents
Action if desired:	Respond to the consultation

31 March 2025

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1 Assessment and recommendation

On 28 March, Ofgem published a [policy consultation seeking views on introducing Guaranteed Standards of Performance \(GSOP\) for the installation and operation of smart meters](#). It is also considering whether these standards should apply to non-domestic customers. This is alongside proposed updates to the existing [2015 Regulations](#) to clarify that they will also apply to smart meters as there is currently no explicit reference to them. The key proposals within the new smart meter GSOP cover:

- Smart meter installation appointment availability
- Smart meter installation failures
- Investigating smart meter operational issues
- Smart meters not operating in smart mode

We recommend that suppliers, metering agents and other interested parties respond to the consultation, to help inform the refinement of the proposals ahead of the statutory consultation. This is in addition to the Request for Information (RFI) issued directly to suppliers, which will aid in Ofgem's [impact assessment](#) of the proposed changes. Responses are requested by 9 May 2025.

Cornwall Insight comment: While a framework for the smart meter rollout post-2025 is still pending, Ofgem is putting forward proposals attempting to incentivise more effective management of customers' smart metering systems. Supplier priorities seem to have been focused on meeting the rollout obligations, however the new GSOP may mean more attention is granted toward the continued maintenance and upkeep of smart meter performance. Despite this, it doesn't account for the issues that may sit outside of the control of the supplier, which shouldn't be ignored.

2 Background

Through working with DESNZ's Smart Metering Implementation Programme's (SMIP) Consumer Reference Group (CRG), and the Smart Metering Delivery Group, Ofgem has sought to identify areas in the smart meter process where issues affecting the consumer may arise. To address these issues and reduce the risk of consumer detriment, it has concluded that a new GSOP may be appropriate. Ofgem believes this will improve the levels of service consumers receive from their suppliers, and that compensation is an important tool for strengthening consumer confidence in the market. This also links to the upcoming work Ofgem will be conducting in its [Consumer Confidence programme](#).

The consultation cites a research paper, '[Get Smarter](#)', from Citizens Advice to highlight the problems, including that smart meters are the second most common reason why a consumer complains to their supplier. It also stated that 33% of those who proactively contacted their supplier for a smart meter were told they could not have one, and 24% say their supplier made no efforts to install one. With this in mind, the policy consultation discusses proposals to help address these problems.

The current 2015 Regulations cover standards of performance that suppliers have to meet, relating to appointments and faulty meters, amongst others. However, they only apply to domestic consumers, and in some cases microbusinesses. Ofgem considers this could be expanded with the proposals discussed below.

3 Smart meter GSOP

The consultation covers a number of proposals on what should be included under the new smart meter GSOP, these are split into four main sections.

3.1 Installation appointments

Currently, the 2015 Regulations set out under the 'Appointments' section that suppliers should arrange an appointment to occur "within a reasonable time" of a request being made, however the lack of standardisation

of this period can mean inconsistency in the way consumers are treated. To rectify this, Ofgem is proposing to introduce a Guaranteed Standard (GS) to compensate a consumer where they request a smart meter installation, and the supplier cannot offer the appointment within six weeks of the request being made. It notes this is specifically for new/first time smart meter installations. Potential exemptions to this GS would include:

- The consumer is not technically eligible for the installation to occur.
- If a customer specifically requests the appointment to occur outside of that timeframe.

Regarding the number of times a supplier would have to compensate the consumer, Ofgem considers this standard would reoccur every six weeks from the initial appointment requested.

3.2 Installation failures

Ofgem notes that some installation failures are avoidable and within the supplier's control, for example, installers without the correct equipment, safety equipment, tools or skillset. It is therefore proposing to introduce a GS that compensates consumers if their smart meter installation fails due to a reason within the energy supplier's control. This includes the service being carried out by a meter operator acting on the supplier's behalf.

It clarifies that a failure would be if the smart meter is not fitted by the end of the appointment, and it will only apply in scenarios where the supplier has attended the appointment. The GS would also apply regardless of the appointment being for first-time installation or a replacement, and that there should be no restriction on how many times a consumer could receive compensation for this.

3.3 Investigating operational issues

To address concerns that consumers who report issues with their smart meters are not being seen to promptly, the regulator considers it could expand the current 'Faulty meters' and 'Faulty prepayment meters' GS in the existing 2015 Regulations to cover smart meter issues. This means that within five working days of receiving a notification from the customer with concerns for their smart metering system, including their In-Home Displays (IHDs), the supplier must:

- Complete an initial assessment
- Take an appropriate action
- Offer to confirm in writing the nature of the assessment and appropriate action; the actions they will take to resolve the problem; and the timescale in which this will occur

3.4 Non-smart mode meters

The consultation highlights that there are a number of issues that smart meters not operating in smart mode can cause, noting that about 0.7% of GB is not covered by the smart meter Wide Area Network (WAN). This is what enables a smart meter to communicate with the supplier. As of December 2024, 9.7% of all smart and advanced meters were not operating in smart mode.

While other solutions for this are being developed, for example virtual WAN arrangements, some of the issues can be caused by:

- Issues with the network connection to the smart meter WAN
- Issues specific to the type of premise the meter is located in or how it was installed
- Particular geographical challenges at the location of the meter
- Issues with the technical firmware on the meter or issues when a consumer changes supplier

It considers not all of the potential issues will require a site visit, and that where a consumer has two smart meters (one for gas and one for electricity), and both are not operating in smart mode over 90 days, it would expect the consumer to receive compensation for both meters.

The key proposal here is that energy suppliers should resolve smart meters not operating in smart mode (that meet the requirements of “in scope” as set out below) within 90 calendar days, or the consumer will receive compensation. The regulator noted that any existing smart meter not operating in smart mode is to be included within these proposals, and considers suppliers will have had enough time by implementation of the new GSOP to prepare resolutions for these meters.

3.4.1 In-scope vs out-of-scope

Ofgem considers it important to outline what falls within scope for this GS to be applied, and outlined the following views:

Out of scope: a smart meter that is not operating in smart mode where the action of another party, other than the respective energy supplier, is required to provide a resolution, or the consumer has agreed the smart meter to not operate in smart mode, or there is no solution available from any party that will resolve the issue.

In scope: a smart meter not operating in smart mode where there is no action of another party, other than the respective energy supplier, required to provide a resolution, the consumer has not agreed the smart meter to not operate in smart mode, and there is a solution that will resolve the issue.

This means that compensation would be required for an ‘in scope’ meter that was not resolved within 90 days. Additionally, it considers it important to clarify what is meant by ‘smart meter’ and ‘not operating in smart mode’:

Smart meter: any version of a SMETS1 or SMETS2 meter set out in Section 11 of the Smart Energy Code (SEC).

Not operating in smart mode: a smart meter where the respective energy supplier cannot obtain automatic meter readings as expected, therefore the meter needs to be read manually.

4 Non-domestic application

The consultation sets out Ofgem’s rationale for potentially expanding the application of the smart meter GSOP to ‘designated premises’. These are non-domestic premises including microbusinesses, and any premises with a metering point that falls within profile classes 1-4, and a non-domestic premises at which the measured annual consumption of gas is 732,000 kWh or less. Ofgem noted the variability of smart metering systems in the non-domestic sector, including differences between SMETS meters and advanced meters.

Taking these nuances into account, the consultation proposes that the GS’ regarding installation appointment availability; installation failures; investigating operational issues, and smart meter not operating in smart mode may all apply to both SMETS and AMR meters for all designated premises.

Ofgem noted for appointment availability it would be difficult to split this GS by meter type as suppliers may not know what type of meter they are installing until the day of the appointment. On installation failures, it considers suppliers (whether delivered in-house or via MOPs/MAMs) are ultimately responsible for ensuring non-domestic consumers have a successful installation irrespective of size and which meter type they choose. On operational issues, whilst the regulator recognised that the technical drivers of non-communicating meters could be different between meter types, given that this GS focuses on suspected issues, there is a case for this to apply to both. Finally, for non-smart mode meters, it considers that suppliers should resolve issues with non-communicating SMETS and advanced meters where they are able to do so and should proactively be raising issues to relevant third parties for action as appropriate.

5 Next steps

The impact assessment RFI will have been issued directly to suppliers at the same time as this consultation being issued, seeking evidence on the costs they may face because of these proposals. This forms part of Ofgem’s approach to assessing the impact of these changes, and outlines its own views on the potential costs and benefits. The consultation closes on 9 May 2025, and once responses to the consultation and the RFI have

been reviewed, Ofgem plans to issue a statutory consultation, alongside a draft statutory instrument with the proposed changes.



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