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### **RECCo response to: Non-Domestic Smart Meter Rollout Post-2025: Areas for further engagement**

We welcome the opportunity to respond to this consultation. Our non-confidential response represents the views of the Retail Energy Code Company Ltd (RECCo) and is based on our role as operator of the Retail Energy Code (REC). RECCo is a not-for-profit, corporate vehicle ensuring the proper, effective, and efficient implementation and ongoing management of the REC arrangements. We seek to promote trust, innovation and competition, whilst maintaining focus on positive consumer outcomes.

As operator of the REC, RECCo has a direct interest in ensuring that any new REC Schedule is capable of being implemented clearly, proportionately and efficiently. This is particularly important where the proposals interact with existing REC arrangements, including CoMCoP accreditation and other metering processes, audit and assurance activity, and wider REC governance and reporting processes. Our comments therefore focus on ensuring that the revised arrangements preserve the intended roles for Ofgem and RECCo, while remaining workable alongside existing code obligations and operational delivery arrangements.

While we have provided a fuller response to the relevant consultation questions in the appendix to this letter, we would draw out the following key points:

- **Governance and role clarity:** We support the revised model, under which the consumer protection code remains in the REC but Ofgem retains responsibility for compliance assessment, investigation and enforcement. We ask that the drafting or supporting guidance makes clear that this separation applies only to the new smart-contingent contract obligations and does not disapply or supersede existing REC or CoMCoP reporting, audit or assurance arrangements.
- **Practical monitoring arrangements:** We support the move away from hard-coded reporting requirements towards an Ofgem-approved monitoring approach developed through consultation. The SCC Monitoring Body, RECCo and REC PAB should also be able to ask clarificatory questions where supplier submissions are unclear or incomplete, provided this remains limited to establishing the factual position.
- **Guidance and case studies:** We support the use of illustrative case studies, remedial works guidance and a consumer guide to rights and expectations. These should help suppliers, TPIs and consumers understand how “all reasonable steps” should operate in practice, while avoiding rigid or exhaustive exemptions that could increase disputes or reduce incentives to resolve practical barriers. The guidance should also be kept under review and refined in light of early operational experience.
- **Use of existing industry knowledge:** DES NZ and Ofgem should draw on existing operational knowledge from the REC and other industry bodies, including Elexon and SECCo, when developing case studies, reason codes and monitoring arrangements. This will help ensure the framework reflects established experience of hard-access, technical, communications and data-quality issues, rather than creating a separate taxonomy from scratch.

- **Transition and implementation clarity:** The final arrangements should also make clear commencement and transitional treatment, including the effective date of the new obligations, the treatment of contracts entered into before commencement, and whether any short bedding-in period is envisaged for early monitoring and reporting.

We are happy to discuss any of the points raised in this response.

Yours sincerely,

**Jon Dixon**  
**Director, Strategy and Development**

## Appendix: RECCo response to further engagement questions

### Consumer code governance arrangements

**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.**

RECCo is broadly supportive of the revised consumer code governance arrangements set out in amended Section 5. We agree with the proposed direction of travel, under which the consumer protection code remains housed within the REC, but with a clearer distinction between REC/RECCo's role in factual monitoring and Ofgem's role in assessing compliance, undertaking investigations and taking any enforcement action.

We consider the revised approach addresses several concerns raised in relation to the original proposals. It reduces the risk of duplicative or overly prescriptive supplier reporting, and clarifies that RECCo, the Code Manager or the REC Performance Assurance Board will not be placed in the position of making regulatory compliance judgements. We also support the proposal that the monitoring approach should be consulted on, should complement rather than duplicate Ofgem and DESNZ reporting, and should be subject to Ofgem approval before taking effect.

However, we would welcome two clarifications.

- 1) Ofgem and DESNZ should make clear that the separation between factual reporting and compliance assessment applies specifically to the new smart-contingent contract requirements under this REC Schedule. It should not be read as disapplying, limiting or superseding existing REC reporting, audit, assurance or escalation mechanisms under other REC provisions, including the Consolidated Metering Code of Practice (CoMCoP). In particular, CoMCoP audit and assurance activity relating to installation standards, installer conduct, appointment outcomes, site access, installation failures, remedial works, consumer communications and microbusiness protections should be able to continue in the ordinary way. Factual outputs from those processes should also be capable of being used as inputs to the SCC monitoring arrangements or provided to Ofgem where relevant. Any assessment of overall compliance with the smart-contingent contract licence and code requirements, and any decision to investigate or enforce those requirements, should remain solely for Ofgem.
- 2) The drafting should clarify that the non-investigative role of the SCC Monitoring Body, RECCo and REC PAB does not prevent them from asking clarificatory questions where a supplier return is incomplete, unclear, inconsistent or non-standard. For example, where a supplier has submitted data in an unexpected format, provided ambiguous reason codes, or included a narrative that does not clearly explain what the data is saying, it should be permissible to ask follow-up questions to confirm the factual position. Such questions should be distinguished from a consequential investigation into compliance. The former is necessary to ensure factual monitoring reports are accurate, complete and useful; the latter should remain a matter for Ofgem.

Subject to those clarifications, we agree that the revised arrangements represent a more proportionate and workable governance model than the original drafting. They retain the benefits of housing the consumer protection code in the REC, while improving role clarity, reducing duplication and ensuring enforcement accountability remains with Ofgem.

**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?**

Yes, subject to the clarifications set out in our response to Q1, we consider that the revised Section 5 implements the policy intentions described in the further engagement document. In particular, the revised drafting gives effect to the intended governance split: the REC provides the framework for factual monitoring and reporting, while Ofgem remains responsible for assessing compliance, undertaking any investigation and taking enforcement action. We also welcome the move away from hard-coded supplier reporting requirements towards an Ofgem-approved monitoring approach, developed following consultation, which should help ensure reporting is proportionate, targeted and aligned with wider DESNZ and Ofgem data collection.

However, to avoid uncertainty in implementation, Section 5 or supporting guidance should clarify that:

- 1) the limits on REC/PAB investigation and enforcement apply only to the new smart-contingent contract obligations, and do not disapply or supersede existing REC or CoMCoP reporting, audit, assurance or escalation arrangements;
- 2) factual outputs from existing CoMCoP or other REC assurance activity may be used as inputs to the SCC monitoring arrangements, or provided to Ofgem where relevant; and
- 3) the SCC Monitoring Body, RECCo and REC PAB may ask clarificatory questions where supplier information is incomplete, unclear, inconsistent or non-standard, provided this is limited to confirming the factual position and does not amount to a compliance assessment.

Subject to those clarifications, we consider the revised Section 5 to be a proportionate and workable way of implementing the policy intent: retaining the consumer protection code within the REC, while preserving Ofgem's role as the sole body responsible for compliance assessment and enforcement.

#### Case studies of supplier enforcement of smart-contingent contracts

##### **Q3: What are your views on the proposal that government could publish case studies as guidance for energy suppliers?**

We support the proposal for government to publish illustrative case studies to support proportionate and consistent supplier decision-making in relation to smart-contingent contracts. We consider this would be particularly helpful in clarifying how "all reasonable steps" should apply in practice, and in helping distinguish between circumstances genuinely outside a customer's control and those where it may be reasonable to expect the customer to act. For example, case studies could usefully cover technical and communications constraints, remedial works, landlord or third-party refusal, customer-created access obstructions, non-domestic site safety constraints, and operational restrictions such as seasonal or out-of-hours access requirements.

However, we would caution against the guidance becoming an overly prescriptive or exhaustive list of exemptions. If framed too rigidly, it could create unintended consequences, including gaming, disputes about whether a scenario falls within a defined exemption, or reduced incentives for suppliers and customers to work together to resolve practical barriers. The case studies should therefore be non-binding, illustrative and capable of evolving over time as market practice develops.

In developing the case studies, government should draw on existing operational knowledge across industry codes and delivery bodies. In addition to RECCo, Elexon, SECCo, the DCC and other parties have all seen hard-access, technical, communications and data-quality issues arise over a number of years. Existing reporting on issues such as non-communicating meters, WAN/signal constraints, SMETS1/SMETS2 deployment, site characteristics and metering data quality should be used to inform a common baseline of scenarios and reason codes. This would support consistency across codes and reduce the risk of creating a new framework that cuts across established operational understanding.

**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?**

We suggest the case studies focus on a non-exhaustive set of scenarios that reflect known causes of delay or installation failure in the non-domestic rollout. These should include:

- **Technical and communications constraints**, including WAN/signal issues, meter positions in basements, metal enclosures, dense building materials or other site characteristics that make communication unreliable.
- **Third-party or landlord constraints**, including refusal, delayed consent, conditional consent, or unclear responsibility for remedial works.
- **Customer-created access issues**, such as blocked meter cupboards, restricted access routes, unavailable site contacts or failure to prepare the site after reasonable notice.
- **Supplier / installer / MEM / MOA issues**, including failed appointments, incorrect equipment, installer availability, or installation failures that are not caused by the customer.
- **Remedial works and non-standard installations**, including cases where safety works, isolation arrangements, asbestos, access equipment or other enabling works are needed before installation can proceed.
- **Operational constraints specific to non-domestic premises**, including business-critical downtime, security restrictions, public sector or Ministry of Defence (MOD)-type sites, seasonal operating windows, farming or industrial cycles, and out-of-hours requirements.
- **Data and evidence issues**, including what should be accepted as reasonable evidence of obstruction, refusal, failed access or technical infeasibility.

The purpose should not be to define fixed exemptions, but to give suppliers, customers, TPIs and Ofgem a clearer shared understanding of how different facts should be treated. That should reduce disputes, improve consistency, and support proportionate enforcement decisions.

We also consider that the case studies should be aligned with monitoring reason codes where possible. This would allow factual reporting to capture the root causes of delay in a consistent way, without turning the reporting process into a compliance assessment.

**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?**

RECCo supports, in principle, a requirement for suppliers to have regard to government case studies when making enforcement decisions under smart-contingent contracts.

This would help ensure that suppliers consider relevant customer circumstances before taking action, particularly where delays arise from technical constraints, third-party obstruction, remedial works, supplier-side failures or other matters outside the customer's control. It should also help promote greater consistency across the market.

However, the obligation should be carefully framed. Suppliers should be required to consider the case studies, not to treat them as an exhaustive set of exemptions or as a rigid decision tree. The guidance should support judgement, proportionality and evidence-based decision-making, while preserving flexibility to address unusual or emerging scenarios.

We suggest the consumer code should require suppliers to be able to evidence that they have considered relevant guidance or case studies before taking enforcement action. That evidence could then form part of the factual monitoring framework, without requiring RECCo, the SCC Monitoring Body or REC PAB to determine whether the supplier's decision was compliant. Any assessment of compliance should remain with Ofgem, consistent with the revised governance model.

### 3. Consumer guide to rights and expectations

#### **Q6: Do you have views on the proposal that government could publish a non-domestic consumer guide to rights and expectations?**

RECCo supports the proposal for government to publish a non-domestic consumer guide to rights and expectations, focused specifically on smart-contingent contracts and the associated consumer protections.

A clear, authoritative guide would help non-domestic consumers understand the policy change, the role of smart or advanced meters in accessing fixed-term contracts, and what they should expect from their supplier before, during and after the contracting and installation process. This aligns with DESNZ's emerging message-testing finding that consumers would expect to be signposted to government communications about the policy, in addition to receiving supplier communications.

The guide could also help reduce disputes by setting out, in practical terms, the distinction between circumstances outside the customer's control and matters where the customer may reasonably be expected to take action. This would be particularly important for non-domestic premises, where installation can be affected by site access, landlord consent, remedial works, signal constraints, site safety requirements, seasonal operations, or the availability of the right site contact. This should also help clarify the boundaries between consumer and supplier responsibilities and help manage expectations.

However, the guide should avoid becoming an overly prescriptive or exhaustive list of exemptions. If framed too rigidly, it could create unintended consequences, including disputes about whether a scenario fits a defined category, or reduced incentives for suppliers and customers to work together to resolve practical barriers. The guide should therefore be illustrative, practical and capable of evolving as market practice develops.

#### **Q7: What would you like to see included in such a consumer guide for non-domestic consumers?**

We suggest the guide should be short, practical and written for non-domestic customers rather than industry specialists. It should explain:

- what a smart-contingent contract is, and why fixed-term contracts may require the customer to have, or agree to have, a smart or advanced meter;
- what information suppliers should provide before the customer enters into a smart-contingent contract, including the consequences of not proceeding with installation;
- what customers should expect around appointment booking, installation timescales, failed appointments, evidence requests and follow-up communications;
- what happens where installation is delayed for reasons outside the customer's control, including landlord refusal, third-party obstruction, technical constraints, communications issues, remedial works or supplier / installer failure;

- what customers may reasonably be expected to do, such as provide access, identify the right site contact, clear blocked meter cupboards, engage with landlord consent processes, or respond to supplier communications;
- how TPIs may be involved, and what customers should expect where a broker, buying group or public sector buying organisation is part of the contracting route;
- where to go for help, including supplier complaints processes, dispute resolution routes and relevant consumer support.

#### 4. Remedial works

##### **Q8: Do you agree with the proposal of adding a protection on remedial works to the consumer protection code?**

Yes. RECCo supports the proposal to add a specific protection where installation is delayed because works are needed at the premises before a smart or advanced meter can be installed.

This would help ensure cooperative customers are not unfairly disadvantaged under a smart-contingent contract where delay is caused by practical constraints outside their control, including matters requiring landlord, electrician, builder, network or other third-party action. This is consistent with the policy intent described in Attachment A, which recognises that remedial works will often be temporary and that it would be unreasonable for a customer to be treated as in breach where additional works are the cause of delay.

However, the protection should be framed carefully so that it does not create a blanket exemption or reduce the incentive for customers and third parties to progress necessary works. The key distinction should be between a customer who is taking reasonable steps to enable the works, and a customer who is not engaging or is responsible for preventable delay.

##### **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?**

We agree that the provision should refer to works in general, rather than attempting to specify an exhaustive list of qualifying works. Non-domestic premises vary significantly, and delays can arise from a wide range of technical, safety, access, landlord, building-fabric or operational issues. A narrow list risks excluding legitimate cases or encouraging arguments about whether a particular issue falls within scope.

That said, the provision should be supported by non-binding guidance or case studies to help suppliers and customers understand how it should apply in practice. Those examples should distinguish between constraints genuinely outside the customer's control, such as signal or communications constraints, landlord consent issues, building composition or necessary safety works, and matters where customer action is reasonably expected, such as clearing blocked meter access or making the right site contact available.

##### **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?**

RECCo supports including remedial works guidance in the proposed non-domestic consumer guide to rights and expectations. This should be practical and consumer-facing, explaining what customers can expect from their supplier, when the supplier or installer is expected to take action, and when the customer may need to engage a landlord, electrician, builder, facilities manager or other third party. It should also explain what evidence may be helpful where works, access issues or third-party decisions are delaying installation.

The guidance should avoid being overly prescriptive or presenting a fixed list of exemptions. Instead, it should use short illustrative examples to help consumers understand common scenarios, such as landlord consent, blocked access, unsafe meter positions, comms constraints, remedial electrical works, out-of-hours access, or operational downtime. This would support consistency and reduce disputes, while preserving flexibility for the varied circumstances found in non-domestic premises.

It should also be aligned with any supplier-facing case studies and monitoring reason codes, so that consumers, suppliers and Ofgem are working from the same practical understanding of remedial works and responsibility.

#### 5. Resource flexibility & access to information on financial circumstances

**Q11: [Energy suppliers or interested parties only] What operational factors could impact suppliers' abilities to drive timely smart meter installation appointments following peaks in demand driven by contract renewals?**

Not answered – question aimed at suppliers

**Q12: [Energy suppliers or interested parties only] What operational systems and processes would need to change, or be developed, to implement the proposals consulted upon?**

Not answered – question aimed at suppliers

**Q13: [Energy suppliers or interested parties only] What information do suppliers have access to, with respect to a non-domestic customer's financial circumstances and ability to pay their energy bills?**

Not answered – question aimed at suppliers