

Department for Energy Security and Net Zero  
3-8 Whitehall Place  
London  
SW1A 2EG

### Non-domestic smart meter rollout post-2025

The IoD is an independent, non-party political organisation representing 20,000 company directors, senior business leaders, and entrepreneurs, typically running small to medium sized businesses in all parts of the UK. It is the UK's longest-running organisation for professional leaders, having been founded in 1903 and incorporated by Royal Charter in 1906. Its aim is to promote good governance and ensure high levels of skills and integrity among directors of organisations. It campaigns on issues of importance to its members and to the wider business community with the aim of fostering a climate favourable to entrepreneurial activity in the UK.

We welcome the opportunity to respond to the [Non-domestic smart meter rollout post-2025](#) consultation. Smart data relating to energy consumption can be a valuable tool for businesses but several issues relating to policy design need to be addressed in order to avoid unintended consequences.

**Q1. Do you agree with the proposed policy package with respect to non-domestic smart-contingent contracts set out in Section One? Please provide rationale and evidence to support your answer.**

We welcome the intent to accelerate smart meter rollout in non-domestic premises but have concerns with elements of the proposed policy package with respect to non-domestic smart-contingent contracts.

First, while the case for change is sound – given that smart meter rollout comes with significant opportunities for non-domestic consumers and that many energy suppliers are already implementing smart-contingent contracts but in a way which regulation could improve – the consultation does not make clear what other policy approaches to increasing smart meter uptake were considered.

Secondly, the policy in its current form is undermined by a lack of transparency regarding where the costs of implementation will fall. While there are no direct, upfront installation fees for smart meters in non-domestic premises, the costs of the rollout are funded via a system-wide cost recovery model meaning that the cost will ultimately be borne by businesses. At the very minimum, this policy should

be accompanied by greater transparency regarding how exactly the costs are being passed onto businesses.

**Q3. Do you have comments or views on the proposed consumer protection code of practice provisions, including:**

**a) whether they achieve the right balance between protecting consumers from the risks of inconsistent treatment from the market whilst minimising risks of misuse by stakeholders that may wish to avoid smart metering installations for other reasons, and**

**b) their alignment with other consumer protections? Please provide rationale and evidence to support your answer.**

The proposed consumer protection code is a welcome step towards protecting non-domestic consumers unable to have a smart meter installed due to circumstances outside of their control. The code broadly achieves a good balance between consumer protection and minimises the risks of misuse by stakeholders but should be strengthened in a few key ways.

The provision in the code to require suppliers to take all reasonable steps to ensure that customers retain the benefit of their fixed term contract where a delay to meter installation outside of their control occurs is crucial. The ‘all reasonable steps’ obligation must be rigorously applied and monitored. Where the delay occurs due to a lack of landlord consent, the code should be explicit that the consumer’s obligation under this provision is limited to making a formal request to their landlord and providing evidence of the refusal to their supplier.

The code should be explicit in stating that suppliers cannot implement any form of penalty before a set period (e.g. 90 days) after the contract begins, to ensure that businesses have a reasonable amount of time to facilitate installation without an immediate risk of penalties.

The code should also address the risk of suppliers unilaterally adding a smart meter requirement to an existing evergreen contract as a new condition for continued supply, by clarifying that any move to make an evergreen contract smart-contingent must be treated as a material variation of the contract, requiring the customer’s explicit consent.

**Q6. Do you have views on the interactions between the policy proposals in Section One and commercial tenants’ rights to arrange for the installation of smart meters in their premises? Please provide rationale and evidence to support your answer.**

Given the high proportion of businesses which rent premises from commercial landlords, being penalised due to being unable to install a smart meter resulting from a lack of landlord consent is one of the most significant risks arising from the policy proposals in Section One.

The provisions in the consumer protection code of practice which protects businesses in the event that the delay to the installation results from a landlord’s refusal goes some way to addressing the core of this concern.

This protection should be proactively communicated to non-domestic consumers; if they are presented with the option of a smart-contingent contract and a more expensive non-smart-contingent contract, a

belief that their landlord will refuse permission for installation may lead them to feel forced to accept the more expensive contract.

Ultimately, however, the consumer protection code does not address the fundamental issue of landlord refusal. As long as non-domestic tenants do not have the power to force landlords to agree to smart meter installation – which would be fraught with legal issues – then they must have an indefinite exemption from penalties relating to a failure to install a smart meter. The code should be explicit that this protection lasts from the point of landlord refusal until the next contract renewal.

We hope you have found these comments useful. If you require further information about our views, please do not hesitate to contact us.

With kind regards,



Alex Hall-Chen

Principal Policy Advisor for Sustainability and Energy

[Alexandra.Hall-Chen@iod.com](mailto:Alexandra.Hall-Chen@iod.com)