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## **ROLL-OUT STARTS NEXT YEAR BUT HOUSEHOLDS STILL KEPT IN THE DARK ABOUT SMART METERS**

Despite more than two million smart meters already appearing in homes and businesses around the country<sup>[1]</sup> and the mandated roll-out due to kick-off next year, new research from uSwitch.com reveals that over half of consumers (55%) still don't know what a smart meter is or does<sup>[2]</sup>. More worryingly, the number who are completely happy with their current level of knowledge has actually fallen in the last year to little over one in ten (13%)<sup>[3]</sup>:

- **Less than half of consumers (48%) think that smart meters will help them to understand their energy usage better and therefore make changes to reduce their bill<sup>[4]</sup> – one of the main benefits of smart metering**
- **Main consumer concerns: cost of roll-out (44%), fears that suppliers will use smart meter data to sell products (40%) and worries around data protection (33%)<sup>[5]</sup>**
- **A third of consumers (33%) are concerned that suppliers will use the installation as an opportunity to sell to them<sup>[5]</sup> – Ofgem has now approved new rules to prevent this**
- **Just a quarter of consumers (26%) believe that energy suppliers will pass smart meter savings on to customers<sup>[6]</sup>.**

Despite smart meters already appearing in homes and businesses across the country, consumers are still being kept in the dark about the scheme, according to new research from [uSwitch.com](http://uSwitch.com), the independent price comparison and switching service. Over half (55%) still don't know what a smart meter is – two in ten (22%) have absolutely no idea, while over three in ten (33%) have heard of them, but don't actually know what they do<sup>[2]</sup>.

The findings come as the UK gears up for the mandated roll-out of smart meters from 2014, at an estimated cost of over £11 billion<sup>[1]</sup>. But as the roll-out draws nearer, the number of consumers satisfied with their level of knowledge has actually fallen, from 19% last year to 13% today<sup>[3]</sup>.

Many of the benefits of smart metering hinge on consumer engagement. However, with such a low level of awareness less than half of consumers (48%) who have heard of a smart meter think that they will help them to understand their energy usage better and therefore make changes to reduce their bill<sup>[4]</sup> – one of the main benefits of smart metering. Similarly, even though estimated billing can cause problems and debt, only 48% of consumers identify accurate and up-to-date bills as a key benefit of the roll-out<sup>[4]</sup>.

However, they are aware of the issues and controversies surrounding smart meters. Over four in ten (44%) are concerned about the cost of the roll-out, while a third of consumers (33%) say that data protection and privacy is an issue<sup>[5]</sup>. And with levels of trust in energy suppliers at an all-time low, many are concerned that suppliers may try to take advantage of the situation. Four in ten (40%) are worried their supplier will use smart meter data to try to sell them things, while three in ten (33%) are concerned that suppliers will use the installation process as an opportunity to peddle products and services<sup>[5]</sup>. Just a quarter (26%) think that suppliers will pass the cost savings from smart meters on to their customers<sup>[6]</sup>.

Ofgem has just approved (25<sup>th</sup> April) a new industry code to protect consumers during the roll-out. The Smart Metering Installation Code of Practice comes into effect 1<sup>st</sup> June, 2013 and includes a ban on conducting sales when installing a smart meter. Energy UK is also in the process of establishing a Consumer Delivery Body, which will be tasked with communicating with consumers and educating them about smart meters.

This cannot come fast enough as just one in ten households (11%) have received information from their energy supplier about smart meters in the last year<sup>[7]</sup> - 40% say that the media has been their main source of information<sup>[8]</sup>.

There is serious work to be done ahead of the roll-out, but also everything to play for in providing consumers with accurate information. With the high cost of energy, 64% of consumers would use smart meter data to cut down on their usage, thus reducing their bills – just one in ten (14%) wouldn't use the information at all<sup>[9]</sup>.

**Ann Robinson, Director of Consumer Policy at uSwitch.com, says:** "Smart meters have the potential to spark a step change in how people think about and manage household energy bills. However, this will only happen if consumers are given the right support and education. This has to happen ahead of the roll-out and, with two million meters already installed, it really is a case of the sooner, the better.

“Knowledge is power. Consumers need to know what the benefits of smart metering are and how to go about realising them. They also need reassurance that smart meters aren’t going to snoop and pry and that they won’t leave the door open for dodgy sales tactics. Ofgem has taken a step in the right direction by approving a new Smart Metering Installation Code of Practice, but the industry now has to keep up the momentum. Without better communication and information we are in danger of seeing consumers switched off before the meters are even switched on.”

**For more information visit [www.uSwitch.com](http://www.uSwitch.com) or call 0800 093 06 07**

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**Notes to editors:**

Research referred to in the notes below was conducted by YouGov Plc on behalf of uSwitch.com. Fieldwork took place 13<sup>th</sup> to 15<sup>th</sup> February, 2013, amongst 2,106 adults with decision making involvement with energy suppliers. Data is weighted to be representative of GB adults.

1. Consumer Focus figures estimate around 2 million smart meters to be installed in homes and businesses around the country by the end of 2012 <http://www.consumerfocus.org.uk/policy-research/energy/smart-meters>
2. In response to: ‘Do you know what a smart meter is?’ 46% said ‘Yes, I know what a smart meter is’. 20% said ‘No, I don’t’, 2% said ‘Don’t know’ and 33% said ‘I have heard of smart meters, but don’t actually know what they do’. The latter three add up to 55% who don’t know what a smart meter is.
3. In response to: ‘Are you happy with your current level of knowledge about smart meters?’ 13% said ‘Yes – totally’. The same question was asked to a YouGov panel of 2,408 adults 3-6<sup>th</sup> February 2012, to which 19% said ‘Yes – totally’.
4. In response to: ‘What do you think the main benefits of having a smart meter will be? (tick all that apply)’.
5. In response to: ‘What do you think are the main issues surrounding the introduction of smart meters? (tick all that apply)’.
6. In response to: ‘Do you think energy suppliers will pass the cost savings from smart meters on to their customers?’
7. In response to: ‘Have you received information in the last 12 months from your energy supplier on the introduction of smart meters?’
8. In response to: ‘Thinking about smart meters, which of the following have been your main sources of information about what is happening?’
9. In response to: ‘A smart meter will provide accurate information about how much energy you are using. How would you use this information?’

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uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost ‘Send us your bill’ service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH,

to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email [CustomerServices@uswitch.com](mailto:CustomerServices@uswitch.com) or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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