

Consultation response

Scottish Fuel Poverty Advisory Panel response to Ofgem's consultation on Radio Teleswitch Service (RTS) Electricity Supply Licence changes

Scottish Fuel Poverty Advisory Panel

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11/03/2025

To: Charlotte Friel, Retail Pricing and Systems, Ofgem

Dear Charlotte,

The Scottish Fuel Poverty Advisory Panel (SFPAP) is an advisory non-departmental public body which provides independent advice to Scottish Ministers on fuel poverty and scrutinises Scottish Ministers' progress towards delivering Scotland's 2040 fuel poverty targets. SFPAP is made up of the following members:

- Matt Cole, Chair of SFPAP and Head of Fuel Bank Foundation
- Margaret Corrigan, Panel Member and former Adviser for the energy advice service provided by East Ayrshire Council
- Kirsten Jenkins, Panel Member and Senior Lecturer in Energy, Environment and Society at the University of Edinburgh
- Alister Steele, Panel Member and former Managing Director of Castle Rock Edinvar Housing Association
- Fraser Stewart, Panel Member and Just Transitions Lead at Regen

Since it was established on the 1st of January 2022 the Panel has engaged widely across the third sector (advice agencies and housing associations) and energy sector (retail and network energy companies, trade associations), yourselves at Ofgem, and with the Energy Ombudsman and Consumer Scotland. It has also engaged with and is informed by those with lived experience of fuel poverty. The Panel's views are informed by this engagement as well as their own knowledge, experience and understanding.

The Panel has heard from concerned stakeholders about the impact the RTS switch off could have on consumers. These concerns have pre-dated the recent RTS switch off campaign, and were part of a number of metering issues that have been brought to our attention through our engagement with consumer groups and stakeholders.

We have previously highlighted these issues to Ofgem¹, including the fact that in rural areas of Scotland, where there is already higher rates of fuel poverty², RTS meters are used by a high proportion of the population. We also know that those households using electric heating systems are also more likely to be living in fuel poverty³. Fuel poverty is not, however, inevitable. Policy choices can impact positively and negatively on the levels and depth of fuel poverty. The approach taken to the RTS switch off has the potential to deepen fuel poverty for those already experiencing it and push more people into fuel poverty.

The energy supply sector has performed poorly over a significant amount of time in the updating of metering technology. Any failure to replace all RTS meters by June 2025 should be viewed alongside delays in the completion of the roll out of smart meters. As we approach the switch off date, suppliers should be doing everything possible to replace the meters of impacted households to ensure this does not happen. However, given that over 160,000 Scottish properties still have RTS meters⁴, it is now highly likely that many households risk not having access to a suitable alternative post-switch off. There appears to have been a lack of accountability for suppliers who have failed to meet their obligations in replacing RTS meters. As such, the Panel would urge Ofgem to ensure that no customer is left without a supply of heating and hot water post-switch off. Furthermore, Ofgem should use its regulatory powers if RTS meters are not switched over in time, and ensure that a no consumer detriment approach is put in place. The costs and burdens of this approach should be carried by the energy suppliers, as outlined in the paragraphs below. Where customers find that their heating and hot water systems no longer work, or capabilities are reduced as a result of the RTS switch off, they should receive emergency support as a priority to ensure that they remain warm, and then compensation.

Potential consequences for customers left with an RTS meter after the switch off

The replacement of RTS meters is complex, and the challenges and implications of the RTS switch off are not always fully understood by the energy industry. Some energy suppliers do not appear to fully understand the risks of households being left without heating or hot water. This is deeply concerning. The Panel has heard from stakeholders about the harm that could occur for consumers left on RTS meters after the switch off. For example, Energy Action Scotland has highlighted that for vulnerable RTS customers there is a genuine risk to life in the event of a catastrophic loss of supply. Furthermore, stakeholders have highlighted that households risk facing increased energy charges (with the associated risk of debt) if their heating is left on as a result of their meter no longer receiving signal. Without enforceable

¹ In our [letter to Ofgem's Director of Retail](#), and our responses to Ofgem's calls for input on the [future of price protection](#) and on [standing charges](#).

² Scottish Government (2025) [Scottish House Condition Survey: 2023 Key Findings - gov.scot](#)

³ Scottish Government (2025) [Scottish House Condition Survey: 2023 Key Findings - gov.scot](#)

⁴ [Radio Teleswitch Service: letter to UK Government Energy Customers Minister - gov.scot](#)

regulations that ensure that this does not occur, the already critical energy debt situation in GB⁵ will be exacerbated.

Even where RTS meters have been replaced, there is still a risk that customers will face higher prices as a result of their new tariffs. In his [January letter to the Minister for Energy Customers](#), the Scottish Government’s Acting Minister for Climate Action, Alasdair Allan MSP, highlighted instances where consumer bills are rising considerably due to the supplier changing the tariff post-meter change.

It is important to note that the potential negative consequences of the RTS switch off will not be evenly spread across society. The table below provides data on five of the six rural local authorities that have significantly higher fuel poverty rates than Scotland as a whole⁶⁷. We can see that, as well as having high levels of fuel poverty, these areas also have low levels of smart meter installations⁸. They also have a high proportion of RTS meters compared to their population share.

Local authority	Estimated % of households with an RTS meter⁹	% of households with a smart meter^{10 11}	Fuel poverty rate¹²
Shetland Islands	47%	10%	31%
Orkney Islands	33%	12%	31%
Na h-Eileanan Siar	21%	16%	40%
Argyll and Bute	18%	27%	32%
Highland	15%	35%	33%

Furthermore, we know that the rate of fuel poverty is higher amongst those using electric heating systems¹³ and, therefore, issues related to the RTS switch off are likely to impact those who are already comparatively more vulnerable.

⁵ [According to Ofgem](#), as of Q3 2024 the total financial value of domestic customer debt and arrears (existing for more than 91 days) stood at £3.82 billion.

⁶ The rate for Scotland as a whole in this report stood at 24%.

⁷ According to the [Scottish House Condition Survey Local Authority Analysis 2017-2019](#).

⁸ Compared to Scotland as a whole where the percentage is 51%.

⁹ These percentages are calculated using Ofgem data on the number of RTS meters left in Scottish local authorities, divided by the total number of households in these local authorities, as per the 2022 Scottish Census. As a small proportion of these RTS meters are likely to be non-domestic, these percentages should be treated with some caution.

¹⁰ Department for Energy Security and Net Zero (2024)

<https://www.gov.uk/government/statistics/smart-meters-in-great-britain-quarterly-update-march-2024>

¹¹ Compared to Scotland as a whole, where the percentage is 51%.

¹² Scottish Government (2021) [Scottish House Condition Survey: Local Authority Analysis 2017-2019 - gov.scot](#)

¹³ Scottish Government (2025) [Scottish House Condition Survey: 2023 Key Findings - gov.scot](#)

Known issues with smart meters

Acknowledging the fact that in most cases RTS meters should be replaced with smart meters, it is important to reflect on some of the issues this can present. Where smart meters are already installed, too many are not fully functional. In August 2022, a survey of 1,580 adults for Smart Energy GB found that 37% of respondents with smart meters claimed to have had an issue with their meter at some point following its installation, including no automatic readings, inaccurate bills and the smart meter or in-home display not showing information¹⁴. Furthermore, surveying by Savanta for Citizens Advice has found that where customers report smart meter issues to their suppliers, they often say their concerns are not addressed promptly by suppliers, causing distrust and disengagement¹⁵.

We also know that there are ongoing issues around smart meter network coverage, with coverage notably lower outside of urban centres¹⁶. In addition, according to DESNZ as of March 2024 3,794,000 installed gas and electricity smart meters in domestic properties in the UK are not operating in smart mode¹⁷.

The Panel has heard that for those households in areas with poor network coverage, it is very likely that even if a smart meter is installed it will immediately work in 'dumb' rather than smart mode with times and tariffs not changeable remotely. It is not possible to update a non-communicating smart meter without an engineer visit, which can be very hard to schedule, especially for those in rural locations. For those with a single rate electricity meter, a non-communicating smart meter is a frustrating inconvenience, but for those with a multi-rate electricity tariff, not having the ability to change settings remotely can be the difference between having or not having heating and hot water.

We understand that there are workarounds in place where there is poor smart meter network coverage which involve:

- Suppliers working out a different way to communicate with smart meters or
- Suppliers offering pre-programmed smart meters that have pre-set off-peak and peak switching times¹⁸

If it is possible that a non-communicating smart meter with preset timings can give equivalent results as an RTS meter, then suppliers need to ramp up their installation of these meters and customers need to be made aware of their options.

¹⁴ National Audit Office (2023) [Update on the rollout of smart meters - NAO report](#)

¹⁵ Citizens Advice (2024) [Get Smarter: Ensuring people benefit from smart meters \(ctfassets.net\)](#)

¹⁶ Kirsten E.G. Jenkins; Benjamin K. Sovacool; Sabine Hielscher (2019) 'The United Kingdom smart meter rollout through an energy justice lens', in *Transitions in Energy Efficiency and Demand*, [9780815356783_text.pdf \(oapen.org\)](#)

¹⁷ Department for Energy Security and Net Zero (2024) [Q1 2024 Smart Meters Statistics Report \(publishing.service.gov.uk\)](#)

¹⁸ [RTS Shutdown \(Radio Teleswitch Service\) | What to do \(changeworks.org.uk\)](#)

The Scottish Government's Acting Minister for Climate Action, Alasdair Allan, has previously [flagged concerns about the lack of penalties for suppliers who fail to replace RTS meters](#). There are currently penalties for failing to meet smart meter targets, but there are no penalties for suppliers who fail to replace RTS with smart meters (whether fully functional or pre-programmed) by June this year. There are also no penalties for the Data Communications Company (DCC) for failing to deliver smart-meter coverage across every part of the country. The Panel support this point and would urge Ofgem to better hold suppliers and the DCC to account.

Proposed Electricity Supply Licence changes

While the proposals include a time limit on how long a receiving supplier has to change a new customers meter, it is unclear how long a supplier has to change an existing customers meter post-switch off. There is also a lack of clarity on what sanctions apply for suppliers who do not change meters within the timeframes. The Panel is clear that effective sanctions and accountability is vital to avoiding detriment to those with RTS meters.

The Panel recommend that there should be an obligation on any supplier accepting switches to clearly understand what they are dealing with and have demonstrated that they can meet the 30-day requirement.

Furthermore, in order to avoid detriment, we would recommend that there is a cap set by Ofgem for customers who previously were supplied through an RTS meters that is calculated on the basis of known use patterns, similar to that in place for Economy 7 meters.

The Panel has heard about the difficulties consumers face in having meters changed. This is sometimes because rewiring of supply points is needed to make a property eligible for a smart meter, a cost which needs to be borne by the household or landlord. In many cases, however, customers face difficulties in accessing engineers, especially when they live in very remote and island areas. The Panel recommends that an industry taskforce considers this issue as a matter of urgency, including the potential for energy suppliers to share engineers. We are aware that this option was discussed in a meeting with the Scottish Government's Acting Minister for Climate Action, with a number of energy suppliers present supporting it in principle.

Post-RTS meter replacement, it is essential that suppliers effectively identify material changes in a household's consumption in order for them to take action to avoid consumer detriment. Building on this, if energy advice organisations will be required to provide support to customers' whose electricity is left permanently on or off they should be funded to do this, as they are already facing significant demand associated with energy debt and the cost of living crisis.

The Panel has heard from stakeholders that there is a need for a single point of contact within energy suppliers for RTS customers. Some consumers report being passed from team to team in order to receive support. This further complicates an already complex issue. We have heard of previous examples where specialist teams

with detailed levels of skills and competencies were in place to support households with complex metering, and we see the consumer benefits that this can deliver.

Finally, it is important to understand that there are several issues that have led to the present situation. It is critical that Ofgem and energy suppliers do not appear to blame customers for not engaging in the run up to the RTS switch off. As we move towards net zero it is important that new relationships are established between customers and suppliers, where any sense of blame can very much destroy that.

The Panel would like to engage with Ofgem once you have considered the evidence from this consultation. We would be happy to do this either with you directly, Charlotte, or as part of a wider stakeholder group.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Matt Cole', with a long horizontal flourish extending to the right.

Matt Cole
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